

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*



Metro[®]

Agenda - Final

Thursday, January 28, 2016

9:00 AM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Board of Directors

Mark Ridley-Thomas, Chair

John Fasana, 1st Vice Chair

Eric Garcetti, 2nd Vice Chair

Michael Antonovich

Mike Bonin

James Butts

Diane DuBois

*Jacquelyn Dupont-Walker**

Don Knabe

Paul Krekorian

Sheila Kuehl

Ara Najarian

Hilda Solis

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

**Via Telephone: St. Louis Grand Marriott*

800 Washington Avenue

St. Louis, MO 63101

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Board Meetings. Interpreters for Committee meetings and all other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600 or (323) 466-3876.

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General Information/Rules of the Board - (213) 922-4600
Internet Access to Agendas - www.metro.net
TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER**ROLL CALL**

1. APPROVE Consent Calendar Items: 2, 7, 8, 12, 19, 20, 21, 22, 23, 24, 29, 30, 31, 32, 37, 38, 39, 40, 41, 43, 47, 48 and 57

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

2. APPROVE **Minutes of the Regular Board Meeting held December 3, 2015.** [2015-1742](#)

Attachments: [RBM Minutes](#)

AD HOC SUSTAINABILITY COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

7. APPROVE proposed **Strategy for Affordable Housing and Sustainable Communities Program**, including: [2015-1721](#)
 - A. policy framework prompting local resolutions as a prerequisite for all partnership and support;
 - B. authorization for staff to include Metro-specific components as described in individual project applications; and
 - C. direct staff on various activities supporting capacity building and planning for AHSC competitiveness.

Attachments: [Attachment A - Oct 30, 2015 comment letter on draft 2015-15 program guideline](#)
[Attachment B - Preliminary component menus.pdf](#)

AD HOC SUSTAINABILITY COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

8. APPROVE proposed **Urban Greening Implementation Action Plan.** [2015-1739](#)

Attachments: [Presentation.pdf](#)

FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**12. CONSIDER:**[2015-1231](#)

- A. ADOPTING the **Investment Policy**, Attachment B, including the addition of 2 new Investment options outlined in Attachment A;
- B. APPROVING the **Financial Institutions Resolution** authorizing financial institutions to honor signatures of LACMTA Officials, Attachment C; and
- C. DELEGATING to the Treasurer or his/her designees, the **authority to invest funds for a one year period**, pursuant to California Government Code Section 53607.

Attachments: [Attachment A LACMTA FOR FYE 2016.pdf](#)
 [Attachment B 2016 LACMTA Investment Policy Final with markup.pdf](#)
 [Attachment C Banking Resolution 01'16.pdf](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 19. APPROVE technical comments on the Southern California Association of Governments' (SCAG) Draft 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).**

[2015-1730](#)

Attachments: [Attachment A - Technical Comments on Draft 2016 RTP-SCS.pdf](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED (4-0):

- 20. APPROVE the inclusion of \$350.0 million of Proposition C 25% funds (or other eligible funds as necessary) in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:**

[2015-1763](#)

- A. the I-5 North Capacity Enhancement (SR-134 to SR-170);
- B. the I-5 South Capacity Enhancement (I-605 to Orange County Line); and
- C. the I-5 South Carmenita Road Interchange.

Attachments: [Attachment A - I-5 North Meas R Replacement Credits](#)
 [Attachment B - I-605 Meas R Replacement Credits](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-1):

21. AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 17 to **Contract No. PS4340-1939 for the I-710 South Corridor Project with URS Corporation (an AECOM Entity) to provide professional services for an additional four month period** in the not-to-exceed amount of \$3,729,598, increasing the total contract value from \$45,794,130 to \$49,523,728.

[2015-1656](#)

Attachments: [Attachment A PS43401939 Procurement Summary](#)
[Attachment B PS43401939 Contract Modification Change Order Log](#)
[Attachment C PS43402015 DEOD Summary](#)
[Attachment D Board Motion 22.1](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

22. AUTHORIZE the Chief Executive Officer to:
- A. EXECUTE Contract Modification No. 5 for **Contract No. PS2415-3268, Van Nuys North Platform Project, with RailPros Inc. (Rail Pros), in the amount of \$399,485 for Phase II bid support and additional engineering services**, increasing the contract value from \$3,176,169 to \$3,575,654; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS2415-3268, Van Nuys North Platform Project, in the amount of \$200,000, increasing the total CMA amount from \$288,750 to \$488,750.
- C. AMEND the FY16 annual budget by \$599,485 representing current year costs of the contract modifications requested above.

[2015-1692](#)

Attachments: [Attachment A Revised](#)
[Attachment B - Contract Modification Log](#)
[Attachment C - DEOD Summary](#)

AD HOC CONGESTION REDUCTION MADE THE FOLLOWING RECOMMENDATION (4-0):

23. ADOPT the **ExpressLanes Toll Policy** as shown in Attachment A.

[2015-1735](#)

Attachments: [Attachment A - ExpressLanes Toll Policy](#)

AD HOC CONGESTION REDUCTION MADE THE FOLLOWING RECOMMENDATION (3-0):

24. APPROVE the **Metro ExpressLanes Round 2 Net Toll Revenue Grant Applications** (Attachments B and C).

[2015-1733](#)

Attachments: [Attachment A - Project Eligibility Guidelines.pdf](#)
[Attachment B- Transit Uses & Roadway Improvements Application.pdf](#)
[Attachment C - System Connectivity-Active Transportation Application.pdf](#)
[Attachment D - Adopted Guidelines for Net Toll Revenue Allocation.pdf](#)
[Attachment E - CAGs meeting attendee list.pdf](#)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

29. AUTHORIZE Contract Modification No. 32 (a.k.a. Contract Change Order, CCO 32) by Caltrans for **Segment 3 construction contract of the I-5 North Capacity Enhancements project from SR-134 to SR-118** under the Funding Agreement No. MOU.P0008355/8501 A/A6, in the amount of \$2,100,000 without an increase in the project budget or contract value.

[2015-1329](#)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

30. AUTHORIZE the Chief Executive Officer (CEO) to execute Change Modification No. 3 to **Contract No. MC071, Westside Extension Support Team (West), to continue providing Construction Management Support Services (CMSS) through Fiscal Year 2017 for the Westside Purple Line Extension Section 1 Project**, in an amount not-to exceed \$23,413,832, increasing the total contract value from \$21,001,079 to \$44,414,911.

[2015-1702](#)

Attachments: [Attachment A - Procurement Summary.pdf](#)
[Attachment B - Contract Modification-Change Log.pdf](#)
[Attachment C - DEOD Summary.pdf](#)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

31. AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 5 to **Contract No. MC070, to Arcadis U.S., Inc., to continue providing Construction Management Support Services (CMSS) through June 30, 2017, for the Regional Connector Transit Corridor Project**, in the amount of \$18,494,981 increasing the total contract value from \$17,135,690 to \$35,630,671. [2015-1594](#)

Attachments: [Attachment A- MC070 Procurement Summary.pdf](#)
[Attachment B - MC070 DEOD Summary.pdf](#)
[Attachment C - MC070 Contract Modification Change Log.pdf](#)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

32. CONSIDER: [2015-1759](#)
- A. INCREASING the Life of Project budget for Project 809081, **Red Line Segment 2 Close-out** in the amount of \$336,697, increasing the previous authorization amount of \$31,510,403 to \$31,847,100;
 - B. AMENDING the FY 16 budget to add \$187,500 to Project 809081, Red Line Segment 2 Close-out;
 - C. INCREASING the Life of Project budget for Project 809082, Red Line Segment 3 Close-out in the amount of \$556,900, increasing the previous authorization amount of \$3,639,000 to \$4,195,900; and
 - D. AMENDING the FY16 budget to add \$62,500 to Project 809082, Red Line Segment 3 Close-out.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

37. CONSIDER: [2015-1157](#)
- A. APPROVING a \$19.9 million multi-year life-of-project budget for **Union Station Capital Improvements project for Fire-Life-Safety (FLS) and Americans with Disabilities Act (ADA) compliance** to acquire and install a back-up generator, to integrate safety, security and emergency lighting upgrades, to complete ADA retrofitting of Union Station West; and

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- B. ADOPTING a Life-of-Project (LOP) budget for Los Angeles Union Station (LAUS) FLS/ADA compliance capital program improvements of \$19.9 million for the following:
1. Emergency back-up generator and fire alarm system for \$10.3M
 2. Safety, security and emergency energy efficient lighting system for \$3.8M
 3. ADA compliance - ADA access retrofitting the historic Union Station for \$5.8M.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

38. APPROVE the FY16 budget amendment of \$42,900,000 for the **acceleration of FTA Section 5307 Federal Funding for FY16 to support the 900 Bus Acquisition** (project 201056). [2015-1699](#)
- Attachments: [Attachment A - September Board Report](#)
[Attachment B - Uses and Sources Table](#)

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

39. AUTHORIZE the Chief Executive Officer to award a 24 month, firm fixed price **contract under Bid Number SD17491 to Cummins Pacific the lowest responsive and responsible bidder for the procurement of 289 Natural Gas Fueled Heavy Duty Engines** for an amount not to exceed \$13,211,635. [2015-1314](#)
- Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - DEOD Summary](#)

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

40. AUTHORIZE the Chief Executive Officer to award a three-year firm fixed unit rate **Contract No. OP4086600 for Uniform Rental Services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,108,087.06 effective April 1, 2016 through March 31, 2019. [2015-1696](#)
- Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - DEOD Summary](#)

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

41. AWARD a not-to-exceed **Contract under Bid No. IFB MA17204 to Worthington Cylinder, the lowest responsive and responsible bidder, for the procurement for Indefinite Delivery, Indefinite Quantity for Compressed Natural Gas (CNG) fuel (cylinder) tanks** for an amount not-to-exceed \$1,462,181.00 inclusive of sales tax. [2015-1316](#)
- Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - DEOD Summary](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

43. APPROVE **Motion by Directors Kuehl, Garcetti, Ridley-Thomas, Dupont-Walker and Bonin** that the Chief Executive Officer: [2016-0066](#)
- A. encourage Metro staff to volunteer for one of the Los Angeles County Homeless counting nights;
 - B. provide tap cards for volunteers to ride our vehicles;
 - C. encourage bus operators to share information with volunteers (locations where homeless are sleeping, bus schedules for next bus on that route, etc.);
 - D. insure that all Metro facilities (stations, platforms etc.) are made available to Homeless Count Volunteers;
 - E. instruct Metro staff to work with LAHSA staff to create a system for documenting homeless population sleeping on or in close proximity to bus benches, stops, stations, parking lots, etc; and
 - F. continue to work closely with LAHSA to make Metro resources available (TAP cards, etc.) for future Homeless Counts.

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED (5-0):

47. A. ESTABLISHING **Internal Savings Account to capture cost savings and revenues generated from RAM**, including deposits from FY15 budget-to-actual savings and FY16 mid-year budget assessments; [2015-1776](#)

-
- B. DIRECTING the CEO to **implement all RAM new initiatives and deposit all cost savings and new revenues generated into the Internal Savings Account**, as identified in Attachment B;
 - C. DIRECTING the CEO to **return to the Board on those initiatives requiring policy changes or Board action before implementing each initiative**, as identified in Attachment B; and
 - D. APPROVING **Internal Savings Account eligible priority uses and withdrawal criteria guidelines**, as identified in Attachment C. Quarterly updates and monitoring of the activities of the account will be provided to the Board.

AMENDMENT: CEO will have authority to withdraw funds for eligible uses in the priority order specified. Withdrawal of funds by the CEO will be allowed if within current Board-approved budget authority and in accordance with agency policies. Use of funds not specified as eligible will require ~~unanimous~~ 3/4 majority Board approval.

Attachments: [Attachment A - Ten Year Financial Forecast and RAM Impact](#)
[Attachment B - RAM New Initiatives 12.30.15](#)
[Attachment C- ISA Guidelines](#)
[Attachment D - RAM Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED (5-0):

- 48. A. AUTHORIZING the Chief Executive Officer to **negotiate salaries** [2015-1796](#)
within the pay range for the following positions:
 - 1. **Chief Planning Officer**, pay grade CC (\$222,476 - \$273,894 - \$325,353)
 - 2. **Executive Director, Vendor/Contract Management**, pay grade BB (\$166,462 - \$208,083 - \$249,704)
 - 3. **Deputy Executive Officer, Goods Movement**, pay grade H1T (\$147,388 - \$184,288 - \$221,166)
 - 4. **Executive Officer, Diversity and Economic Opportunity**, pay grade AA (\$156,832 - \$196,060 - \$235,227)
- B. APPROVING interim pay for the **Interim Chief Planning Officer**, retroactive to December 24, 2015.
- C. AUTHORIZE the CEO to **negotiate salaries** within the pay range for all executive level positions that have been previously approved by the Board as amended to require Board notification.

Attachments:[Attc A - Job Description Chief Planning Officer](#)[Attc B - Job Description Executive Director Vendor Contract Management](#)[Attc C - Job Description Deputy Executive Officer Goods Movement.pdf](#)[Attc D - Job Description Executive Officer Diversity Economic Opportunity.pdf](#)**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION
(4-0-1):**

57. AWARD the third, and final, **one-year option for year 2017 with Outfront Media's revenue-generating bus and rail advertising contracts**; a \$24,000,000 fixed, guaranteed amount of revenue to be received from these agreements by Metro for calendar year 2017.

[2015-1799](#)**Attachments:**[Attachment A - Motion 79.1](#)

NON-CONSENT

3. Report by the **Chair**. [2016-0063](#)
4. Report by the **Chief Executive Officer**. [2016-0064](#)
60. ~~WITHDRAWN: RECEIVE oral report on **Los Angeles World Airports** from Executive Director, Deborah Flint.~~ [2015-1663](#)

FINANCE, BUDGET AND AUDIT COMMITTEE RECOMMENDED (3-0):

13. ADOPT a resolution, Attachment A, that: [2015-1306](#)
- A. AUTHORIZES the issuance of bonds by competitive sale to refund the **Prop A Series 2008-A1, Series 2008-A2, Series 2008-A3 and Series 2008-A4 Bonds** ("the 2008-A Bonds") in one or more transactions through August 31, 2016, consistent with the Debt Policy;
- B. APPROVES the **forms of Notice of Intention to Sell Bonds, Notice Inviting Bids, Supplemental Trust Agreement, Bonds, and Preliminary Official Statement**, all subject to modification as set forth in the resolution; and
- C. AUTHORIZES taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE.)

Attachments: [Attachment A - Authorizing Resolution](#)

PLANNING AND PROGRAMMING COMMITTEE FORWARDED THE FOLLOWING WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:

18. CONSIDER authorizing the Chief Executive Officer to execute a **thirty year (30-year) License Agreement with Clear Channel Outdoor ("CCO") for the installation and operation of a digital outdoor advertising structure at Division 11** located at 1011 Carson Street in Long Beach at a minimum annual lease rate of \$120,000. [2015-1626](#)

Attachments: [Attachment A - Location of Existing Clear Channel Billboards.pdf](#)
[Attachment B - Location of New Digital Billboard Structure](#)
[Attachment C - Summary of License Agreement Key Terms](#)
[Attachment D - Board Motion 48.1](#)

44. RECEIVE AND FILE report of the **Customer Experience Technology Improvements.** [2015-1783](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION

(5-0):

58. APPROVE **Motion by Directors Ridley-Thomas, Butts, Fasana and Antonovich** that the Board of Directors direct the Chief Executive Officer to develop a “**Metro Line to Goal Line**” **Task Force** that is charged with identifying and addressing the variety of transit-related issues and opportunities associated with the imminent arrival of the Rams, and potentially the Chargers, to Los Angeles. [2016-0057](#)

The Chief Executive Officer should report to the Executive Committee in February 2016 with an initial scope of work (to include but not be limited to the issues outlined above) as well as the proposed membership of the Task Force, and thereafter report bi-monthly with a progress report.

- 58.1 APPROVE **Motion by Directors Butts, Ridley-Thomas, Knabe, Fasana, Antonovich and Kuehl** that the Board of Directors Amend Item 58 to: [2016-0070](#)

Instruct the Chief Executive Officer to expeditiously facilitate a Feasibility Study, followed by a Supplemental Environmental Impact Report (SEIR/SEIS) as deemed appropriate, for the Measure R South Bay Transit Corridor Rail Project focusing on an alignment extending from Florence Avenue in Inglewood to the City of Torrance, potentially along Prairie Avenue, as prescribed in Measure R. The cost for this work should come from Measure R Administrative funds; and

Instruct the Chief Executive Officer to ensure that this alignment is considered as part of the “South Bay Transit Corridor Rail Project” within the Long Range Transportation Plan Update.

59. APPROVE **Motion by Directors Bonin and Kuehl** that, upon completion of an environmental assessment, the CEO dedicate staff and resources to pursue re-use of the Site through Metro's Joint Development program. In doing so, Metro shall pro-actively engage with the Venice community in developing design guidelines for the Site and shall require the selected developer to create a community engagement plan that provides for ongoing community and economic benefits for the Venice community. [2016-0067](#)
61. CONSIDER: [2015-1559](#)
- A. ~~HOLDING a public hearing on the proposed rescission of Resolution of Necessity;~~
- B. RESCINDING **Resolution of Necessity** authorizing the commencement of an eminent domain action to **acquire a subsurface easement and a grouting easement in Project Parcels RC-449 and RC-449-1** (Assessor Parcel No. 5161-017-009); consisting of the real property (hereinafter the "Property").
- (REQUIRES TWO-THIRDS VOTE)
- Attachments:** [Attachment A- Site Plan](#)
[Attachment B- Staff Report](#)
[Attachment C- Resolution of Necessity](#)
62. RECEIVE AND FILE response to Motion #39 in September 2015 by Director Knabe on the **San Pedro Red Car Line**. [2015-1662](#)
- Attachments:** [Attachment A - Knabe Motion on San Pedro Red Car Line](#)
[Attachment B - Red Car Line Ridership](#)
[Attachment C - Metro San Pedro Lines](#)
[Attachment D - Letter to Port of LA](#)
[Attachment E - Split Operations Breakdown](#)
63. **MOTION by Directors Antonovich and Fasana** that the Board directs the CEO to return within 60 days with a review of a potential north/south Metro express bus line linking the Metro Gold Line Foothill Extension with other transit stations in the San Gabriel and Gateway Cities subregions, including but not limited to the El Monte Busway station; Metrolink San Bernardino, Riverside and Orange County Lines; Gold Line Eastside Extension, and Metro Green Line. [2016-0071](#)

64. RECEIVE **Annual State of the Agency Address** from Chief Executive Officer, Phillip A. Washington. [2016-0065](#)

65. **CLOSED SESSION:** [2016-0069](#)

A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)(1)

1. Today's IV, Inc., v. LACMTA, USDC Case No. 2:13-CV-378 -JAK-PLA
2. LACMTA v. Parsons-Dillingham, LASC Case No. BC150298 (Consolidated with Case No. BC179027)

B. Conference with Real Property Negotiator - G.C. 54956.8

1. Property Description: 3839 Wilshire Blvd., Los Angeles, CA
Agency Negotiator: Carol A. Chiodo
Negotiating Party: Duk Yang Family Trust, et al.
Under Negotiation: Price and Terms
2. Property Description: 5630 Arbor Vitae Street, Los Angeles, CA 90045
Agency Negotiator: Velma C. Marshall
Negotiating Party: SoCal Partners I
Under Negotiation: Price and Terms
3. Property Description: 5630 Arbor Vitae Street, Los Angeles, CA 90045
Agency Negotiator: Velma C. Marshall
Negotiating Party: DTG Operations, Inc. (Dollar Rent a Car)
Under Negotiation: Price and Terms
4. Property Description: 5601 West Century Blvd., Los Angeles, CA
Agency Negotiator: Velma C. Marshall
Negotiating Party: LRW Century Investment, LLC
Under Negotiation: Price and Terms
5. Property Description: Los Angeles Union Station Train Yard
Agency Negotiator: Calvin Hollis
Negotiating Party: California High Speed Rail Authority, Michelle Boehm, Southern California Regional Director
Under Negotiation: Price and Terms

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN
COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment



Board Report

File #: 2015-1742, **File Type:** Minutes

Agenda Number: 2.

**REGULAR BOARD MEETING
JANUARY 28, 2016**

SUBJECT: REGULAR BOARD MEETING MINUTES HELD DECEMBER 3, 2015

APPROVE Minutes of the Regular Board Meeting held December 3, 2015.



MINUTES
Regular Board Meeting

Thursday, December 3, 2015

9:00 AM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Directors Present:

Mark Ridley-Thomas, Chair

John Fasana, 1st Vice Chair

Michael Antonovich

Mike Bonin

James Butts

Diane DuBois

Paul Krekorian

Sheila Kuehl

Ara Najarian

Hilda Solis

Shirley Choate, non-voting member

Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER AT 9:19 AM.

1. APPROVED Consent Calendar Items: 2, 9, 11, 12, 13, 14, 15, 16, 20, 25, 26, 27, 28, 29, 30, 31, 36, 37, 38, 39, 42, 45, 46, 48**, 50, 51 and 52.

Consent Calendar items are approved by one motion except items 28 and 50 which were held by a Director for discussion and/or separate action.

**Item requires two-thirds vote

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	Y	A	Y	A	Y	Y	Y	Y	Y

Director Fasana introduced Darrell Carr, brother of the late Bob Bartlett. Mr. Carr introduced Bob's immediate family and offered tribute to his brother.

2. APPROVED ON CONSENT CALENDAR **Minutes of the Regular Board Meeting held October 22, 2015.** **2015-1675**

3. RECEIVED report by the **Chair.** **2015-1706**

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	Y	A	Y	A	Y	Y	Y	Y	Y

Chair Ridley-Thomas made a motion to hold a Closed Session discussion regarding the temporary restraining order being filed December 4, 2015 in Little Tokyo. This matter came to the attention of the Board subsequent to posting of the agenda. Motion was seconded by Director Solis and unanimously approved.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	Y	A	Y	A	Y	Y	Y	Y	Y

DK = D. Knabe	MB = M. Bonin	JF = J. Fasana	DD = D. DuBois
PK = P. Krekorian	MA = M. Antonovich	JB = J. Butts	
JDW = J. Dupont-Walker	MRT = M. Ridley-Thomas	HS = H. Solis	
SK = S. Kuehl	EG = E. Garcetti	AN = A. Najarian	

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT

4. RECEIVED report by the **Chief Executive Officer.** 2015-1707

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	Y	Y	Y	A	Y	Y	Y	Y	Y

9. APPROVED ON CONSENT CALENDAR the **2016 Regional Transportation Improvement Program for Los Angeles County** as shown in Attachment A. 2015-1449

10. APPROVED AS AMENDED: 2015-1436

A. a fare structure for the **Metro Countywide Bike Share Program** as proposed (Attachment A); and

B. authorizing the initiation and **implementation of a phased Regional Bike Share Interoperability Strategy** including the following:

1. Implement Step 1 - Bike Share-enabled TAP card as Bike Share ID and Step 2 - Existing TAP card as Bike Share ID in 2016; and
2. Continue to collaborate with TAP on an interoperability strategy for Step 3 - Seamless User Interoperability and report back in Spring 2016.

SOLIS AMENDMENT to expand the introductory pricing period to 60 days.

KUEHL AMENDMENT to ensure adequate marketing regarding introductory pricing.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

11. APPROVED ON CONSENT CALENDAR: 2015-1603

- A. programming \$2,585,858 for the **Burbank-Bob Hope Airport/Hollywood Way Metrolink Station Project (BHA Project) in Surface Transportation Uniform Relocation Assistance Act (STURAA) funds;**
- B. establishing the Life of Project (LOP) Budget at \$8,439,858;
- C. programming \$2,500,000 in Measure R 3% funds for the BHA Project;
- D. amending the FY 2015-16 Metro budget to include \$1,000,000 in Measure R 3% funds for the construction of the BHA Project;
- E. authorizing the Chief Executive Officer, or his designee, to negotiate and execute all agreements necessary for this action.

12. APPROVED ON CONSENT CALENDAR: 2015-1326

- A. the updated **project list and changes in the funding levels for the Measure R Highway Subregional Program (MRHSP) in Arroyo Verdugo, Las Virgenes-Malibu, South Bay, North County, and Gateway Cities subregions** as shown in Attachment A.
- B. **a time extension for Lindero Canyon Road Interchange Improvements;** and
- C. authorizing the Chief Executive Officer (CEO) to negotiate and execute all necessary agreements for approved projects

13. ADOPTED ON CONSENT CALENDAR the **Development Guidelines (Attachment A) for the joint development of 15.6 acres of Metro-owned property at the North Hollywood Station.** 2015-1356

14. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer (CEO) to: 2015-1434

- A. amend the existing Short Term Exclusive Negotiating Agreement with **Bridge Housing Corporation/East LA Community Corporation for the property at 1st and Soto;** and
- B. execute an Exclusive Negotiating Agreement with **Abode Communities for the property at Cesar Chavez and Soto,** for 18-months with the option to extend up to 30 months.

15. APPROVED UNDER RECONSIDERATION the Chief Executive Officer to execute an amendment to the Exclusive Negotiating Agreement with **A Community of Friends to extend its term for an additional 6 months, for the joint development of Metro-owned property at 1st and Lorena Street along the Metro Gold Line Eastside Extension.** **2015-1512**

16. APPROVED ON CONSENT CALENDAR rescinding prior authority to enter into an **Exclusive Negotiations and Planning Agreement with McCormack Baron Salazar for the Metro-owned property at Cesar Chavez and Fickett.** **2015-1507**

17. APPROVED WITH AMENDING MOTION: **2015-1608**

A. the 2017 **Long Range Transportation Plan (LRTP) Update Proposed Performance Metrics Framework** (Attachment A) to be used in analyzing all proposed major transit and highway projects (including Measure R projects not yet under construction) in order to develop a Potential Ballot Measure Expenditure Plan; and,

B. received and filed the LRTP Potential Ballot Measure Framework Working Assumptions in Attachment B, the Stakeholder Process Input (through an On-Line Link) in Attachment C, the Subregional Stakeholder Project Priorities in Attachment D, the Regional Facility Provider Needs Lists in Attachment E, and the Roadmap for LRTP Potential Ballot Measure Process in Attachment F.

KUEHL AMENDMENT to move “increased access to parks and open space” from Quality of Life to Accessibility category.

17.1 APPROVED **AMENDING MOTION** by **Ridley-Thomas, Garcetti, Butts and DuBois** that the Board of Directors revise the Performance Metrics Framework for Major Projects to allocate a 45% weight to the Mobility category and proportionally reduce all other categories equally. **2015-1704**

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

County Counsel announced the following **ACTION FROM CLOSED SESSION** that the Board authorized staff to delay to early January 2016 closure of Little Tokyo Arts District Station, scheduled to commence on December 1, subject to agreement that they will not file a court challenge.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

20. APPROVED ON CONSENT CALENDAR: 2015-1304

A. authorizing the Chief Executive Officer (CEO) to exercise Option 4.3, Additional Year of Operation and Maintenance (O&M) - Year 3, Modification No. 63 for contract PS0922102333 with **Atkinson Contractors, LP (Atkinson) for Metro Expresslanes Operations and Maintenance** in the amount of \$3,072,000, increasing the total contract price from \$118,991,335 to \$122,063,335;

B. authorizing the CEO to execute Contract Modification No. 64 for additional **O&M Support Costs** for Option Year 3 in the amount of \$10,383,408, increasing the total contract price from \$122,063,335 to \$132,446,743.

C. authorizing the CEO to execute Contract Modification No. 65 for **Additional Transponders and Retail Packaging** in the amount of \$3,240,000, increasing the total contract price from \$132,446,743 to \$135,686,743.

D. an increase in Contract Modification Authority (CMA) for Contract PS0922102333, to Atkinson in the amount of \$17,203,063 increasing the total CMA from \$60,934,978 to \$78,138,041 to cover the costs of the recommended Contract Modifications above, and any pending and future changes listed in the Contract Modification/Change Order Log (Attachment C).

E. amending the FY16 budget by \$5,915,257 representing the current fiscal year portion of the above contract modifications.

Record will reflect that Metro legal counsel is working to take appropriate action regarding patent infringement lawsuit.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
				C								

25. AUTHORIZED ON CONSENT CALENDAR the Chief Executive **2015-1572**
 Officer to execute a Contract Modification to Contract No. C0988 with
Walsh/Shea Corridor Constructors (WSCC), to increase Contract Schedule
C Provisional Sums Items for the Crenshaw/LAX Transit Project in an
 amount not to exceed \$3,000,000, increasing the total contract value from
 \$1,286,777,827 to \$1,289,777,827.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
				C								

26. AUTHORIZED ON CONSENT CALENDAR an increase in **2015-1596**
 Contract Modification Authority (CMA) to Contract No. C0974 with **McCarthy**
Building Companies for Division 13 Bus Operations and Maintenance
Facility in the amount of \$1,000,000, increasing the total CMA from \$18,512,000
 to \$19,512,000. This action does not affect the FY2016 or Life of Project budget.

27. APPROVED ON CONSENT CALENDAR: **2015-1555**

- A. extending Contract No. MC069 with **Stantec Consulting, Inc. to provide Construction Management Support Services for Crenshaw/LAX Transit Project, including the Southwestern Yard**, from March 2016 to June 2021. All other existing Contract Work Orders not pertaining to Crenshaw/LAX Transit Project will be closed by March 18, 2016;
- B. an increase to the Crenshaw/LAX Transit Project CWO16 and Southwestern Yard CWO27 within Contract No. MC069, with Stantec Consulting, Inc. to provide Construction Management Support Services in an amount not-to-exceed \$28,566,728 for the FY16/FY17 18-month Work Program Funding increasing the CWO values from \$28,607,941 to \$57,174,669. Therefore, the total contract value will increase from \$97,412,136 to \$125,978,864; and
- C. Chief Executive Officer to execute individual Contract Work Orders and Modifications within the Board approved contract value.

28. APPROVED: 2015-1630

- A. increasing the **Life of Project (LOP) Budget on the Regional Connector Project** by \$131.8 million, from \$1,420 million to \$1551.8 million;
- B. increasing the **Regional Connector FY16 Budget by \$20 million**;
- C. the CEO to execute Contract Modification No. 32 to Contract C0980, Regional Connector Constructors (RCC) for additional utility work and schedule recovery measures, in an amount not-to-exceed \$49,000,000, increasing the total contract price from \$986,177,590 to \$1,035,177,590; and
- D. the CEO to execute Contract Modification No. 33 to Contract C0980, Regional Connector Constructors (RCC) for the addition of a fan plant at the wye junction, in an amount not-to-exceed \$12 million, increasing the total contract price from \$1,035,177,590 to \$1,047,177,590. Upon Board approval of this recommendation and execution of Modification no. 33, staff will cancel Modification No. 4 \$4.1 million. Therefore, the net effect of this additional work is \$7.9 million.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	A	Y	Y	A	Y	Y	Y	Y	Y

29. AUTHORIZED ON CONSENT CALENDAR the Chief Executive 2015-1597
 Officer to Execute Contract Modification No. 57 to Contract No. PS43502000
 Parsons Brinkerhoff Inc. to **provide continued design support services during construction for Section 1 of the Westside Purple Line Extension Project**,
 from December 2015 through June 2017, in the amount not-to-exceed
 \$9,282,218 increasing the Total Contract Value from \$152,503,103 to
 \$161,785,321.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
				C								

30. APPROVED AND ADOPTED ON CONSENT CALENDAR project 2015-1601
 definition changes, CEQA Addendum and Findings and authorize staff to file a
 Notice of Determination on the Addendum for the **Westside Purple Line
 Extension Project - Section 2.**

31. APPROVED ON CONSENT CALENDAR an increase in Contract **2015-1600** Modification Authority (CMA) for **pending and future Contract Modifications in the amount of \$400,000 for Contract No. C1043 Universal City Pedestrian Bridge, awarded to Griffith Company**, increasing the total CMA from \$2,142,500 to \$2,542,500. This action does not affect the Life of Project budget.
36. AUTHORIZED ON CONSENT CALENDAR the Chief Executive **2015-1238** Officer to award and execute a five-year, indefinite delivery, indefinite quantity Contract No. PS3825500 beginning December 1, 2015, with **Xerox Corporation the highest rated proposer for the lease and maintenance of multi-function peripherals for convenience copying** in an amount not-to-exceed \$3,757,066, inclusive of estimated sales taxes.
37. AUTHORIZED ON CONSENT CALENDAR the Chief Executive **2015-1481** Officer to award a 24-month, firm fixed price contract under Bid Number 15-0004 to the following lowest responsive and responsible bidders for the **purchasing of bus components** for a base amount not to exceed \$1,280,509 inclusive of sales tax, and a one year option amount of \$1,306,116 inclusive of sales tax, for a total contract amount of \$2,586,625.

Each component, contract value and award is listed as follows:

- A. **New Flyer Industrial for line item 3 (Module - ECU, ABS System)** for a total Contract value of \$170,286 and;
- B. **Cummins Pacific, LLC for line items 5 (Module - Electronic Control 8.9L Gas Plus), 6 (Module - Electronic Control ISL 8.9L) and 11 (Module - Ignition Control)** for a total contract value of \$2,416,339.
38. APPROVED ON CONSENT CALENDAR implementing the **2015-1564** **proposed Metro Silver Xpress (Line 950) and discontinue Line 450 in December 2015**, which will have no Disparate Impact on minority populations and cause no Disproportionate Burden on poverty populations.

39. APPROVED ON CONSENT CALENDAR:

2015-1651

- A. the Chief Executive Officer to execute Modification No. 10 to Contract No. OP24122716 with **Xerox State and Local Solutions, Inc. (Xerox) to extend the Transit Court Citation Processing Services support for up to twelve (12) months**, for the period covering December 12, 2015 through December 31, 2016, for an amount of \$437,880, thereby increasing the total contract value from \$2,264,692 to \$2,702,572.
- B. increasing Contract Modification Authority from \$187,149 (10%) to a total of \$374,298 (20%) to allow for contract modifications as needed to address potential increased citation volume due to the opening of additional lines.

40. APPROVED MOTION by Antonovich, Najarian and Solis that: 2015-1673

- A. The CEO assign staff to complete a comprehensive Cost/Benefit analysis for the Los Angeles County subsidy to Metrolink; and
- B. That until such analysis is completed and approved by the board, any and all funding requests from Metrolink shall come to the MTA board for approval prior to Metrolink full board approval; and
- C. That the Chair of the MTA board create an ad hoc committee to convene, as required, to vote on Los Angeles County Metrolink issues and to direct the cost/benefit analysis. Said study shall include MTA staff, including, at a minimum, finance and innovation executives, to oversee a cost/benefit analysis to look at innovative ways the MTA can best serve the Los Angeles County constituency; and
- D. That the ad hoc Metrolink committee be convened beginning January 2016; and
- E. That staff complete the cost/benefit analysis and report back to the board in March 2016.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	A	Y	Y	A	Y	Y	Y	Y	A

42. APPROVED UNDER RECONSIDERATION AS AMENDED 2015-1655
amendment of Title 6, Chapter 6-05 of the Los Angeles County Metropolitan Transportation Authority Administrative Code, otherwise known as the Metro Customer Code of Conduct, as set forth in Attachment A. The amended Code will become effective January 1, 2016.

SOLIS AMENDMENT under section 6-05-100 Disorderly Conduct to remove Item J, "Placing feet or shoes on seats or furnishings."

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

43. ADOPTED AS AMENDED the **proposed 2016 Federal and State Legislative Program** 2015-1686

AMENDING MOTION by Antonovich, Solis, Kuehl, Krekorian, Najarian and DuBois that the Board directs the CEO to:

- A. Include in Metro’s 2016 Federal Legislative program support and advocacy for the following items related to potential federal freight movement funding legislation:
1. a reasonable portion of rail capacity created for goods movement be reserved for use by public agencies that operate commuter railroads;
 2. additional diesel emissions created by expanded rail operations resulting from capacity created through such legislation be offset as much as possible by funding for and incentives to use improved locomotive emission technology;
 3. additional and significant funding will be provided to construct more grade separations in Los Angeles County to offset additional traffic delays and pollution caused by idling at blocked at-grade crossings;
- B. return at the January 2016 Metro Board meeting with a presentation on the following:
1. all Metro-related Class I railroad projects scheduled for development and/or construction in Los Angeles County in 2016;
 2. details on what pro-active and ongoing community outreach efforts will be made to work with local residents and businesses to ensure transparency and public input on these projects; and

(Continued on next page)

(Item 43 – continued from previous page)

3. a detailed plan to provide outreach to and work with the communities in the Northridge area affected by the Raymer to Bernson double track railroad project.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

43.1 WITHDRAWN: AMENDING MOTION by Fasana that the 2016 Legislative program be amended to seek legislation similar to AB 2568 (Bloom-2014) that would amend existing law by prohibiting a member, alternate member, or employee of the authority who has participated as a decision maker, from accepting employment within one year of leaving the authority with any vendor, company, or business entity that was awarded a contract as a result of their participation, if that participation took place within one year prior to the member, alternate member, or employee leaving the authority. 2015-1705

44. CARRIED OVER: AUTHORIZING the Chief Executive Officer to execute a thirty year (30-year) License Agreement with Clear Channel Outdoor (“CCO”) for the installation and operation of a digital outdoor advertising structure at Division 11 located at 1011 Carson Street in Long Beach at a minimum annual lease rate of \$120,000. 2015-1626

45. APPROVED ON CONSENT CALENDAR: 2015-1628

- A. the Chief Executive Officer to execute a ten year (10-year) Lease Agreement, including an option to extend for an additional five (5) year term, with **Groundwork Coffee and Tea Community (“Groundwork”)** for the operation of a retail business at the **Historic North Hollywood Train Depot** at a first year annual lease rate of \$3.50/square foot or \$40,740; and
- B. the new net revenues generated to be applied to the Risk Allocation Matrix savings.

46. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to **amend the existing revenue contract with Allvision LLC (Allvision)** to provide for the following terms: 2015-1629

- A. Metro will waive the requirement for Allvision to pay \$500,000 in accrued Guaranteed Annual Revenue Payment that was due June 30, 2015;
- B. Allvision will waive and not recapture \$769,000 in incurred Contractor Expenses that were reimbursable costs under the revenue contract resulting in an increase in future net incremental revenue payments to Metro;
- C. Allvision will reduce its revenue share from 30% to 25% of the Net Incremental Revenue payable for billboard project structured under Option 1 of the Board-approved Strategic Plan;
- D. Allvision will receive 25% of net incremental revenue generated from the proposed City-approved digital billboard project in Long Beach and the proposed digital billboard project in Carson, if those projects are successfully completed and generating revenue;
- E. Allvision will develop, for Metro staff approval, a proposed work plan and budget prior to commencing any new billboard projects; and
- F. Allvision Contractor Expenses incurred from any future billboard projects in the City of Los Angeles will not be subject to reimbursement from net incremental revenue being generated from the existing billboard project in Downey, the proposed City-approved digital billboard project in Long Beach and proposed digital billboard project in Carson until Metro has received the Minimum Annual Guaranteed Payment (MAGP) owed under the Amended and Restated Contract as of such date.

48. APPROVED BY 2/3 VOTE UNDER RECONSIDERATION: 2015-1593

- A. finding that utilizing design-build delivery pursuant to Public Utilities Code ("PUC") Section 130242 will achieve private sector efficiencies in the **integration of the design, project work, and components related to the construction and installation of new roofs at Divisions 11 and 22 to later enable the installation of solar photovoltaic ("PV") systems at Divisions 9, 11, 22 and the Expo Yard;**
- B. authorizing the Chief Executive Officer to solicit a design-build contract for **design, construction and installation of new roofs for Divisions 11 and 22,** pursuant to PUC Section 130242; and

(Continued on next page)

(Item 48 – continued from previous page)

C. increasing the Life of Project Budget for the **Lighting Retrofit at two Rail Divisions project** (CP#204801) from \$1,557,000 by \$2,648,100 to include design and construction of new roofs for Divisions 11 and 22; the new LOP amount will be \$4,205,100.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

50. AUTHORIZED AS AMENDED the **expansion of the Pilot Business 2015-1674 Interruption Fund** to include funding for eligible small “mom and pop” businesses directly impacted by unprecedented full street closures with a duration greater than 6 continuous months such as the planned work at 2nd & Broadway segment of the Regional Connector transit rail project.

SOLIS AMENDMENT requested further analysis with a report back at January’s Board meeting.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	A	A	Y	Y	A	Y	Y	Y	Y	Y

51. APPROVED ON CONSENT CALENDAR **Motion by Antonovich 2015-1693 and Fasana** that in recognition of Bob Bartlett’s accomplishments that the Metro Maintenance and Operation Facility in Monrovia, be named the Bob Bartlett Division; and

FURTHERMORE that the Gold Line Monrovia Station be dedicated to Robert “Bob” Bartlett.

52. APPROVED ON CONSENT CALENDAR **Motion by Antonovich 2015-1694** that the Metro Board directs the CEO to provide Metrolink-eligible funding to continue the 100% fare enforcement pilot program for the Antelope Valley Line through the remainder of Fiscal Year 2016 (June 30, 2016).

53. APPROVED BY 2/3 VOTE:

2015-1658

- A. HOLDING a public hearing on the proposed Resolution of Necessity; and
- B. ADOPTING a **Resolution of Necessity authorizing the commencement of an eminent domain action to acquire a fee interest in the real property underlying a portion of Bronson Avenue**, described above and shown on Attachment "A" (hereinafter the "Property").

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

55. AUTHORIZED AND APPROVED the appropriation of:

2015-1717

- A. \$3.0 million in Measure R 3% - Metrolink Capital funds as match to \$9.9 million in State grand funds for the **procurement of 2 locomotives**; and
- B. an amount not to exceed \$3.3 million of Proposition C 10% - Commuter Rail funding in support of **Metrolink's temporary lease of up to 40 BNSF locomotives**.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	C	Y	Y	A	Y	Y	C	Y	Y

54. CLOSED SESSION:

2015-1709

**A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)
(1):**

1. Today's IV, Inc., v. LACMTA, LASC Case No. BS137540

NO REPORT.

2. Amelia Galvan, et al. v. LACMTA, LASC Case No. BC552028

AUTHORIZED settlement of \$3,850,000.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	A	Y	Y	A	Y	A	Y	Y	Y

3. Yisel Ortiz, et al. v. LACMTA, LASC Case No. BC525587

AUTHORIZED settlement of \$1,650,000.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	A	Y	Y	A	Y	A	Y	Y	Y

4. Ronald Rhames v. LACMTA, LASC Case No. BC554302

AUTHORIZED settlement of \$375,000.

DK	PK	JDW	SK	MB	MA	MRT	EG	JF	JB	HS	AN	DD
A	Y	A	Y	A	Y	Y	A	Y	A	Y	Y	Y

B. Conference with Real Property Negotiator - G.C. 54956.8:

1. Property Description: 8401 Wilshire Boulevard, Beverly Hills, CA
Agency Negotiator: Velma Marshall
Negotiating Party: Shawn Shoushani and Sean Fahimian
Under Negotiation: Price and Terms

NO REPORT.

(Continued on next page)

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2. Property Description: 8421 Wilshire Boulevard, Beverly Hills, CA
Agency Negotiator: Velma C. Marshall
Negotiating Party: Shawn Shoushani and Sean Fahimian
Under Negotiation: Price and Terms

NO REPORT.

3. Property Description: 5600 Arbor Vitae Street, Los Angeles, CA 90045
Agency Negotiator: Velma C. Marshall
Negotiating Party: Charles Jackson
Under Negotiation: Price and Terms

NO REPORT.

ADJOURNED at 1:47 p.m.

Prepared by: Collette Langston
Board Specialist


Michele Jackson, Board Secretary



Board Report

File #: 2015-1721, **File Type:** Policy

Agenda Number: 7.

**AD HOC SUSTAINABILITY COMMITTEE
JANUARY 20, 2016
~~EXECUTIVE MANAGEMENT COMMITTEE~~
~~JANUARY 21, 2016~~**

SUBJECT: CAP-AND-TRADE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM STRATEGY

ACTION: APPROVE ADOPTION OF PROGRAM STRATEGY

RECOMMENDATION

APPROVE proposed **Strategy for Affordable Housing and Sustainable Communities Program**, including:

- A. policy framework prompting local resolutions as a prerequisite for all partnership and support;
- B. authorization for staff to include Metro-specific components as described in individual project applications; and
- C. direct staff on various activities supporting capacity building and planning for AHSC competitiveness.

ISSUE

One of eleven programs in the California Cap-and-Trade portfolio, the Affordable Housing and Sustainable Communities (AHSC) program provides opportunities to fund affordable housing along with mobility and urban greening improvements intended to reduce greenhouse gas emissions. The 2016 program will allocate \$400 million statewide. The program seeks to incentivize the inclusion of active transportation and transit access investments in multi-component collaborative projects. The creation of a cohesive Metro framework and strategy will prompt project applications consistent with Metro’s priorities and will allow for Los Angeles County projects to compete more successfully for funding.

DISCUSSION

The AHSC program is one of 11 programs funded through cap-and-trade revenues. It was created by the Legislature (SB 862- 2014), and receives an on-going allocation of 20% of cap-and-trade funds (\$400 million for 2016). As administered by the California Strategic Growth Council, the

program is intended to fund affordable housing along with transportation infrastructure, amenities and programming with the intent of reducing vehicle miles traveled and greenhouse gas emissions from passenger vehicles. The program is also intended to implement regional Sustainable Communities Strategies, and as such, has been of on-going interest to the Ad Hoc Sustainability Committee.

Metro has worked extensively on positioning the agency and Los Angeles County for the AHSC program since its inception in 2014. The Sustainability Committee has received regular updates on these activities. The first year of the program (2014-15) funded 8 housing-focused projects in Los Angeles County. Active transportation improvements were focused on relatively easy to implement additions to housing, such as on-site bicycle parking.

At the October meeting of the Ad Hoc Sustainability Committee staff provided a status report and preliminary strategy for Metro's participation in the AHSC program, and was directed to return to the committee with a fully elaborated strategy informed by updated program guidelines.

Recent Guidelines changes/Metro comments

As of December 17, 2015, the Strategic Growth Council will have adopted revised AHSC program guidelines. The current set of draft guidelines, released September 17, 2015, seek to address issues observed in the first year of the program, including comments raised at various junctures by Metro. Of note the new program guidelines:

- Favor projects that align with the program's policy objectives and show consistency with established policy at the regional level;
- Include point-based incentives for meaningful collaboration between the housing and transportation sectors;
- Incentivize the inclusion of active transportation infrastructure in program applications;
- Incentivize the inclusion of water, energy and urban greening components.

Metro submitted comments on the most recent draft guidelines in October 2015. Those comments are attached.

Objectives

The purpose of this strategy is to further Metro's objectives for this important new state funding source. Those objectives, as proposed here, are:

- Assure competitiveness of applications from Los Angeles County and increasing the county's share of funding awards;
- Promote high quality projects that invest in Metro's priorities including first/last mile connectivity, active transportation, affordable housing near stations, and urban greening;
- Improve the overall capacity within the County to plan, seek funding, and deliver projects;
- Reinforce the State's program goals calling for meaningful collaboration across sectors.

AHSC strategy components

- Policy framework

The revised program guidelines provide competitive points for projects that align themselves with established policies and plans intended to reduce transportation related greenhouse gasses and vehicle miles traveled. While Metro has a substantial body of such policies, including the Countywide Sustainability Planning Policy, it will be more clear and efficient for applicants for Metro to create a specific policy framework for the AHSC program. The purpose of Metro policy for AHSC is to clearly communicate Metro's preferences for development and local transportation infrastructure in areas surrounding Metro transit stations, to prompt project applications with the greatest regional benefit, and to allow communities a clear way to position projects for competitive advantage. To that end, staff is proposing adopting a policy statement as follows:

AHSC requires multi-component project applications that include affordable housing, transportation infrastructure, transportation amenities, transportation programming, urban greening and other investments. Metro supports project applications in Los Angeles County that:

- Increase the supply of affordable housing near transit particularly at the lowest income levels feasible;
- Implement Metro's First/Last Mile Strategic Plan and Planning Guidelines, improving accessibility and safety for transit passengers;
- Include transportation infrastructure improvements in the public right-of-way;
- Utilize Metro's Urban Greening Plan and Toolkit;
- Include creative partnerships to achieve community development objectives identified through a community engagement process;
- Where feasible, fund implementation of Metro Bikeshare stations, Metro Bike Hubs, or other Metro infrastructure;
- Where feasible, provide Metro Transit Passes to housing project residents .

In order to provide support letters for individual projects, or for Metro to be involved as a partner applicant or participating entity, Metro will require a resolution from the local agency where any given project is located acknowledging and supporting these priorities.

It should be noted that this policy framework is closely related to the Metro's emerging work on Transit Oriented Communities. To that end, the Metro Board may wish to review and revise this policy periodically for consistency.

- Metro role in individual projects - The competitive framework established by the current guidelines creates a strong incentive for transportation agencies to be included as partner applicants. Metro generally views this program as an appropriate funding source for local transit supportive projects such as first/last mile improvements. In some cases Metro may be a direct partner/funding recipient, especially where bike share stations and bike hubs are

appropriate. In all cases, Metro is seeking to catalyze partnerships that include transportation infrastructure investments with broad public benefits. Each potential project will be considered separately, with options to include:

1. Metro as a partner/co-applicant (where Metro receives funds for bike share, bike hubs, or other Metro-specific activities such as stop or station improvements).
 2. Metro as a participating entity, facilitating transportation infrastructure investment with a local city or the County of Los Angeles (e.g. first/last mile or active transportation project in a local right-of-way).
 3. As a supporter based on consistency with the policy framework proposed here.
- Outreach/training/technical assistance - Metro will collaborate with various entities in Los Angeles County to provide broad based capacity building, training and outreach for local agencies. Metro's activities will include communication on program basics (timelines, eligible projects, etc.) to all interested jurisdictions, presentations to subregional Council of Governments meetings, and coordination with other entities including SCAG to provide a basic level of knowledge about the program. Additionally, Metro is initiating a training program for local agencies around First/Last Mile. The purpose of the training is to orient local staff to the first/last mile planning methodology, and to prompt the creation of concept plans that are ready to compete for funding. Metro is currently working with partners and stakeholders to in Los Angeles County to establish a collaborative process that will address a broad range of technical assistance and capacity building needs for both the public sector and for private housing developers. These partners, convened by the LA THRIVES collaborative, include philanthropic foundations, local government agencies, housing, public health, transportation, and environmental experts, and community development financial institutions. The goals of this TA effort are to accelerate public-private partnerships and support high quality competitive applications - particularly integrated projects with both affordable housing and transportation infrastructure elements. Metro's aim leverage available resources in its targeted partnerships described above.
 - Plan development - The AHSC program requires that planning for projects be complete, or near complete, in order to compete for funding. That being the case, Metro will work with partners to introduce AHSC requirements and this policy framework into on-going planning programs (e.g. TOD Planning Grants if this program is continued by the Board, and the Joint Development TOC demonstration project.). Similarly, Metro will work with SCAG, as a function of the Joint Work Program to align SCAG Sustainability Program grants to creating funding-ready projects in Los Angeles County. Finally, a number of Metro's standalone planning efforts, such as an upcoming plan for First/Last Mile implementation for the Blue Line will be completed with AHSC implementation funding in mind.
 - Municipal level partnership/ pipeline development - As part of this overall strategy Metro is proposing to partner with a limited number of interested jurisdictions (6-8) in order to pilot planning and project delivery techniques geared to AHSC. This effort will involve a mapping exercise that will overlay potential housing projects, planned transportation improvements, and

green infrastructure needs. Additionally, Metro will work with cities to compile lists of planned transportation infrastructure improvements (or improvements that can proceed with minimal planning and discretionary process) that can be readily attached to partnership applications. To this end, Metro has applied for a Caltrans Sustainable Communities Planning Grant in partnership with the City of Los Angeles. If we are successful, the grant will support developing and refining planning techniques in Los Angeles and allow for the process to be replicated in other jurisdictions. Metro will select jurisdictions with which to work based on the following criteria (we are currently working with subregional COGs to identify potential partners):

- Interest;
 - Policy alignment (e.g. adoption of local resolution as described above), as well as other policies required by the AHSC program such as, but not limited to, local land use and transportation plans, anti-displacement policies, and climate action plans;
 - Presence of at least one Disadvantaged Communities census tract;
 - Ability to catalogue housing, transportation and greening projects, within the jurisdiction that are eligible to compete for funding;
 - Staff time and capacity to participate in strategy development, mapping exercise, and subsequent planning;
 - Active affordable housing programs
- Menu of Metro components- Metro's primary objective in any given project application is roadway improvements for first/last mile and active transportation. The program also creates opportunities for lower cost, less process-intensive investments such as bike hubs, bike share stations, and improvements to Metro stops and stations. Metro staff will develop a concise menu describing how each of these components can be included in project applications. Preliminary versions of these component menus are attached.

Support for projects - given SGC's new emphasis on policy consistency, we believe that Metro support for projects will be valuable in the competitive process. That being the case, we propose to establish clear criteria for Metro support for applications, including: a local resolution as described above, the inclusion of a priority component (transportation infrastructure in the public right of way, implementation of first/last mile, implementation of urban greening, inclusion of affordable housing in accordance with Metro policies), and where appropriate the funding of Metro-specific facilities as part of the project.

DETERMINATION OF SAFETY IMPACT

The recommended action will not have a negative impact on safety. The activities associated with this report may result in successful grant applications addressing first/last mile connectivity to transit as well as other improvements for active transportation. These projects would tend to improve safety for Metro customers along with other cyclists and pedestrians in Los Angeles County.

FINANCIAL IMPACT

Adoption of the proposed AHSC Strategy would not have direct financial impact to the agency. The strategy directs staff activity consistent with previously adopted policies, including the Countywide Sustainability Planning Policy and the First/Last Mile Strategic Plan. Indirect positive financial impact could result from successful grant applications through the AHSC program.

Impact to Budget

Staff activity related to the recommended action is currently accommodated within the Metro budget for FY 15-16 at project 450005 task 01.01 (Countywide Sustainability Plan). Activity for future years is subject to budget approval.

ALTERNATIVES CONSIDERED

The Board may consider no action. Under this scenario, applicants may proceed without an established Metro policy framework, but would encounter substantial additional difficulty in compiling competitive applications with full points awarded for collaboration, policy consistency, and inclusion of active transportation components.

The Board may further consider adopting a policy framework, but without describing specific Metro components (bike share stations, bike hubs, bus station or stop amenities). As per above, this course of action would make it more difficult to craft competitive applications.

NEXT STEPS

Pending consideration of this item by the Committee and the Metro Board, staff will:

- Provide broad outreach to jurisdictions regarding the policy framework and opportunities for collaboration;
- Select pilot jurisdictions with which to work on pre-planning and application development;
- Collaborate with other regional entities on technical assistance efforts;
- Participate at varying levels as described on individual applications;
- Provide on-going updates to the Committee.

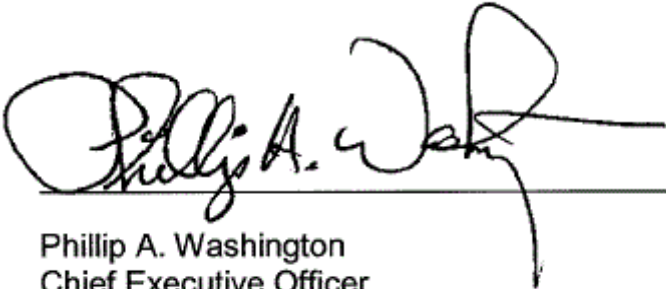
ATTACHMENTS

Attachment A - October 30, 2015 comment letter on draft 2015-16 program guidelines

Attachment B - Preliminary component menus

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October 30, 2015

Randall Winston
Acting Executive Director
California Strategic Growth Council**COMMENTS ON DRAFT 2015-2016 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM GUIDELINES**

Dear Mr. Winston:

We appreciate and thank you for your effort to continue to evolve this important program. In particular, we and our partners in the transportation community and the Los Angeles region have raised several areas for improvement in the program that you have addressed through the latest round of guideline revisions, including providing a clear incentive for the inclusion of meaningful active transportation improvements in project applications.

Our interest in this program is in assuring that resources are invested in high value transportation investments that complement the growing transit system in our County, and that foster the type of collaboration and comprehensive community-scale investment that the program envisions. As you know, we are working closely with our partners and stakeholders to develop a strategy that will foster high quality project applications and realize the objectives of this program in Los Angeles County. Our comments at this time are geared toward assuring that this shared vision for the program is realized.

In that vein, we would like to make the following suggestions for revising and strengthening the current draft program guidelines:

-Reinstate the requirement that TOD area applications include a transportation infrastructure component. While we understand the desire to allow for more flexibility in crafting applications, we fear that leaving transportation infrastructure as optional will short-cut potentially fruitful partnerships, and we are not confident that the point based incentive for including transportation components will be sufficient. Further, we simply disagree with the assertion that areas served by high quality transit do not need additional investment. To the contrary, these areas often suffer from poor connectivity and multi-modal access. Emphasizing improvements in this area will have a profound effect on greenhouse gas emissions.

-Clarify the distinction between transportation infrastructure and transportation amenities. We appreciate the desire to create different levels of investment in transportation, but this component of the program could be strengthened through more clear definitions. In particular, full service bicycle hubs and bike share stations are designed and implemented by Metro as extensions of the transit system which will impact access and mode split. These should be clearly defined as transportation infrastructure.

-Partnership and collaboration points. We strongly support the notion that housing and transportation collaboration should be rewarded with points in the competitive process, as reflected by our comments on prior program guidelines. We also agree that a \$1 million threshold creates an aggressive goal for transportation investment. However, this approach

may prove to be too inflexible to reward meaningful collaboration in most instances. We are concerned that transportation agencies may not have a ready supply of planned and unfunded projects at that level. As an alternative we would suggest either awarding partial points at a \$500,000 threshold or rewarding collaboration points based on a more qualitative standard that would assess meaningful participation of the transportation partner.

-CEQA. We appreciate the improved language on project readiness for transportation projects and flexibility on project that will be CEQA exempt. We feel this provision can be strengthened further by clarifying how a project applicant can demonstrate the likelihood of a CEQA exemption (such as citing similar prior projects or submitting a statement from a third party expert). It should be clear to public sector entities involved in an application that representations on a project do not pre-judge their formal CEQA process, even if that process is likely to result in a Notice of Exemption or a Negative Declaration.

-Urban Greening . We applaud the new emphasis on greening components in the current draft guidelines. As you know, Metro has recently completed an SGC funded planning effort that establishes the importance of green infrastructure in a transit-supportive environment. This portion of the AHSC program, though, could be strengthened through additional definition and clarity. We would recommend a clear preference for greening components that are: a) on public property, b) permanent with maintenance commitments, and c) consistent with or based on a plan that considers larger scale hydrology, heat reduction, and other greening needs.

Thank you again for your consideration, and for the great progress that is being made on this important program. We urge you to view Metro as your partner in assuring the success of this program. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Martha Welborne". The signature is written in a cursive, flowing style.

Martha Welborne, FAIA
Chief Planning Officer

Attachment B – Metro Components Preliminary Draft Menu

1. Metro Bike Hub

General Description

Metro Bike Hubs are high-capacity bicycle parking facilities that provide secure bike parking in an enclosed room, such as a storefront space, building or a gated structure. The facility utilizes controlled access, CCTV provides security coverage, and a large quantity of bike racks are available and arranged in an efficient manner. Registered users lock their bike to an available bike rack with their own lock. Metro Bike Hubs can operate with attended services where staff performs registration support and assistance, provides retail sales for bike parts and repair services, and conducts other program activities such as bike education. They can also operate as unattended, self-serve facilities with controlled access, CCTV, and secure bike racks that are more space-efficient than bike lockers.

Location consideration

Metro Bike Hubs are recommended at Metro stations where frequent transit service and the need for first-last-mile transit access has been identified. Metro Bike Hubs at transit stations should be near main entrances or within a close proximity of 50 FT. Visibility and location should be intuitive upon approaches from the public realm. For a Metro Bike Hub that is anticipated to be located on a Metro parcel as part of a joint development site, coordination with Metro's Joint Development team will be required. Location siting within such developments should be well thought out so that the facility is easy to find and within 500 FT of the station.

Metro opened the El Monte Metro Bike Hub in September 2015. Other planned locations within the Metro system through 2018 include: Hollywood/Vine Red Line, Culver City Expo Line, Union Station, and North Hollywood Red/Orange Line. Future planned locations beyond 2018 include Willowbrook/ Rosa Parks and Airport Metro Connector.

Space considerations

Space considerations for the size and capacity of a Metro Bike Hub will vary depending on anticipated demand and location context. Metro will provide design criteria and direction in identifying space needs through station ridership evaluation and formulating estimates for the number of bike parking spaces to be provided. Local municipal codes for bike parking will also need to be taken in to consideration. If an attended bike hub is anticipated, then operator-repair/retail space will be required in addition to the space for bike parking. Example space needs for a 24 bike- parking space in a self-serve facility could be approximately 400SF, and for a 200 bike-parking space attended facility, necessary space could be approximately 3000SF.

Cost considerations

Depending on the location, capacity, design, staffing and operating hours, costs will vary significantly.

Estimated Metro Bike Hub Capital Costs

- Unattended, self-serve: \$1,500 to \$5,000 per space
- Attended, full-serve: \$4,000 to \$10,000 per space

Estimated Metro Bike Hub Annual Operating Costs

- Unattended, self-serve: \$10,000 to \$50,000 per location
- Attended, full-serve: \$60,000 to \$200,000 per location

Operating scenarios include unattended and attended. Unattended facilities may be suitable for locations with demand for secure bike parking that replaces bike lockers where space is limited. Attended Metro Bike Hubs should be considered where demand is high and the location is at a major transit station hub with multiple transit providers, bike share, mobility hub options, mixed land uses and other retail business and services. Demand for retail and/or repair services at some locations may justify providing this additional amenity.

Timing considerations

Planning, implementation and development will require coordination with Metro and ample lead-time is necessary to account for bike hubs already in implementation and coordination with outside entities including local agencies and other stakeholders.

Process/steps involved

As a Metro Bike Hub facility, the following process and steps shall be:

- Coordination with Metro Planning for development, review and evaluation of proposed location to identify needs, operational program and plan, funding sources, and etc.
- Design must meet Metro standards utilizing the Metro Bike Hub established branding, access technology requirements, equipment specifications and operational procedures.
- May require Metro Board approval for locations not on Metro property and/or not included in planned stations for bike parking improvements.
- Create or contribute to an escrow account for developer fees to provide capital funds and funding for at least three years of operational support.
- Identify station sponsorship opportunities.

2. Metro Bike Share Station Donation

General Description

The Metro Board has approved a bike share pilot in Downtown Los Angeles including up to 80 stations and 1,000 bicycles. Expansion implementation of future phases is dependent on Metro Board approval and available funding. Metro is seeking partners who wish to provide or enhance quality transportation for their employees, students, clients, tenants or visitors by donating a station. **A \$160,000 donation funds, capital, approvals, shipping, operations and maintenance (O&M), startup costs, and installation for one station.**

Location Consideration

Proposed stations shall be within 1/4-1/2 mile (Federal Transit Administration defined transit walk-shed) of an existing or planned bike share station. Other locations will be considered on a case-by-case basis for compatibility with overall Metro Bike Share operations. Metro, and the local jurisdiction, reserve the right to deny a proposal for a station donation if the location is not feasible or compatible with the existing or proposed system network. Bike share systems are successful only as a network and stations cannot exist stand-alone. Expansion of the Metro Bike Share system is currently be considered for the following communities/cities:

- City of LA communities including: Boyle Heights, Exposition Park, University Park, Westlake/McArthur Park, Koreatown, East Hollywood, Hollywood, North Hollywood, and Venice
- Culver City
- LA County Unincorporated communities including: East LA and Marina del Rey
- Downey
- Huntington Park
- Pasadena
- Burbank
- Glendale
- San Fernando

Space Considerations

Proposed locations must meet the following criteria:

- Unobstructed space (approximately 13' x 65' or 20' x 35') depending on station size and configuration
- Hard, smooth, flat substrate such as asphalt, concrete, brick or pavers
- Sufficient sunlight for solar operations; and

- Stations within the public right of way must be approved by governing jurisdiction prior to installation. Some locations may require additional approvals (e.g., by Metro for locations on Metro property)

Cost Considerations

The cost per station is \$160,000 which includes capital, start-up, approvals, O&M costs . Long term the overall O&M costs will be offset by fares and potential sponsorship of the system.

Process/Steps Involved

Metro Board and corresponding local jurisdiction approval must be secured for station donations prior to the implementation of a new bike share station. Prior to submitting a grant application for **AHSC funding, cities shall** seek the review of the local jurisdiction and Metro prior to submitting a grant. A license agreement will be required for stations on private property and a city permit or approval will be required for stations in public right-of-way. A 50% deposit is due at the time of commitment, and the remaining 50% is due upon receipt of station order.

Timing Considerations

Installation lead-time varies between 6-9 months to account for equipment manufacture, planning and permitting.

Station Donation Benefits

For a \$160,000 per station cost, your organization receives:

- Metro Bike Share station serving your organization or property, pending approval by the relevant agencies or property owners;
- Operation and maintenance of the station as part of the broader Metro Bike Share network;
- Recognition as a station donor on the Metro Bike Share website;
- Individualized recognition through Metro Bike Share social media at time of launch and at special events;
- If the station is on private property, recognition of donor support on the map panel of the donated station with a logo and following (or similar) text “Station donated by....”; and
- Potential opportunity to purchase advertising rights for that individual station based on availability and subject to local jurisdiction advertising policies and restrictions. Depending on station location (private vs. public ROW) policies and restrictions may apply.

3. General Tools and Guidance for Transportation Infrastructure, Transportation Amenities and Urban Greening

- **First/Last Mile Strategic Plan**

Brief Description – The First/Last Mile Strategic Plan establishes a method for assessing conditions around any transit stop or station that results in the identification of a priority network that can be improved. The Strategic Plan also lays out a series of potential improvements for implementation including addition of active transportation infrastructure, right of way reconfiguration, signage and wayfinding, among others. The unifying concept of first/last mile implementation is the Metro PATH, a series of physical, visual, and information improvements that create an intuitive, seamless, and safe environment around transit.

Resources – The Strategic Plan and Planning Guidelines are available online here:

http://media.metro.net/docs/First_Last_Mile_Strategic_Plan.pdf

Additionally, Metro will be offering training for local agency staff during 2016. Dates, times and locations will be posted on the Metro Sustainability website, here:

<https://www.metro.net/projects/sustainability/>

- **Wayfinding signage –**

Brief Description – Wayfinding signage provides consistent, clear direction to assist riders in navigating to transit stations. Through a separate grant program, Metro coordinates local implementation of wayfinding signage for Metro stations. Applicants for AHSC funding may be able to include a request for wayfinding signage, consistent with criteria established for Metro's program. Metro will provide more detailed guidance on how wayfinding can be included as an AHSC component prior to the application deadline for 2016.

Resources – Program materials for the current Metro grant program are online here:

https://www.metro.net/projects/call_projects/wayfinding-signage-grant/

- **Active Transportation Strategic Plan (in progress, to be completed by Summer 2016) –**

Brief Description - The Active Transportation Strategic Plan provides an analysis of the needs for active transportation infrastructure in Los Angeles County, guidance on project planning, funding and implementation, and a preliminary existing conditions analysis around 650 transit stations and stops.

Resources – Project website with working documents, data:

<https://www.metro.net/projects/active-transportation/strategic-plan/>

- **Urban Greening Toolkit (Metro Green Places)**

Brief Description – Metro Green Places is a newly available toolkit that provides guidance on approximately 60 greening and placemaking strategies that can be implemented around transit infrastructure. Tools are for greening, water, energy, community events, education, and other topics.

Resources – Website will be available soon with a link from:

<https://www.metro.net/projects/sustainability/>

- **Station and stop improvement/amenities**

Brief Description – Metro may be able to include improvements to rail stations and bus stops (shelters, seating, information kiosks, etc.). Inclusion of these components can be considered on a case-by-case basis. General guidance information will be provided at a later date.



Board Report

File #: 2015-1739, **File Type:** Program

Agenda Number: 8.

AD HOC SUSTAINABILITY COMMITTEE JANUARY 20, 2016

SUBJECT: URBAN GREENING IMPLEMENTATION ACTION PLAN

ACTION: APPROVE URBAN GREENING IMPLEMENTATION ACTION PLAN

RECOMMENDATION

APPROVE proposed **Urban Greening Implementation Action Plan**.

ISSUE

Metro completed an urban greening plan funded by a grant from the Strategic Growth Council. At the Ad-Hoc Sustainability Committee meeting on October 14, 2015, committee members directed staff to develop an implementation action plan to put the urban greening plan into practice.

DISCUSSION

The recommended action would approve an Urban Greening Implementation Action Plan with the following components discussed in detail further below:

- developing a carbon calculator;
- training and outreach to cities;
- demonstration projects;
- inter-agency collaboration;
- internal training;
- consideration in Metro programs;
- online mapping tool;
- funding options research.

Metro plays a key role in creating a sustainable region in Southern California. Over the past several years, Metro has overseen the creation of a comprehensive policy framework positioned to promote sustainable and transit-supportive development and public investments. The foundation of this effort is the Metro Countywide Sustainability Planning Policy (CSPP). In keeping with established best practice in sustainability planning, the CSPP is structured around the three dimensions of sustainability: equity, economy, and environment. To contextualize these universal concepts to mission and roles of Metro, the CSPP identifies three primary themes: "Connect, Create, and Conserve." The CSPP lays out how Metro's planning practices can foster sustainable outcomes - as

a regional mobility provider (Connect), a project manager (Create), and a steward of public funds (Conserve).

To further articulate the concepts put forward in the CSPP, Metro is the process of preparing or implementing a growing number of plans and toolkits, including: the First/ Last Mile Strategic Plan, Complete Streets Policy, and Active Transportation Strategic Plan (ATSP), Transit-Supportive Development Toolkit, and the Urban Greening Toolkit.

One goal of the Urban Greening Toolkit is to work in conjunction with Metro's First/Last Mile Strategic Plan by providing resources and best practice guidance for greening and place-making that support transit access and infrastructure. The Urban Greening Toolkit offers an additional degree of articulation regarding the types of strategies that can be applied both in the immediate vicinity of Metro stations. The Urban Greening Toolkit expands the realm of opportunity first identified in the First/Last Mile Strategic Plan to address elements of the built environment that can attract transit riders and provide an environmental benefit.

The Urban Greening Toolkit has been created as a web portal which provides flexibility to incorporate lessons learned and best practices, and enables the sustainability principles in the CSPP to be refined into strategies and projects that can be implemented in individual communities and neighborhoods near Metro facilities, thus enabling the transition from policy to practice. The Toolkit also helps Metro contribute broad regional sustainability goals by putting forth tools to align investments in land use, transportation and the environment.

The Los Angeles region is facing multiple impacts from climate change including water supply and quality, air quality, and heat. As a steward and good neighbor, Metro has an opportunity to continue to expand its sustainability practices on the ground. Currently, Metro is a leader in sustainable practices. There are a number of related Metro board actions that this Urban Greening Implementation Action Plan supports. On October 15, 2015, the Ad-Hoc Sustainability Committee directed staff to pursue an Implementation Action Plan for the Urban Greening Plan.

- Metro Board Motion on Drought Awareness (2015) - On June 18, 2015, the Metro Board approved a drought awareness motion to continue proactive water conservation and management. This motion includes potable water reduction goals, irrigation and landscape goals to respond to the extreme drought conditions in the state.
- First Last Mile Strategic Plan (2014) - In April 2014, the Metro Board adopted the First Last Mile Strategic Plan to expand the reach of transit, maximize multi-modal benefits and build on the RTP/SCS.
- Countywide Sustainability Policy and Plan (2012) - In December 2012, Metro's Countywide Sustainability Policy and Plan (CSPP) was adopted. The CSPP identifies urban greening as a sustainability priority.
- Climate Action and Adaption Plan (2012) - This plan creates a framework to evaluate and prioritize areas of opportunity for Metro to reduce greenhouse gas emissions from operations and present an approach for responding to the likely impacts of climate change on Metro's system.
- Water Action Plan (2010) - This plan provides strategies for water conservation and determines the potential for water conservation opportunities

- Greenhouse Gas Emissions Cost Effectiveness Study (2010) - This report evaluates current and potential future Metro sustainability strategies for their costs and impacts on greenhouse gas emissions.

Through this expertise and its role in the region, Metro is uniquely positioned to facilitate local responses to climate change that increase accessibility as well as livability. To do this, an implementation action plan is detailed below. The action items include: developing a carbon calculator, training and outreach to cities, demonstration projects, inter-agency collaboration, internal training, consideration for inclusion in Metro programs, online mapping tool, and funding options research.

Implementation Action Plan

Develop a Carbon Calculator

In order to predict and track the positive environmental impacts of specific urban greening interventions, a carbon calculator is needed for the categories of tools in Metro's Urban Greening Toolkit. This calculator would build on existing carbon calculators and tailor an approach to quantify benefits. Once developed, this calculator will also assist LA-area agencies apply for grants by quantifying the environmental benefits of urban greening tools.

Training and Outreach to Cities

A crucial element of the implementation action plan is providing training to city staff and policy makers. This will include briefing meetings for subregions to educate local agency partners and the public on the Urban Greening Toolkit and its benefits. The trainings will focus on the need and opportunity for urban greening, overview of the Urban Greening Toolkit, how to incorporate greening elements into accessibility projects, and development of sample projects. Through the trainings, Metro would facilitate interdisciplinary, multi-benefit projects with regional significance. Trainings would also position projects in the region for appropriate funding opportunities.

Demonstration Projects

Another essential step toward widespread implementation is to demonstrate to cities and the community how some of the urban greening tools can be applied in projects near transit stations. To do this, Metro will work with internal departments, cities and Los Angeles County to identify appropriate greening tools for short, medium and long term projects. These demonstration projects will be evaluated for effectiveness, environmental benefit, and general ongoing sustainability. Staff proposes to execute four small- to medium-scale projects to move the urban greening tools from planning to application. Pending action on these recommendations, staff would develop criteria and process for demonstration projects that would include local partnership, community involvement, and any Metro investment being matched by local resources.

Inter-Agency Collaboration

Staff has submitted a grant application for the Caltrans Transportation Planning Sustainable Communities grant program. The submitted project aims to coordinate housing, first / last mile and green infrastructure planning and provide a way to streamline project development that looks at these three categories of projects. Many locations that would be suitable for urban greening fall outside Metro's direct jurisdiction. During the Urban Greening Toolkit development, questions were raised

about how Metro would implement urban greening projects off Metro-owned property. If awarded grant funding, this proposed project would serve as a case study for inter-agency coordination on greening connected to transit.

Internal Training

Staff would expand the reach of the Urban Greening Toolkit by holding trainings for internal Metro departments on the elements of the plan and how additional greening tools could be incorporated into Metro's own projects or projects that Metro manages.

Consideration in Metro Programs

If this Urban Greening Implementation Action Plan is approved by the board, staff would begin discussion and coordination to determine how urban greening could be implemented into Metro programs - allowing for both a regional and local focus for our efforts.

Mapping Tool

The Urban Greening Toolkit includes analysis of environmental factors relevant to greening throughout LA County. To make this information interactive and easily accessible, an online mapping tool would be developed in concert with other web-based mapping efforts by Metro project teams. This online tool will aid Metro, cities and community groups in determining the appropriate locations for greening tools based on underlying environmental factors such as hydrology or urban cooling needs. Additional overlays would situate users to other related factors, as available through relevant Metro data efforts.

Funding Options Research

This action item would highlight specific funding sources and financing options for greening projects. The research would identify public and private grant opportunities and other mechanisms available to cities and community groups to see greening tools put into action.

FINANCIAL IMPACT

\$200,000 (\$50,000 per demonstration) will be requested in FY17 if this Implementation Plan is approved by the Board. The cost center manager and Chief Planning Officer will be responsible for budgeting these costs during the FY17 budget development.

Impact to Budget

The source of funding will be determined as part of the overall budget process. We currently are considering Proposition A, Proposition C, and TDA Administration, which is not eligible for bus/rail operating and capital uses.

ALTERNATIVES CONSIDERED

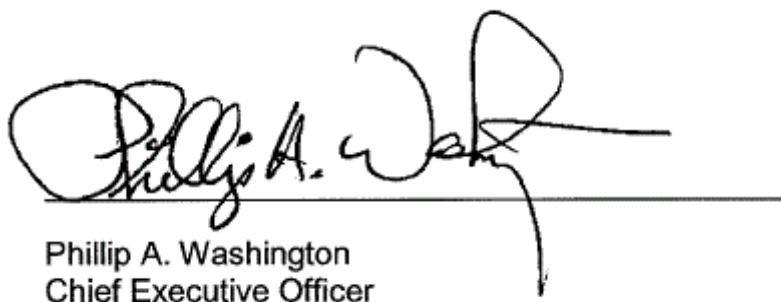
One alternative to the recommendations is to not approve the Implementation Action Plan. In this case, the Urban Greening Toolkit would continue to be a resource for Metro, local agencies and communities, however implementation would be less coordinated and more ad-hoc in the region.

NEXT STEPS

If approved, staff would begin implementing each of these items. A timeline would also be developed and staff would report back at the next committee meeting on the schedule and status. Staff would track implementation efforts throughout the Los Angeles County and periodically update the Urban Greening Toolkit with case studies and examples as greening projects connected to transit stations are completed.

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Phillip A. Washington
Chief Executive Officer

Urban Greening Implementation Action Plan

Ad Hoc Sustainability Committee

January 20, 2016



Metro

Metro: A leader in Sustainability

- Existing Board Motions
- Sustainability Planning Policies
- Sustainability Practices in
Construction and Operations



Action Items

- Developing a carbon calculator
- Training and outreach to cities
- Demonstration projects



Action Items

- Inter-agency collaboration
- Internal training

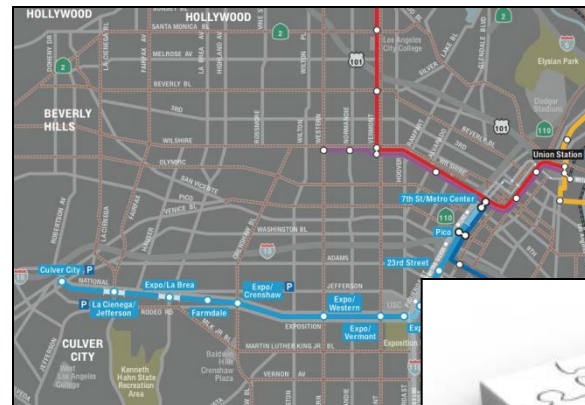


Action Items

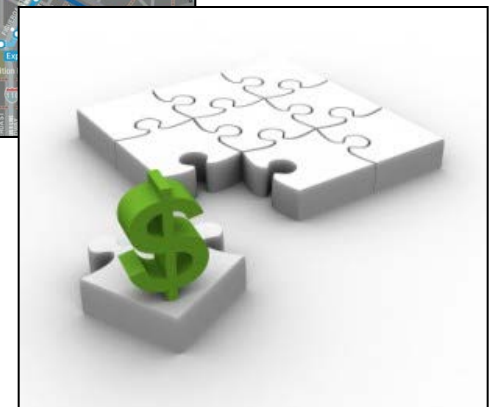
- Consideration in Metro programs



- Online mapping tool



- Funding options research



**Board Report**

File #: 2015-1231, **File Type:** Policy

Agenda Number: 12.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2016**

SUBJECT: INVESTMENT POLICY

**ACTION: ANNUAL ADOPTION OF INVESTMENT POLICY AS REQUIRED BY CALIFORNIA
GOVERNMENT CODE**

RECOMMENDATION

CONSIDER:

- A. ADOPTING the **Investment Policy**, Attachment B, including the addition of 2 new Investment options outlined in Attachment A;
- B. APPROVING the **Financial Institutions Resolution** authorizing financial institutions to honor signatures of LACMTA Officials, Attachment C; and
- C. DELEGATING to the Treasurer or his/her designees, the **authority to invest funds for a one year period**, pursuant to California Government Code Section 53607.

ISSUE

Section 53646 of the Code, requires that the Board, on an annual basis and at a public meeting, review and approve the Investment Policy. Section 53607 of the Code, requires that the Board delegate investment authority to the Treasurer on an annual basis.

Section 10.8 of the Investment Policy requires that the Treasurer submit the Financial Institutions Resolution to the Board annually for approval.

DISCUSSION

The Board approves the objectives and guidelines that direct the investment of operating funds. Proposed revisions to the current Investment Policy add permitted investment options in conformance with the Code and are presented in Attachment A.

Financial Institutions require Board authorization to establish custody, trustee and commercial bank accounts. In accordance with the Investment Policy, staff reviewed the resolution and determined that no changes were needed to the document. See Attachment C.

To streamline this board report, the following reference materials may be found on the Internet:

Current Investment Policy:

http://www.metro.net/about_us/finance/images/investment_policy_2015.pdf

California Government Code: Section 53600 to 53609, Section 53646, Section 53652, Section 16429.1 to 16429.4:

<http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=gov&codebody>

DETERMINATION OF SAFETY IMPACT

Approval of this item will result in no impact on safety.

FINANCIAL IMPACT

The funds required to update the Investment Policy are included in the FY16 budget in cost center 5210 and project number 610340.

Impact to Budget

The sources of funds budgeted to manage assets in accordance with the Investment Policy are Prop A, C, TDA Admin and Measure R Admin funds. These funds are not eligible for bus and rail operating and capital expenses.

ALTERNATIVES CONSIDERED

The Investment Policy and the Code require an annual review and adoption of the Investment Policy, the delegation of investment authority and the annual approval of the Financial Institutions Resolution. Should the Board elect not to delegate the investment authority annually or approve the Financial Institutions Resolution, the Board would assume daily responsibility for the investment of working capital funds and for the approval of routine administrative actions.

NEXT STEPS

Upon Board approval, distribute the Investment Policy to external investment managers and broker-dealers. Issue copies of the Investment Policy and Financial Institutions Resolution to our financial institutions.

ATTACHMENTS

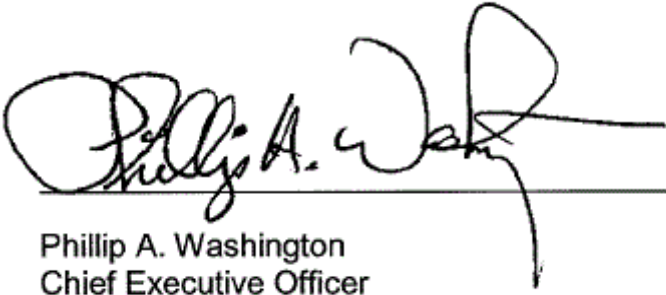
Attachment A - Policy Guideline Changes

Attachment B - Investment Policy

Attachment C - Financial Institutions Resolution

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A
Policy Guideline Changes

Section Change	Current Text	Proposed Text	Rationale
<p><i>Page 11 – Section 5.1A</i></p>	<p>Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch or state licensed branch of a foreign bank.</p>	<p>Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch or state licensed branch of a foreign bank. Deposits may be placed through a private sector entity that assists in placement of deposits.</p> <p>See footnote g</p>	<p>Remove duplicative language</p> <p>Conform the investment policy for updates in the California Government Code that expand investment options</p>
<p><i>Page 4</i></p>	<p>B. In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, and negotiable certificates of deposit shall be included; ...</p>	<p>B. In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable certificates of deposit shall be included; ...</p>	<p>Conform the investment policy for updates in the California Government Code that expand investment options</p>
<p><i>Page 12 – Section 5.1A</i></p>		<p><u>Investment Type</u> United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments shall be rated “AA” or better by a nationally recognized statistical rating organization and shall not exceed 30% of the portfolio.</p>	<p>Conform the investment policy for updates in the California Government Code that expand investment options</p>

ATTACHMENT A
Policy Guideline Changes

Section Change	Current Text	Proposed Text	Rationale
		<p><u>Maximum Maturity</u> 5 years</p> <p><u>Maximum Allowable Percentage of Portfolio *</u> 30%</p> <p><u>Minimum Quality and Other Requirements</u></p> <p>Maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments shall be rated “AA” or better by a nationally recognized statistical rating organization and shall not exceed 30% of the portfolio.</p>	

ATTACHMENT A
Policy Guideline Changes

<i>Page 13 – footnote g</i>		Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code and shall when combined with Section 53601 (i) not exceed 30% of the portfolio.	Conform the investment policy for updates in the California Government Code that expand investment options
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ATTACHMENT B

Los Angeles County Metropolitan Transportation Authority

INVESTMENT POLICY

Approved on January ~~208~~, 201~~65~~

INVESTMENT POLICY

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1.0 Policy

It is the policy of the Los Angeles County Metropolitan Transportation Authority (LACMTA) to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings, and conforming to state and local statutes governing the investment of public funds.

This investment policy conforms to the California Government Code ("Code") as well as to customary standards of prudent investment management. Investments may only be made as authorized by the Code, Section 53600 et seq., Sections 16429.1 through 16429.4 and this investment policy. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this investment policy. Changes to the Code that are less restrictive than this investment policy may be adopted by the Board of Directors (Board).

2.0 Scope

2.1 This investment policy sets forth the guidelines for the investment of surplus General, Special Revenue, Capital Projects, Enterprise (excluding cash and investments with fiscal agents), Internal Service, and any new fund created by the Board, unless specifically exempted. Excluded from this investment policy are guidelines for the investment of proceeds related to debt financing, defeased lease transactions, Agency (Deferred Compensation, 401K, and Benefit Assessment District) and Pension Trust Funds.

2.2 Internal and external portfolio managers may be governed by Portfolio Guidelines that may on an individual basis differ from the total fund guidelines outlined herein. The Treasurer is responsible for monitoring and ensuring that the total funds subject to this investment policy remain in compliance with this investment policy, and shall report to the Board regularly on compliance.

3.0 Investment Objectives

3.1 The primary objectives, in priority order, of investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. The investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The LACMTA shall seek to ensure that capital losses are avoided whether from institutional default, broker-dealer default, or erosion of market value. Diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
- C. **Return on Investments:** The LACMTA shall manage its funds to maximize the return on investments consistent with the two objectives above, with the goal of exceeding the performance benchmarks (Section 12.0) over a market cycle (typically a three to five year period).

3.2 It is policy to hold investments to maturity. However, a security may be sold prior to its maturity and a capital gain or loss recorded if liquidity needs arise, or in order to improve the quality, or rate of return of the portfolio in response to market conditions and/or LACMTA risk preferences.

Internal and external investment managers shall report such losses to the Treasurer and Executive Director, Finance and Budget quarterly.

- 3.3 Investments shall be made with the judgment, skill, and diligence of a prudent investor acting in like capacity under circumstances then prevailing, for the sole benefit of the LACMTA, and shall take into account the benefits of diversification in order to protect the investment from the risk of substantial loss.
- 3.4 The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the Board, and appropriate action is taken to control adverse developments.

4.0 Delegation of Authority

- 4.1 The Board shall be the trustee of funds received by the LACMTA. In accordance with Code Section 53607, the Board hereby delegates the authority to invest or reinvest the funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the Treasurer for a one year period, who thereafter assumes full responsibility for such transactions and shall make a monthly report of those transactions to the Board. Subject to review by the Board, the Board may renew the delegation of authority each year.
- 4.2 The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy, including establishment of appropriate written agreements with financial institutions. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Treasurer may engage independent investment managers to assist in the investment of its financial assets.
- 4.3 No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Treasurer.
- 4.4 Officers and employees involved in the investment process shall be governed by the standards regarding ethical behavior and conflicts of interest established in the Los Angeles County Metropolitan Transportation Authority Ethics Policy and annually shall file a Statement of Economic Disclosure with the Ethics Office.

5.0 Permitted Investments

- 5.1 All funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in conformance with the provisions and restrictions of this investment policy as defined in Section 5.1A and as specifically authorized by the Code, (Sections 53600, et seq.).
- 5.2 In order to reduce overall portfolio risk, investments shall be diversified among security type, maturity, issuer and depository institutions. See Section 5.1A for specific concentration limits by type of investment.
 - A. Percentage limitations where listed are only applicable at the date of purchase.
 - B. In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable

certificates of deposit shall be included; deposits collateralized per Section 7.3 of this investment policy are excluded from this calculation.

- C. Credit requirements listed in this investment policy indicate the minimum credit rating (or its equivalent by any nationally recognized statistical rating organization) required at the time of purchase without regard to modifiers (e.g., +/- or 1,2,3), if any.

5.3 Maturities of individual investments shall be diversified to meet the following objectives:

- A. Investment maturities will be first and foremost determined by anticipated cash flow requirements.
- B. Where this investment policy does not state a maximum maturity in Section 5.1A, no investment instrument shall be purchased which has a stated maturity of more than five years from the date of purchase, unless the instrument is specifically approved by the Board or is approved by the Board as part of an investment program and such approval must be granted no less than three months prior to the investment. The Board hereby grants express authority for the purchase of new issue securities with a 5 year stated maturity with extended settlement of up to 30 days from date of purchase.
- C. The average duration of the externally managed funds subject to this investment policy shall not exceed 150% of the benchmark duration. The weighted average duration of the internal portfolios shall not exceed three (3) years.

5.4 State and local government sponsored Investment Pools and money market mutual funds as authorized by this investment policy are subject to due diligence review prior to investing and on a continual basis as established in Section 5.1A, #11 and #12.

5.5 This investment policy specifically prohibits the investment of any funds subject to this investment policy in the following securities:

- A. Derivative securities, defined as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation indexed securities meeting all other requirements of this investment policy are excluded from this prohibition, as are fixed rate mortgage-backed securities and asset-backed securities.
- B. Reverse repurchase agreements and securities lending agreements.

6.0 Selection of Depository Institutions, Investment Managers and Broker-Dealers

6.1 To minimize the risk to the overall cash and investment portfolio, prudence and due diligence as outlined below shall be exercised with respect to the selection of Financial Institutions in which funds are deposited or invested. The LACMTA's Financial Advisor (FA) will conduct competitive processes to recommend providers of financial services including commercial banking, investment management, investment measurement and custody services.

- A. In selecting Depositories pursuant to Code Sections 53630 (et seq.), the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and interest rates offered shall be considered. No funds will be deposited in an institution unless that institution has an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency. The main depository institutions will be selected on a periodic and timely basis.
 - B. Deposits which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the collateralization requirements of Section 7.3 of this investment policy, at the Treasurer's discretion. A written waiver of securitization shall be executed, provided to the Depository Institution, and kept on file in the Treasury Department.
 - C. The Treasurer shall seek opportunities to deposit funds with disadvantaged business enterprises, provided that those institutions have met the requirements for safety and reliability and provide terms that are competitive with other institutions.
- 6.2 In selecting external investment managers and brokers, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost within the parameters of this investment policy and the Code shall be considered. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.
- 6.3 Pursuant to Code Section 53601.5, the LACMTA and its investment managers shall only purchase statutorily authorized investments either from the issuer, from a broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.
- A. Internal investment manager will only purchase or sell securities from broker-dealers that are Primary Dealers in U.S. Government Securities or are a direct affiliate of a Primary Dealer. Internal investment manager will only purchase securities from broker-dealers who have returned a signed Receipt of Investment Policy and completed the Broker-Dealer Questionnaire, and have been approved by the Treasurer (see Appendices B and C). A current copy of the Broker-Dealer's financial statements will be kept on file in the Treasury Department. Should market conditions limit access to inventory, the Treasurer may approve executing transactions through non-Primary Dealers who meet all of the criteria listed below:
 - a. The broker dealer must qualify under Securities Exchange Commission rule 15C3-1 (Uniform Net Capital Rule);
 - b. Must be licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a member of a federally registered securities exchange (i.e. FINRA, SEC, MSRB);
 - c. Have been in operation for more than five years; and
 - d. Have a minimum annual trading volume of \$100 billion in money market instruments or \$500 billion in U.S. Treasuries and Agencies.

- B. In addition to Primary Dealers in U.S. Government Securities and direct affiliates of a Primary Dealer, external investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a member of the Financial Industry Regulatory Authority. External investment managers shall submit, at least quarterly, a list of the non-Primary Dealers used during the period.
- C. External investment managers must certify in writing that they will purchase securities in compliance with this investment policy, LACMTA Procedures, and applicable State and Federal laws.

6.4 Financial institutions and external investment managers conducting investment transactions with or for LACMTA shall sign a Certification of Understanding. The Certification of Understanding (see Appendix A) states that the entity:

- A. Has read and is familiar with the Investment Policy and Guidelines as well as applicable Federal and State Law;
- B. Meets the requirements as outlined in this investment policy;
- C. Agrees to make every reasonable effort to protect the assets from loss;
- D. Agrees to notify the LACMTA in writing of any potential conflicts of interest.

Completed certifications shall be filed in the Treasurer's Office. Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by that financial institution, or investment manager and/or the rescission of any and all authority to act as an agent to purchase or invest funds.

6.5 All broker-dealers who do business with the LACMTA's internal investment managers shall sign a Receipt of Investment Policy. The Receipt of Investment Policy (see Appendix B) states that the broker dealer:

- A. Has received, read, and understands this investment policy;
- B. Has communicated the requirements of this investment policy to all personnel who may select investment opportunities for presentation.

Failure to submit a Receipt of Investment Policy shall preclude the LACMTA from purchasing or selling securities from such broker-dealer. Completed receipts shall be filed in the Treasurer's Office.

7.0 Custody and Safekeeping of Securities and LACMTA Funds

7.1 A Master Repurchase Agreement must be signed with the bank or dealer before any securities and collateral for repurchase agreements shall be purchased and maintained for the benefit of the LACMTA in the Trust Department or safekeeping department of a bank as established by a written third party safekeeping agreement between the LACMTA and the bank. Specific collateralization levels are defined in Section 5.1A.

- 7.2 All investment transactions shall be settled "delivery vs. payment", with the exception of deposits, money market mutual fund investments, and Local Agency Investment Fund or other Local Government Investment Pools. Delivery may be physical, via a nationally recognized securities depository such as the Depository Trust Company, or through the Federal Reserve Book Entry system.
- 7.3 Funds deposited shall be secured by a Depository in compliance with the requirements of Code Section 53652. Such collateralization shall be designated and agreed to in writing.

8.0 Reports and Communications

- 8.1 The Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. All investment portfolios will be monitored for compliance. Non-compliance issues will be included in the quarterly Board report as stated in Section 8.3 of this investment policy.
- 8.2 The Treasurer shall annually submit a statement of investment policy to the Board for approval. The existing approved investment policy will remain in effect until the Board approves the recommended statement of investment policy.
- 8.3 The Treasurer shall render a quarterly cash, investment, and transaction report to the CEO and Board, and quarterly to the Internal Auditor within 30 days following the end of the quarter covered by the report. The report shall include a description of LACMTA's funds, investments, or programs that are under the management of contracted parties, including lending programs. The report shall include as a minimum:
- A. Portfolio Holdings by Type of Investment and Issuer
 - B. Maturity Schedule and Weighted Average Maturity (at market)
 - C. Weighted Average Yield to Maturity
 - D. Return on Investments versus Performance Benchmarks on a quarterly basis
 - E. Par, Book and Market Value of Portfolio for current and prior quarter-end
 - F. Percentage of the portfolio represented by each investment category
 - G. Total Interest Earned
 - H. Total Interest Received
 - I. A statement of compliance with this investment policy, or notations of non-compliance.
 - J. At each calendar quarter-end a subsidiary ledger of investments will be submitted with the exception listed in 8.3K.
 - K. For investments that have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in National Credit Union Administration insured accounts in a credit union, in a county investment pool, or in shares of beneficial interest issued by a diversified management company that invest in the securities and obligations as authorized by this investment policy and the Code, the most recent

statement received from these institutions may be used in lieu of the information required in 8.3 J.

L. At each calendar quarter-end the report shall include a statement of the ability to meet expenditure requirements for the next six months.

M. A quarterly gain or loss report on the sale or disposition of securities in the portfolio.

8.4 Internal and external investment managers shall monitor investments and market conditions and report on a regular and timely basis to the Treasurer.

A. Internal and external investment managers shall submit monthly reports to the Treasurer, such reports to include all of the information referenced in Section 8.3, items A-J of this investment policy. Portfolios shall be marked-to-market monthly and the comparison between historical cost (or book value) and market value shall be reported as part of this monthly report.

B. Internal and external investment managers shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Treasurer in writing within 24 hours of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this investment policy, the investment manager shall also make a written recommendation to the Treasurer as to whether this security should be held or sold.

C. External and internal investment managers shall immediately inform the Treasurer, or the Executive Director, Finance and Budget in writing of any major adverse market condition changes and/or major portfolio changes. The Executive Director, Finance and Budget shall immediately inform the Board in writing of any such changes.

D. External investment managers shall notify the LACMTA internal managers daily of all trades promptly, via fax or via email.

E. Internal investment managers will maintain a file of all trades.

9.0 Portfolio Guidelines

Portfolio Guidelines are the operating procedures used to implement this investment policy approved by the Board. The Treasurer may impose additional requirements or constraints within the parameters set by this investment policy.

10.0 Internal Control

10.1 The Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees or agents. Such internal controls shall be approved by the Executive Director, Finance and Budget and shall include authorizations and procedures for investment transactions, custody/safekeeping transactions, opening and dosing accounts, wire transfers, and clearly delineate reporting responsibilities.

10.2 Treasury personnel and LACMTA officials with signature authority shall be bonded to protect against possible embezzlement and malfeasance, or at the option of the governing board self-insured.

- 10.3 Electronic transfer of funds shall be executed upon the authorization of two official signatories.
- 10.4 Transaction authority shall be separated from accounting and record keeping responsibilities.
- 10.5 All investment accounts shall be reconciled monthly with custodian reports and broker confirmations by a party that is independent of the investment management function. Discrepancies shall be brought to the attention of the investment manager, the Treasurer and Assistant Treasurer, the Controller, and if not resolved promptly, to the Executive Director, Finance and Budget.
- 10.6 The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide independent confirmation of compliance with policies and procedures.
- 10.7 The Treasurer is responsible for the preparation of the cash flow model. The cash flow model shall be updated monthly based upon the actual and projected cash flow.

Annually, the Treasurer shall notify the external investment managers of the cash flow requirements for the next twelve months. The Treasurer shall monitor actual to maximum maturities within the parameters of this investment policy.
- 10.8 The Treasurer shall annually submit the Financial Institutions Resolution to the Board for approval. The existing resolution will remain in effect until the Board approves the recommended resolution.

11.0 Purchasing Guidelines

- 11.1 Investment managers shall purchase and sell securities at the price and execution that is most beneficial to the LACMTA. The liquidity requirements shall be analyzed and an interest rate analysis shall be conducted to determine the optimal investment maturities prior to requesting bids or offers. Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received from at least three financial institutions, if possible.
- 11.2 Such competitive bids/offers shall be documented on the investment managers' trade documentation. Supporting documentation from the Wall Street Journal, Bloomberg or other financial information system shall be filed with the trade documentation as evidence of general market prices when the purchase or sale was effected.

12.0 Benchmarks

Internal and external investment managers' performance shall be evaluated against the following agreed upon benchmarks. If the investment manager does not meet its benchmark over a market cycle (3 to 5 years), the Treasurer shall determine and set forth in writing reasons why it is in the best interests of the LACMTA to replace or retain the investment manager.

Portfolio	Investment Benchmarks
Intermediate Duration Portfolios	Bank of America/Merrill Lynch AAA-A 1-5- year Government Government &
Corporate Index (BV10)	
Short Duration Portfolios	Three month Treasury

**Los Angeles County Metropolitan Transportation Authority
Section 5.1A
Statement of Investment Policy ^a**

* The percentage of portfolio authorized is based on market value.

Investment Type	Maximum Maturity	Maximum Allowable Percentage of Portfolio *	Minimum Quality and Other Requirements
Bonds Issued by the LACMTA	5 years ^b	100%	None
U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest	5 years ^b	100%	None
Registered state warrants or treasury notes or bonds of the other 49 states in addition to California.	5 years ^b	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by a nationally recognized statistical rating organization
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	5 years ^b	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by a nationally recognized statistical rating organization
Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government –sponsored enterprises	5 years ^b	50% ^d	See Footnote d
Bills of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances	180 days	40% ^c	The issuer’s short-term debt must have the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization
Commercial paper or “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization	270 days	25% ^c	See Footnote e
<u>Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch of a foreign bank. Deposits may be placed through a private sector entity that assists in placement of deposits.</u>	<u>5 years ^b</u>	<u>30% ^c</u>	<u>See Footnotes f and g</u>

Negotiable certificates of deposits issued by a nationally or state chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch or state licensed branch of a foreign bank.	5 years ^b	30% ^e	See Footnote ^f
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Investments in repurchase agreements	90 days	20%	Limited to no more than 90 days. See Footnote gh
<u>United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank.</u>	<u>5 years ^b</u>	<u>30% ^c</u>	<u>Maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments shall be rated "AA" or better by a nationally recognized statistical rating organization and shall not exceed 30% of the portfolio.</u>
Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States	5 years ^b	30% ^c	Must be rated "A" or better by a nationally recognized statistical rating organization. If rated by more than one rating agency, both ratings must meet the minimum credit standards.
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission, as authorized by Code Section 53601	Not applicable	20% ^c	See Footnote hi
State of California Local Agency Investment fund (LAIF) Code Section 16429.1 through 16429.4 or other Local Government Investment Pool (LGIP) established by public California entities pursuant to Section 53684	Not applicable	Set by LAIF and LGIP	See Footnote ij
Asset-backed Securities	5 years ^b	15% combined with mortgage-backed securities	See Footnote jk
Mortgage-backed Securities	5 years ^b	15% combined with asset-backed securities	See Footnote kl

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**Los Angeles County Metropolitan Transportation Authority
Statement of Investment Policy**

Footnotes for Section 5.1A Statement of Investment Policy	
a	Sources: California Government Code Sections 16429.1, 53601, 53601.8, 53635 and 53638
b	Maximum maturity of five (5) years unless a longer maturity is approved by Board of Directors, either specifically or as part of an investment program, at least three (3) months prior to the purchase. New issue securities with a stated 5 year maturity can be purchased in the primary market with extended settlements of up to 30 days from the date of purchase.
c	Limited to no more than 10% of the portfolio in any one issue (i.e. bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, and money market funds)
d	No more than 15% of portfolio in any one Federal Agency or government-sponsored issue
e	Eligible paper is further limited to 10% of the outstanding paper of an issuing corporation, the issuing corporation must be organized and operating within the United States and having total assets in excess of \$500,000,000 and have an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided for by a nationally recognized statistical rating organization. Issuing corporations that are organized and operating within the United States and have total assets in excess of \$500 million dollars and having an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided by a nationally recognized statistical rating organization
f	The legislative body of the local agency, the treasurer or other official of the local agency having custody of the money are prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or any other specified city officer or employee also serves on the board of directors or certain committees of that credit union
g	<u>Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code and shall when combined with Section 53601 (i) not exceed 30% of the portfolio.</u>
gh	Repurchase agreements shall be executed through Primary Broker-Dealers. The repurchase agreement must be covered by a master repurchase agreement. Repurchase agreements shall be collateralized at all times. Collateral shall be limited to obligations of the United States and Federal Agencies with an initial margin of at least 102% of the value of the investment, and shall be in compliance if brought back up to 102% no later than the next business day. Collateral shall be delivered to a third party custodian in all cases. Collateral for term repurchase agreements shall be valued daily by the LACMTA's investment manager (for internal funds) or external investment manager. Investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. The LACMTA shall obtain a first lien and security interest in all collateral
hi	Companies must have either 1) the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or (2) retained an investment advisor registered or exempt with the Securities and-Exchange Commission, with no less than five years experience investing in the securities and obligations authorized by California Government Code \$53601 a-k inclusive and m-o inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price may not

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	include any commissions charged by these companies
ij	Maximum investment per individual pool limited to the amount for LAIF as set by the State Treasurer's Office. Limit does not include funds required by law, ordinance, or statute to be invested in pool. Each pool must be evaluated and approved by the Treasurer, as to credit worthiness, security, and conformity to state and local laws. An evaluation should cover, but is not limited to establishing, a description of who may invest in the program, how often, what size deposit and withdrawal; the pool's eligible investment securities, obtaining a written statement of investment policy and objectives, a description of interest calculations and how it is distributed; how gains and losses are treated; a description of how the securities are safeguarded and how often the securities are priced and the program audited. A schedule for receiving statements and portfolio listings. A fee schedule, when and how fees are assessed
jk	Limited to senior class securities with stated maturities of no more than 5 years. Further limited to securities rated in a rating category of "AAA", and issued by an issuer having an "A" or higher rating for the issuer's debt as provided for by a nationally recognized statistical rating organization. Further limited to fixed rate, publicly offered, generic credit card and automobile receivables only. Deal size must be at least \$250 million, and tranche size must be at least \$25 million
kl	Pass-Through securities: Limited to Government Agency or Government Sponsored issuers, fixed rate, stated maturity no more than 5 years. CMOS: Limited to Government Agency or Government Sponsored Issuers "AAA" rated by a nationally recognized statistical rating organization. Planned Amortization Classes (PAC) only. The following are prohibited: ARMS, floaters, interest or principal (IOs, POs), Targeted Amortization Classes, companion, subordinated, collateral classes, or zero accrual structures

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY

CERTIFICATION OF UNDERSTANDING

The Los Angeles County Metropolitan Transportation Authority (LACMTA) Investment Policy as approved by the Board of Directors requires that all Financial Institutions and Investment Managers' conducting investment transactions with or for LACMTA sign a Certification of Understanding acknowledging that:

1. *You have read and are familiar with the LACMTA's Investment Policy as well as applicable Federal and State laws.*
2. *You meet the requirements as outlined in Investment Policy.*
3. *You agree to make every reasonable effort to protect the assets from loss.*
4. *You agree to notify the LACMTA in writing of any potential conflicts of interest.*
5. *You agree to notify the LACMTA in writing of any changes in personnel with decision-making authority over funds within 24 hours of such event.*

Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the LACMTA for the purchase of securities or investment of funds on behalf of LACMTA.

The Board of Directors is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

SIGNED: _____ DATE: _____
Print Name and Title _____

After reading and signing this Certification of Understanding please return with *any* supporting documentation to:

LACMTA
Treasury Department
Attention: Treasurer
One Gateway Plaza
Los Angeles, CA 90012-2932

LACMTA use only:
Approved: _____ Disapproved: _____ Date: _____
Signature: _____
LACMTA Treasurer

APPENDIX B

**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the Los Angeles County Metropolitan Transportation Authority's (LACMTA) Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering LACMTA's account will be made aware of this policy and will be directed to give consideration to its provisions and constraints in selecting investment opportunities to present to LACMTA.

Signed _____
Name Name

Title Title

Firm Name

Date Date

After reading and signing this Receipt of Investment Policy, please return with supporting documentation to:

LACMTA
Treasury Department
Attention: Treasurer
One Gateway Plaza
Los Angeles, CA 90012-2932

LACMTA use only:
Approved: _____ Disapproved: _____ Date: _____
Signature: _____
LACMTA Treasurer

APPENDIX C

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY

BROKER/DEALER QUESTIONNAIRE

1. Name of Firm _____

2. Address _____
(Local) (National Headquarters)

3. Telephone No. () _____ Telephone No. () _____
(Local) (National Headquarters)

4. Primary Representative Manager/Partner-in-Charge
Name _____ Name _____
Title _____ Title _____
Telephone No. _____ Telephone No. _____
No. of Yrs. in Institutional Sales _____ No. of Yrs. in Institutional Sales _____
Number of Years with Firm _____ Number of Years with Firm _____

5. Are you a Primary Dealer in U.S. Government Securities? .
 YES NO

If NO, Is the parent company or its subsidiary a Primary Dealer in U.S. Government Securities? Provide proof of certification.

YES NO

Please explain your firm's relationship to the Primary Dealer below:

Please provide proof certification from the National Association of Securities Dealer.

6. Are you a Broker instead of Dealer, i.e., you DO NOT own positions of Securities?
 YES NO

7. What is the net capitalization of your Firm? _____

8. What is the date of your Firm's fiscal year-end? _____

9. Is your Firm owned by a Holding Company? If so, what is its name and net capitalization?

10. Please provide your Wiring and Delivery Instructions.

11. Which of the following instruments are offered regularly by your local desk?

- T-Bills Treasury Notes/Bonds Discount Notes NCD's
 Agencies (specify) _____
 BA's (Domestic) BA's (Foreign) Commercial Paper
 Med-Term Notes Repurchase Agreements

12. Does your Firm specialize in any of the instruments listed above?

13. Please identify your comparable government agency clients in the LACMTA's geographical area.

<u>Entity</u>	<u>Contact Person</u>	<u>Telephone No.</u>	<u>Client Since</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

14. What reports, confirmations, and other documentation would LACMTA receive? Please include samples of research reports or market information that your firm regularly provides to government agency clients.

15. What precautions are taken by your Firm to protect the interests of the public when dealing with government agencies as investors?

16. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years? YES NO

17. If yes, please explain

18. Please provide your most recent audited financial statements within 120 days of your fiscal year-end.

19. Please indicate the current licenses of the LACMTA representatives:

Agent: _____ License or registration: _____

APPENDIX D

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

INVESTMENT POLICY GLOSSARY

ASKED: The price at which securities are offered from a seller.

BANKERS' ACCEPTANCE (BA): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BID: The price offered by a buyer of securities.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable (marketable or transferable).

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

CUSTODY or SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery of securities with a simultaneous exchange of money for the securities.

FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES): U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- ◆ Federal Home Loan Banks (FHLB)
- ◆ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- ◆ Federal National Mortgage Association (FNMA or "Fannie Mae")
- ◆ Federal Farm Credit Banks (FFCB)
- ◆ Student Loan Marketing Association (SLMA or "Sallie Mae")

◆ Tennessee Valley Authority (TVA)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Interest bearing, continuously offered debt, issued in the 9 month to ten year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

OFFER: The price asked by a seller of securities.

PAR VALUE: The face value, or principal amount payable at maturity.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

REPURCHASE AGREEMENT (RP OR REPO): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security "buyer" in effect lends the "seller" money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

SECURITIES & EXCHANGE COMMISSION (SEC): An agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY NOTES AND BONDS: Long-term U.S. Treasury securities having initial maturities of 2 to 30 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ATTACHMENT C
FINANCIAL INSTITUTIONS RESOLUTION

RESOLVED, that any financial institutions, including all banks and their correspondent banks doing business with the Los Angeles County Metropolitan Transportation Authority (LACMTA), are hereby authorized, requested and directed to honor all checks, drafts, wires, or other orders for payment of money drawn in the LACMTA's name on its account(s) (including those drawn on the individual order of any person or persons whose names appear thereon as a signer or signers thereof) when bearing the original and/or facsimile signature of the Chair; Chief Executive Officer; Deputy Chief Executive Officer; Executive Director, Finance and Budget; Treasurer; or Assistant Treasurer (collectively, LACMTA Officials). LACMTA Officials are the only representatives empowered to open, close or authorize changes to accounts on behalf of LACMTA. LACMTA Officials may designate individuals as Official Signatories for financial accounts. The duties of Official Signatories shall be limited to check signing, wire or fund transfers, balance reporting and/or monitoring of bank processes.

And, those financial institutions, including correspondent banks, currently doing business with LACMTA shall be entitled to honor and charge LACMTA for all such checks, drafts, wires, or other orders for the payment of money, regardless of by whom or by what means when the actual or facsimile signature or signatures resemble the specimens filed with those financial institutions by the Secretary or other officer of LACMTA.

CERTIFICATION

The undersigned, duly qualified and acting as Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on _____.

Dated: _____

Michele Jackson
Board Secretary

(SEAL)

**Board Report**

File #: 2015-1730, **File Type:** Program**Agenda Number:** 19.

**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016****SUBJECT: COMMENTS ON SCAG DRAFT 2016 RTP/SCS****ACTION: APPROVE COMMENTS****RECOMMENDATION**

APPROVE technical comments on the **Southern California Association of Governments' (SCAG) Draft 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)**.

ISSUE

In December 2015, SCAG released the Draft 2015 RTP/SCS for public comment. The RTP/SCS identifies regional transportation priorities for the six-county region through 2040, and ensures that air quality and greenhouse gas emission reduction requirements are met. All 2009 Long Range Transportation Plan (LRTP) projects and priorities must be included in SCAG's RTP/SCS to be eligible for federal funds. We have reviewed the Draft 2016 RTP/SCS and Board authorization is being requested to transmit our comments to SCAG in time for their February 1, 2016 deadline.

DISCUSSION

As part of SCAG's role as a regional planning agency, they are responsible for addressing regional issues in the six-county area of Southern California. The 2016 RTP/SCS is the vehicle to provide solutions to regional mobility, land-use, air quality and sustainability issues. Per the requirements of SB 375, the Draft 2016 RTP/SCS includes Southern California's second SCS. The SCS is required to analyze how the collective impact of transportation policies, transportation investments and land-use policies affect the GHGe based on population projections in 2020 and 2035.

Starting in 2008, SB 375 compels SCAG to continue a more extensive outreach process than has been historically required for RTP development. This outreach process yielded unprecedented levels of public participation and engagement, particularly among environmental and public health advocates championing increased funding for active transportation to reduce GHGe and provide great opportunities for physical activity. Those advocating for increased funding and roles for active transportation have expressed their approval of the 2016 Draft RTP/SCS.

SB 375 also requires regions to reduce per capita greenhouse gas emissions from passenger vehicles down to 1990 levels, and sets specific goals to reach this level. The 2016 Draft RTP/SCS

accomplishes the goal of the 2020 target of reducing per capita GHG by 8%. The 2035 target of reducing per capita GHG by 13%, is exceeded by the Draft 2016 RTP/SCS, which provides a reduction of per capital GHG of 18%. In addition, the region is required to meet federal Clean Air Act requirements for air quality improvement. The Clean Air Act was enacted to protect public health by regulating hazardous air pollutants such as ozone, arsenic, benzene, carbon monoxide and fine particulate matter. If these requirements to reduce these pollutants are not met, federal funds for transportation projects would not be available to the region. The Draft 2016 RTP/SCS meets these federal Clean Air Act goals.

Key Issues

In general, the Draft 2016 RTP/SCS is a well-written document that properly identifies many key transportation issues that the region is facing. It includes all of the projects and programs in our 2009 LRTP. There are several issues that the Draft 2016 RTP/SCS addresses:

- The SR-710 North continues to be an issue for advocates and opponents. SCAG intends to use the title “SR-710 North Project Study Alternatives (Alignment TBD)”. Metro concurs with that recommendation.
- Each commercial airport in the six-county region is provided a range of Million Annual Air Passengers (MAP). Some airports have expressed their requests to change their MAP to show an increase in expected MAP.
- The California High Speed Rail (CAHSR) project (Phase 1 from central California to Anaheim) remains in the constrained portion of the Draft 2016 RTP/SCS. There are opponents who have requested the removal of this project, although the CAHSR Authority is providing \$1 billion in funding for our regional rail facilities (Amtrak, LOSSAN and Metrolink), such as the run-through tracks at Union Station (SCRIP).
- The RTP/SCS meets or exceeds the required goals and targets for air quality and GHG emissions that are indicated in state and federal legislation.
- Decreased funding available from federal and state sources and the need to identify new revenue sources continues to be a key RTP concern. SCAG continues to propose to incrementally phase-in (MBUF to replace the gas tax).
- The exponential cost of deferred maintenance on highway and transit systems, the need to maintain the regional systems in a state of good repair, and the need for additional operations and maintenance funding, also continue to be key RTP concerns. The Draft 2016 RTP/SCS takes a “fix it first” approach to focus on maintenance and repair.
- Areas of growth are assumed to mainly be near High Quality Transit Corridors (HQTC), which SCAG is relying upon to meet goals and requirements of air quality, sustainability, and to reduce the housing cost burden.
- The recommended growth scenario will more than double the share of households living in

HQTCs, which is intended to increase the competitiveness of transit service and reduce VMT.

- The implication of demographic issues in the future, such as fewer children, a soaring senior population, and slower growth forecast, are also discussed.
- The Draft 2016 RTP/SCS proposes increases in funding for the categories of Transportation Demand Management (TDM), Transportation System Management (TSM), and Active Transportation beyond the levels included in the six county transportation commissions' plans, including our 2009 LRTP.
- As in the 2012 RTP/SCS, SCAG continues to assume new and innovative sources of funding beyond our LRTP program. These funds are for additional projects, regional maintenance of highway and transit facilities, and meeting Federal Clean Air Act conformity requirements.

Key Projects Beyond the 2009 LRTP

There are transportation projects proposed in the Draft 2016 RTP/SCS, within Los Angeles County, which are beyond revenues that the 2009 LRTP assumes to be available from traditional sources. The following lists Los Angeles County projects identified in the Draft 2016 RTP/SCS, that continue from the 2012 RTP/SCS, which SCAG assumes are funded with sources other than Metro:

- East-West Freight Corridor will be studied along a five mile band generally following the SR-60 corridor between the I-710 and the I-15.
- Phase I of the California High Speed Rail Authority (CHSRA), which starts at the Kern County line, travels through alternatives in the Antelope Valley, through Union Station to Anaheim in Orange County. There is an MOU, established in the 2012 RTP/SCS, that provides \$1 billion for early investments to the region's current passenger rail system, including the Union Station pass-through tracks project.
- A regional Express/HOT Lane Network that expands our ExpressLanes to include the I-405, I-105, and to continue the ExpressLanes on the I-10 and I-605 to San Bernardino and Orange County lines, respectively.
- Extension of Metro Rail lines: Vermont Short Corridor; Slauson Light Rail; Red Line from North Hollywood to Bob Hope Airport; Metro Green Line to Norwalk Metrolink Station; and Metro Gold Line Foothill Extension Azusa to the San Bernardino County Line.

SCAG is assuming that the above projects will still be funded with a combination of innovative funding (e.g., a national freight fee and public private partnerships) and increased revenues (e.g. state and federal gas tax increases of \$0.10 a gallon which will be replaced with a \$0.04 a mile mileage-based user-fee (MБУF), high speed rail state bonds, and additional toll facilities). The MБУF will be indexed to maintain purchasing power. In 2014, SB 1077 directed the State to conduct a pilot program to replace the gas tax with a MБУF beginning no later than January 1, 2017.

DETERMINATION OF SAFETY IMPACT

The technical comments on the Draft 2016 RTP/SCS will not have any adverse safety impacts for our employees and patrons.

FINANCIAL IMPACT

There is no impact on the FY 2016 budget, as we are only submitting technical comments to SCAG on their Draft 2016 RTP/SCS.

ALTERNATIVES CONSIDERED

The Board can modify or choose not to submit technical comments. The alternative of not submitting technical comments is not recommended, as we would lose the opportunity to provide SCAG with comments to enhance the 2016 RTP/SCS document.

NEXT STEPS

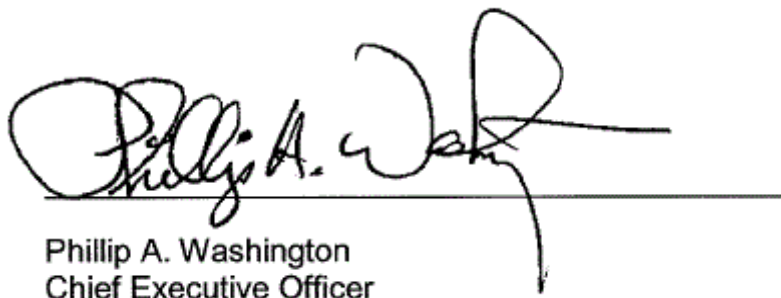
Upon Board approval, the technical comments will be transmitted to SCAG for their consideration in developing their Final 2016 RTP/SCS. SCAG is scheduled to adopt their Final 2016 RTP/SCS at their April 2016 General Assembly meeting

ATTACHMENTS

Attachment A - Technical Comments on Draft 2016 RTP/SCS

Prepared by: Brad McAllester, Executive Officer, Long Range Planning (213) 922-2814
Heather Hills, Deputy Executive Officer, Long Range Planning (213) 922-2821
Lori Abrishami, Planning Manager, Long Range Planning, (213) 922-4210

Reviewed by: Calvin E. Hollis, Interim Chief Planning Officer, (213) 922-7319



Phillip A. Washington
Chief Executive Officer

Technical Comments on Draft 2016 RTP/SCS**Active Transportation Appendix**

Pg. 4, column 2, bullet 2 –

Reads: “Utilitarian walkers requiring easy, attractive and safe access to retail, dining and other attractions.” Suggested edits: Utilitarian walkers requiring safe access to vital services including medical, grocery, public transit, child care, retail, and other key destinations.

Pg. 4, column 2, bullet 3

Reads: “Recreation and fitness pedestrians requiring good quality infrastructure for fast walking/jogging.” Suggested edits: Recreation and fitness pedestrians requiring safe and unobstructed quality infrastructure for unimpeded walking/jogging.

Pg 15

Discussion of LA County does not recognize adopted and current efforts by Metro, e.g.: Complete Streets Policy, First/Last Mile Strategic Plan, Bike Share, LA River Bike Path Gap Closure, etc. and forthcoming Metro Active Transportation Strategic Plan. Also several cities in the San Gabriel Valley have adopted a regional bike plan. The RTP should be updated to reflect current activities for LA County.

Pg 15

Bike lockers and secure bike rooms (self-serve and attended) currently exist for long term.

Need to better define/describe what bike parking stations are as some provide additional attended services to support bike commuters such as at El Monte, Long Beach and Santa Monica. Pasadena does not have a bike station. Also Burbank, Covina and Claremont have self-serve bike stations.

Should note to mention that bicycle lockers also have issues with maintenance and the required space and footprint they take up.

Document should also recognize education on how to properly lock a bicycle. Often time people use cable locks for locking their bike that are easily defeated. Important for people to be responsible for their own property through preventable measures.

Pg. 18

Statement “Bicycle-racks are often located within an office building’s parking garage (providing increased security over bicycle racks on public sidewalks)...” This is not necessarily true as bike racks at the street level have more “eyes” on them. Whereas, bike racks in hidden places such as parking garages can be very susceptible to theft.

Pg. 19

Include 2014 existing LA County bikeway conditions not 2012:

Facility Type as of 2014
Class 1 305.29
Class 2 835.5
Class 3 522.26
Cycle Track 4.2

Pg. 18

The 2012 National Household Travel Surveys indicated that bike trips for SCAG region were calculated at 1.9%. In the 2016 draft it indicates that the bike mode share for the CA household survey is 1.12%. This is a significant reduction; please verify that the figures are accurate.

Pg. 20

Same for Pedestrian mode share 2012 NHTS CA SCAG region indicated 19.24% and now for draft 2016 it is 16.8%. Please verify accuracy of figures and/or provide discussion on reduction/change.

Pg. 25

“...has developed a ~~bicycle to transit access plan~~ Bicycle Transportation Strategic Plan (2006)...”

Pg. 28

Verify that preliminary cost estimates are carefully identified. For example, \$194 million identified for 755 miles of “Greenways” comes out to \$256,954/mile. This is a very low estimate for Class 1 and Class 4 bikeway construction costs. Bike path projects estimated for FHWA by the UNC Highway Safety Research Center in 2013 were between \$500K to \$4.2 mil/mile (pg. 12).

Pg. 28

Total estimate for active transportation needs seem low. Provide details on the underlying assumptions.

Suggest providing clear performance metrics and benchmarks to evaluate how the region is doing to meet the goals laid out in the 2016 Active Transportation Plan.

Pg. 55 (4th paragraph)

A “plan” for bike share is cited with no reference. These appear to be general statistics for bike share programs worldwide rather than assumptions made for a specific plan and should be reflected as such. Reflect information on Metro’s Countywide Bike Share Program.

Pg. 61

Regional bikeways should include those recommended by Metro’s ATSP.

Aviation and Airport Ground Access Appendix

Pg. 20, paragraph 6, last line--states that the scenarios and sensitivity tests yielded a range of airfield capacities from 82.9 to 96.6 MAP, but does not state the year(s). Please specify the year(s) for the MAP projections.

Goods Movement Appendix

Pg. 5 (Exhibit 3), the I-210 east of Glendora is not included in the Final Primary Freight Network, yet SCAG's many analyses include this stretch along I-210 to I-15 and indicate serious congestion. SCAG should address this inconsistency.

Pg. 13, under "... Drivers", the Air Quality subject should be expanded to a discussion of CO2 emissions concerns and reference SB2, etc., as developed on Page 40.

Pg. 44, there is no mention of Cap and Trade Program's Greenhouse Gas Reduction Fund as a funding source for the development of vehicle prototypes and infrastructure demonstrations. This should be highlighted as an opportunity for zero-emission technology research and development.

Highways & Arterials Appendix

Pg. 6 - Additional System Initiatives - Recommend adding Caltrans ATM Study on I-105 and the RIITS and IEN Data Exchange efforts.

Overall - Comment - Recommend discussing Freight Signal Priority.

Mobility and Innovations Appendix

Page 7 - First/Last Mile Strategies - Recommend discussing Ride Sourcing as a potential strategy.

Page 7 - Automated/Connected Vehicles - Recommend discussing potential impact of AV/CV on age profile of licensed drivers.

Page 9 - ITS-Roadways - Recommend adding discussion on ATM (Active Traffic Management) strategies.

Natural/Farm Lands Appendix

There is currently policy language supporting urban greening as a component of a larger natural lands strategy. We support this as consistent with Metro's Urban Greening Plan and Toolkit,

but would further request that SCAG include in “Strategies, Next Steps and Recommendations” a commitment to further integrate greening strategies into regional planning efforts.

Passenger Rail Appendix

Pg. 2, First paragraph under Metrolink--The South Perris connection will be in operation in 2016.

Pg. 2, Second paragraph under Metrolink--Metro owns 40% of the Ventura County Line within L.A. County. “Much of the track is owned by the the Member Agencies of Metrolink and/or the freight railroads.” Suggest referring to the CTCs that are Member Agencies of Metrolink as being a Member Agency.

Pg. 2, Third Paragraph--Perris Valley will begin operations in 2016. PTC will begin operations in 2016.

Pg. 4, Second paragraph--Metrolink will be operating the efficient locomotives in 2017.

Pg. 4, First paragraph under Metrolink’s history--The Ventura line started in 2002.

Pg. 4, Second paragraph under high speed rail--It has been almost 20 years for the development of HSR.

Pg. 7, In the MOU paragraph--The language should state “\$1B from Proposition 1A and other funds” That is the language in the MOU.

Pg. 9 and throughout the document--Should state that the projects are for operational efficiency. Although ultimate capacity is a benefit, operational efficiency is the key.

Under the Master Plan--SCRIP preceded the Master Plan. The Master Plan accommodates SCRIP.

Pg. 11, Under the Freight paragraph include language about the agencies owning the right of way that the freights operate on as tenant railroads.

Pg. 13, Add two projects--Bob Hope Airport/Hollywood Way Station; and Bob Hope Airport Station Pedestrian Bridge

Pg. 18, The Perris Valley Line will open for revenue service in 2016.

Pg. 24, The pedestrian bridge at the Bob Hope Airport Station is not Phase 2 of RITC. Add language about the new Bob Hope Airport/Hollywood Way Station.

Pg. 26, The Metro Orange Line is connected to SCRRA in Chatsworth.

Pg. 9, Los Angeles Union Station Master Plan, 1st bullet, add “expanded multi-modal” between “new” and “passenger concourse” and replace “the current tunnel” with “currently called the “tunnel”” (“a new expanded multimodal passenger concourse (the current tunnel currently called the “tunnel”) that would be widened)”

Pg. 9, 5th bullet add “accommodating” before “future tracks”—it should read “accommodating future tracks and platforms for the CA HSR project”;

Pg. 9, 7th bullet delete “new and” and replace with “3.25 million square feet of” It should read, “3.25 million square feet of improved retail and transit-oriented development (TOD) uses.”

Pg. 9, ADD 8th bullet: “improved pedestrian and bike network”

Pg. 12: insert “SCRIP run through tracks and to incorporate the” before larger passenger concourse and replace “has been approved” with “was developed”. It should read: “An additional component of the work is to study the effects of raising the entire platform areas in order to accommodate the SCRIP run-through tracks and to incorporate the larger passenger concourse that was developed-as part of the Union Station Master Plan...

Project List Appendix

Pg. 140, RTP ID #1TR1012, California High-Speed Rail Phase I – Env/PE, should have the Lead Agency as “California High Speed Rail Authority”. It is currently blank. The completion date is listed as 2011, and SCAG may want to update this.

Pg. 147, RTP ID # 1122005, SR-138 Loop Road – this project is not in the Metro 2009 LRTP, and the Lead Agency is listed as “TBD”. This should be clarified that the project is not a Metro-funded project.

Pg. 148, RTP ID #1C0401, “I-710” project, Lead Agency should read “Los Angeles County MTA”, as this is a project from Metro’s 2009 LRTP. Lead Agency is currently blank.

Pg. 148, RTP ID # 1M1002, “I-710 Early Action Projects”, Lead Agency should be “Los Angeles County MTA”, as this is a project from Metro’s 2009 LRTP. “Lead Agency” is currently blank. The completion year should be “2022” and it is currently “2025”.

Pg. 150, RTP ID # 1120005, Metro Green Line Extension—this is a project assumed to be funded with innovative financing, and not a constrained project in Metro’s 2009 LRTP.

Pg. 150, RTP Project # 1TR1011, West Santa Ana Branch ROW Corridor -- this is a project assumed to be funded with innovative financing, and not a constrained project in Metro's 2009 LRTP.

Pg. 154., RTP #10M08D01, this is TIP #LA0G159, and is nearly complete. This should be moved into the TIP section.

Pg. 157, RTP #UT101, Metro Purple Line Westside Subway Extension Section 3 – Century City to Westwood/VA Hospital—the completion year should be 2035 (12/31/2015), and the Project Cost is \$2,157,100 (YOE). Also, this listing is duplicative of a listing on page 158. Please correct and list only once.

Pg. 157, RTP ID # 1TR0101 (TIP # LA0G1162), Airport Metro Connector, the completion date is 07/01/2023.

Pg. 158, RTP ID #1TR1003 (EIR is TIP # LA0G642) – This appears to be a duplicate of the incorrect entry listed above on page 157. There needs to be only one “Metro Purple Line Subway Extension Section 3”, completion date of 12/31/2035 with a project cost of \$2,157,100. Please delete one of the duplicates.

Pg. 158, RTP ID #1TR1017 – please delete this project.

Pg., 158, RTP ID #1TR1020 – Please delete this project.

SCS Background Data Appendix

General – The SCS Technical Appendix provides a clear and sound description of how the 2016 RTP/SCS complies with SB 375, both from a content and process standpoint. We are confident that the Plan as presented will be approved by ARB.

Metro explicitly partners with SCAG on SCS development and implementation through the SCAG/Metro Joint Resolution and Work Program, most recently adopted by the Metro Board of Directors on May 28, 2015. The Plan and Appendix could be strengthened through further discussion of Joint Work Programs, including acknowledging completed efforts and identifying future initiatives that will advance the goals of the Plan. For example, the scenario planning exercise described in the appendix prompts preliminary steps in addressing sea level rise and other climate vulnerabilities as well as habitat protection needs. Through the plan, SCAG should describe and commit future planning activities in these areas or others.

Similarly, the Metro Board has adopted various sustainability policies acknowledging climate adaptation needs, and would suggest that sea level rise and climate vulnerabilities be explicitly included as priorities in the adopted plan, as opposed to a factor in a scenario exercise that does not influence policy and future activities.

Also, of note, the updated SCAG/Metro Joint Work Program commits a coordinated effort on deploying future planning funding, particularly from SCAG's Sustainability Planning Grant program. We would request that the Plan clearly acknowledge this commitment and further commit that future planning funding will be allocated in consultation with Metro such that priority activities are given consideration, and that local planning projects are structured appropriately for near term funding opportunities such as the Cap-and-Trade Affordable Housing and Sustainable Communities Program, the California Active Transportation Program, and the Metro Call For Projects.

Among other items, Metro collaborates with SCAG on the development and implementation of the First/Last Mile Strategic Plan. As such, we appreciate the emphasis on first/last mile implementation (transit/active transportation integration) with the Draft RTP/SCS and the SCS Technical Appendix. The appendix could do more to acknowledge and be consistent with Metro's recent work on this subject. In particular the estimated region-wide funding need for first/last mile, as reflected in the Active Transportation Appendix is substantially lower than our own estimates for Los Angeles County alone prepared for the current Active Transportation Strategic Plan effort. We encourage SCAG to coordinate with us on this aspect of the Plan.

We appreciate the inclusion emerging transportation technologies within the scenario planning exercises, as this is consistent with Metro's policies and work products including the Countywide Sustainability Planning Policy, First/Last Mile Strategic Plan and emerging pilot projects. As a technical matter, we are unclear on why the use of ride share and ride hailing services would be reflected in a direct reduction in VMT. It would seem more supportable through data as well as more consistent with policy goals to reflect these travel choices through an assumed reduction in vehicle ownership.

Transportation Finance Appendix

Pg. 10, near bottom of page (concept also applies to page 26): New Starts: "As with the FHWA sources, fuel consumption declines by 0.9 percent (in real terms) annually." We would like to suggest it state that, "As with the FHWA sources, fuel consumption declines by 0.9 percent (in real terms) annually making it increasingly difficult for Congress to back fill with general funds."

Pg. 23, top of page: ...State Transit Assistance (STA) are included under this source (meaning Local Agency Funds for LA County). STA should be included under State sources on page 24.

General Comment Concerning Above Appendix Comments

If any comment above pertains to any section of the main documents of the Draft 2016 RTP/SCS, SCAG may also want to apply the changes beyond the appendices and into the body of the main document.



File #: 2015-1763, File Type: Program

Agenda Number: 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

**SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS**

**ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS**

RECOMMENDATION

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

- A. the I-5 North Capacity Enhancement (SR-134 to SR-170);
- B. the I-5 South Capacity Enhancement (I-605 to Orange County Line); and
- C. the I-5 South Carmenita Road Interchange.

ISSUE

Metro staff reported to the Board of Directors in June 2015 that it was in the best interest of Metro to use Measure R 20% Highway Sub-fund resources instead of issuing Proposition C 25% bonds for the I-5 North Capacity Enhancement (SR-134 to SR-170), the I-5 South Capacity Enhancement (I-605 to Orange County Line), and the I-5 South Carmenita Road Interchange projects. In total, \$350.0 million of Measure R 20% Highway Subfund resources are now expected to be used instead of Proposition C 25% funds, which are anticipated to incur interest costs due to the need to borrow for this fund type.

Normally, this would not require an action of the Metro Board of Directors. In this instance, the use of the Measure R funds instead of Proposition C funds will eliminate Measure R required replacement project credits once included in the 2009 LRTP. We are recommending that the Metro Board of Directors instead make these replacement project credits available to the applicable subregions from Proposition C 25% funds. The Measure R credits were not to be made available until late in the 2009 LRTP period and so we propose to include the \$350.0 million from Proposition C 25% in the third decade of the LRTP.

DISCUSSION

Four projects are listed with footnote “j” in the Measure R Expenditure Plan for an allocation of Measure R 20% highway funds:

1. I-5 North Capacity Enhancement from SR-134 to SR-170 (San Fernando Valley and Arroyo Verdugo subregions);
2. I-5 South Capacity Enhancement from I-605 to Orange County Line (Gateway subregion);
3. I-5 South Carmenita Road Interchange (Gateway subregion); and
4. I-5/SR-14 Capacity Enhancement (North County subregion).

Footnote “j” of the Measure R Expenditure Plan states:

“For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).”

These four projects are Measure R highway projects programmed for delivery using other funding sources before the passage of Measure R. The Measure R funding made available due to this prior programming was to be reserved for use by the subregions in which the projects exist. This was a subregional equity protection included in the Measure R authorizing legislation, ordinance, and Expenditure Plan. To track the requirement for the projects, the 2009 Long Range Transportation Plan (LRTP) and the 2014 Short Range Transportation Plan (SRTP) assumed Measure R highway project credits for the San Fernando Valley, Arroyo Verdugo, Gateway, and North County subregions for to-be-determined projects late in the third decade.

Per the legal opinion of County Counsel, Metro staff believes the Measure R Ordinance only governs the use of Measure R funds, not any other funds, including Proposition C 25% funds. In accordance with that legal opinion, Metro staff believes that neither the Measure R Ordinance nor State law requires an equivalent subregional payback of non-Measure R funds. However, the Metro Board can act as it deems appropriate to provide such subregional project credits paid with non-Measure R funds independent of the Measure R Ordinance. We believe it is appropriate to do so given the Measure R footnote “j”.

Table 1 below shows the amount of Measure R 20% Highway Subfunds originally planned to complete the projects with the balance originally assumed for Measure R replacement project credits in the third decade of Measure R for the affected subregions. Due to the availability of Measure R 20% highway cash funds and the cost of bonding for Proposition C 25% funds, Metro staff has reassigned funding within the project budgets to expend Measure R 20% Highway Subfund resources in place of the originally planned Proposition C 25% funds for three of the four projects.

Without further action by the Metro Board of Directors, this funding change would result in the substantial reduction and/or elimination of the replacement Measure R 20% project credits assumed in the 2009 LRTP and the 2014 SRTP.

Table 1

BEFORE STAFF RECOMMENDATION (2014 SRTP)			
(millions)	A	B	C=A-B
Project	Measure R Expenditure Plan	Measure R 20% in SRTP	Measure R 20% Replacement Project Credits
I-5 North Capacity Enhancement	\$271.5	\$18.0	\$253.5
I-5 South Capacity Enhancement	\$264.8	\$70.0	\$194.8*
I-5 South Carmenita Interchange	\$138.0	\$5.0	\$133.0
I-5/SR-14 Capacity Enhancement	\$90.8	\$2.0	\$88.8
Total	\$765.1	\$95.0	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The Measure R 20% Highway Subfunds require no bonding at this time compared to the bonding which would be required for Proposition C 25% funds which are in higher demand and are anticipated to require borrowing in the future. The annual level debt service payment on a \$350.0 million bond at 4% for 30 years would be \$20.2 million per year totaling \$257.2 million of interest. The reassigment of the fund types was intended to avoid some or all of this interest.

Table 2 shows the proposed estimated Measure R 20% and Proposition C 25% replacement project credits late in the third decade of Measure R. Metro staff believes that neither the Measure R Ordinance nor State law requires equivalent replacement project credits from non-Measure R funds; however, the Metro Board can adopt a policy to fund replacement project credits under such circumstances.

Table 2

STAFF RECOMMENDATION - FUNDING OF REPLACEMENT PROJECT CREDITS IN 3RD DECADE			
(millions)	D	E	F=D+E
Project	Proposition C 25% Replacement Project Credits	Measure R 20% Replacement Project Credits	Total Replacement Project Credits
I-5 North Capacity Enhancement	\$223.5	\$30.0	\$253.5
I-5 South Capacity Enhancement	\$86.4	\$108.4*	\$194.8
I-5 South Carmenita Interchange	\$40.1	\$92.9	\$133
I-5/SR-14 Capacity Enhancement	\$0	\$88.8	\$88.8
Total	\$350.0	\$320.1	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The estimated fund reassignments for the three projects through FY 2020 were reported to the Metro Board in June 2015 as part of Attachment A of Items 5 and 19, the Fiscal Stability Overview and Funding Commitments Inventory. The associated reduction of the replacement project credits in the later decades of the 2009 LRTP was not separately reported at that time. No other projects were forecasted to be impacted or delayed as a result of this recommendation.

DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

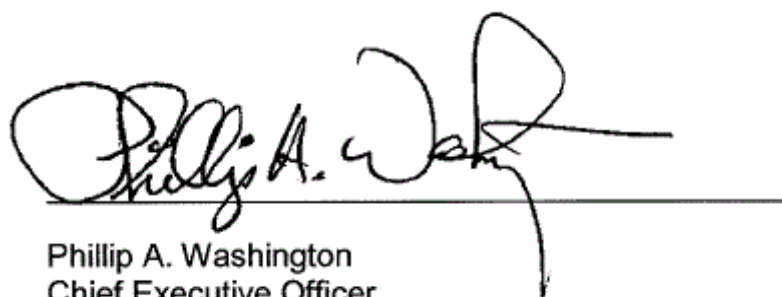
ATTACHMENTS

Attachment A - I-5 North Carpool Lanes (SR-134 to SR-170) Project Funding Comparison - Fiscal Stability Overview and Funding Commitments Inventory, Items 5/19, June 2015

Attachment B - I-5 South (I-605 to Orange County Line) and Carmenita Interchange Project Funding Comparison - Fiscal Stability Overview and Funding Commitments Inventory, Items 5/19, June 2015

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Phillip A. Washington
Chief Executive Officer

**Fiscal Stability Overview and Funding Commitments Inventory
Interstate 5 North Carpool Lanes from State Route 170 to State Route 134 Project Funding Comparison**

	2014		2015		2016		2017		2018		2019		2020		2021		Total
	Prior	2014	2015	2016	2017	2018	2019	2020	2021	2020	2021	2020	2021	2020	2021		
(\$ in millions)																	
As of March 2014																	
SRT Mar 2014	43.4	11.3	121.0	72.6													248.3
Proposition C 25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposition C 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Measure R 20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Agency Funds	64.7																64.7
Proposition 1B CMIA ⁽⁷⁾	13.1																13.1
Proposition 1B SLPP ⁽⁸⁾	-																-
Proposition 1B Highway-Railroad Crossing Safety	-																-
Traffic Congestion Relief Program	22.0	80.0															102.0
CMAQ & RSTP ⁽⁴⁾	109.4	30.0															139.3
Regional Improvement Program	16.0	25.0															41.0
Other State & Federal ⁽⁵⁾	268.6	146.3	121.0	72.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	608.4
Total																	
As of Mar 2015																	
Mar 2015	50.3																50.3
Proposition C 25%	-																-
Proposition C 10%	-																-
Measure R 20%	33.2	18.5	61.6	53.6	49.8	11.7											228.5
Local Agency Funds	-																-
Proposition 1B CMIA ⁽⁷⁾	33.2	8.8	22.7														64.7
Proposition 1B SLPP ⁽⁸⁾	13.1																13.1
Proposition 1B Highway-Railroad Crossing Safety	-																-
Traffic Congestion Relief Program	20.5	42.0	35.7														98.2
CMAQ & RSTP ⁽⁴⁾	109.7	30.0															139.7
Regional Improvement Program	0.4	18.2	20.9														39.5
Other State & Federal ⁽⁵⁾	260.3	99.0	97.8	61.6	53.6	49.8	11.7										633.9
Total																	
Change⁽⁶⁾																	
Change	6.9	(11.3)	(121.0)	(72.6)	-	-	-	-	-	-	-	-	-	-	-	-	(198.0)
Proposition C 25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposition C 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Measure R 20%	33.2	-	18.5	61.6	53.6	49.8	11.7										228.5
Local Agency Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposition 1B CMIA ⁽⁷⁾	(31.5)	8.8	22.7	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Proposition 1B SLPP ⁽⁸⁾	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)
Proposition 1B Highway-Railroad Crossing Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Traffic Congestion Relief Program	(1.5)	(38.0)	35.7	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.8)
CMAQ & RSTP ⁽⁴⁾	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3
Regional Improvement Program	(15.6)	(6.8)	20.9	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.5)
Other State & Federal ⁽⁵⁾	(8.2)	(47.3)	(23.2)	(11.0)	53.6	49.8	11.7										25.5
Total																	

**Fiscal Stability Overview and Funding Commitments Inventory
Interstate 5 South from Orange County Line to Interstate 605 (includes Carmenita Interchange) Project Funding Comparison**

(\$ in millions)		2014		2015		2016		2017		2018		2019		2020		2021		2022		Total
		Prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
As of March 2014																				
S RTP Mar 2014		52.8	13.7	103.1	160.9	154.6	54.8	52.5												592.5
Proposition C 25%																				-
Proposition C 10%																				-
Measure R 20%																				0.5
Local Agency Funds		0.5																		315.0
Proposition 1B CMIA ⁽⁷⁾		89.3	165.9	59.8																14.9
Proposition 1B SLPP ⁽⁸⁾		14.9																		-
Proposition 1B Highway-Railroad Crossing Safety																				196.0
Traffic Congestion Relief Program		156.3	19.8	19.8																196.0
CMAQ & RSTP ⁽⁴⁾		106.7	10.4	78.9																435.2
Regional Improvement Program		334.7	46.4		54.1															144.3
Other State & Federal ⁽⁵⁾		87.3	7.0				50.0													1,894.3
Total		842.6	263.3	261.6	215.0	154.6	104.8	52.5	0.0	0.0										
As of Mar 2015																				
Mar 2015		42.8			23.4	65.0	50.2	30.8	6.0											218.1
Proposition C 25%																				-
Proposition C 10%																				209.9
Measure R 20%																				0.5
Local Agency Funds		0.5																		315.1
Proposition 1B CMIA ⁽⁷⁾		67.9	45.0	113.9	88.3															14.9
Proposition 1B SLPP ⁽⁸⁾		14.9		0.0																196.0
Traffic Congestion Relief Program		156.3	10.2	9.6	19.8															296.0
CMAQ & RSTP ⁽⁴⁾		148.5		77.3	35.7	34.5														545.5
Regional Improvement Program		394.5	150.8	0.2																144.3
Other State & Federal ⁽⁵⁾		20.3	39.0	35.0			50.0													1,940.3
Total		895.4	285.3	356.0	167.2	99.5	100.2	30.8	6.0	0.0										
Change⁽⁶⁾																				
Change		(10.1)	(13.7)	(103.1)	(137.5)	(89.6)	(4.6)	(21.7)	6.0	-										(374.3)
Proposition C 25%																				-
Proposition C 10%																				-
Measure R 20%		49.7	40.2	120.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209.9
Local Agency Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposition 1B CMIA ⁽⁷⁾		(21.5)	(120.9)	54.1	88.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Traffic Congestion Relief Program		-	(9.6)	(10.2)	19.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMAQ & RSTP ⁽⁴⁾		41.8	(10.4)	(1.6)	35.7	34.5	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0
Regional Improvement Program		59.8	104.4	0.2	(54.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110.3
Other State & Federal ⁽⁵⁾		(67.0)	32.0	35.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Total		52.8	22.0	94.3	(47.8)	(55.1)	(4.6)	(21.7)	6.0	-										46.0



Board Report

File #: 2015-1763, File Type: Program

Agenda Number: 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

**SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS**

**ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS**

RECOMMENDATION

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

- A. the I-5 North Capacity Enhancement (SR-134 to SR-170);
- B. the I-5 South Capacity Enhancement (I-605 to Orange County Line); and
- C. the I-5 South Carmenita Road Interchange.

ISSUE

Metro staff reported to the Board of Directors in June 2015 that it was in the best interest of Metro to use Measure R 20% Highway Sub-fund resources instead of issuing Proposition C 25% bonds for the I-5 North Capacity Enhancement (SR-134 to SR-170), the I-5 South Capacity Enhancement (I-605 to Orange County Line), and the I-5 South Carmenita Road Interchange projects. In total, \$350.0 million of Measure R 20% Highway Subfund resources are now expected to be used instead of Proposition C 25% funds, which are anticipated to incur interest costs due to the need to borrow for this fund type.

Normally, this would not require an action of the Metro Board of Directors. In this instance, the use of the Measure R funds instead of Proposition C funds will eliminate Measure R required replacement project credits once included in the 2009 LRTP. We are recommending that the Metro Board of Directors instead make these replacement project credits available to the applicable subregions from Proposition C 25% funds. The Measure R credits were not to be made available until late in the 2009 LRTP period and so we propose to include the \$350.0 million from Proposition C 25% in the third decade of the LRTP.

DISCUSSION

Four projects are listed with footnote “j” in the Measure R Expenditure Plan for an allocation of Measure R 20% highway funds:

1. I-5 North Capacity Enhancement from SR-134 to SR-170 (San Fernando Valley and Arroyo Verdugo subregions);
2. I-5 South Capacity Enhancement from I-605 to Orange County Line (Gateway subregion);
3. I-5 South Carmenita Road Interchange (Gateway subregion); and
4. I-5/SR-14 Capacity Enhancement (North County subregion).

Footnote “j” of the Measure R Expenditure Plan states:

“For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).”

These four projects are Measure R highway projects programmed for delivery using other funding sources before the passage of Measure R. The Measure R funding made available due to this prior programming was to be reserved for use by the subregions in which the projects exist. This was a subregional equity protection included in the Measure R authorizing legislation, ordinance, and Expenditure Plan. To track the requirement for the projects, the 2009 Long Range Transportation Plan (LRTP) and the 2014 Short Range Transportation Plan (SRTP) assumed Measure R highway project credits for the San Fernando Valley, Arroyo Verdugo, Gateway, and North County subregions for to-be-determined projects late in the third decade.

Per the legal opinion of County Counsel, Metro staff believes the Measure R Ordinance only governs the use of Measure R funds, not any other funds, including Proposition C 25% funds. In accordance with that legal opinion, Metro staff believes that neither the Measure R Ordinance nor State law requires an equivalent subregional payback of non-Measure R funds. However, the Metro Board can act as it deems appropriate to provide such subregional project credits paid with non-Measure R funds independent of the Measure R Ordinance. We believe it is appropriate to do so given the Measure R footnote “j”.

Table 1 below shows the amount of Measure R 20% Highway Subfunds originally planned to complete the projects with the balance originally assumed for Measure R replacement project credits in the third decade of Measure R for the affected subregions. Due to the availability of Measure R 20% highway cash funds and the cost of bonding for Proposition C 25% funds, Metro staff has reassigned funding within the project budgets to expend Measure R 20% Highway Subfund resources in place of the originally planned Proposition C 25% funds for three of the four projects.

Without further action by the Metro Board of Directors, this funding change would result in the substantial reduction and/or elimination of the replacement Measure R 20% project credits assumed in the 2009 LRTP and the 2014 SRTP.

Table 1

BEFORE STAFF RECOMMENDATION (2014 SRTP)			
(millions)	A	B	C=A-B
Project	Measure R Expenditure Plan	Measure R 20% in SRTP	Measure R 20% Replacement Project Credits
I-5 North Capacity Enhancement	\$271.5	\$18.0	\$253.5
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I-5 South Carmenita Interchange	\$138.0	\$5.0	\$133.0
I-5/SR-14 Capacity Enhancement	\$90.8	\$2.0	\$88.8
Total	\$765.1	\$95.0	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The Measure R 20% Highway Subfunds require no bonding at this time compared to the bonding which would be required for Proposition C 25% funds which are in higher demand and are anticipated to require borrowing in the future. The annual level debt service payment on a \$350.0 million bond at 4% for 30 years would be \$20.2 million per year totaling \$257.2 million of interest. The reassigment of the fund types was intended to avoid some or all of this interest.

Table 2 shows the proposed estimated Measure R 20% and Proposition C 25% replacement project credits late in the third decade of Measure R. Metro staff believes that neither the Measure R Ordinance nor State law requires equivalent replacement project credits from non-Measure R funds; however, the Metro Board can adopt a policy to fund replacement project credits under such circumstances.

Table 2

STAFF RECOMMENDATION - FUNDING OF REPLACEMENT PROJECT CREDITS IN 3RD DECADE			
(millions)	D	E	F=D+E
Project	Proposition C 25% Replacement Project Credits	Measure R 20% Replacement Project Credits	Total Replacement Project Credits
I-5 North Capacity Enhancement	\$223.5	\$30.0	\$253.5
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I-5/SR-14 Capacity Enhancement	\$0	\$88.8	\$88.8
Total	\$350.0	\$320.1	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The estimated fund reassignments for the three projects through FY 2020 were reported to the Metro Board in June 2015 as part of Attachment A of Items 5 and 19, the Fiscal Stability Overview and Funding Commitments Inventory. The associated reduction of the replacement project credits in the later decades of the 2009 LRTP was not separately reported at that time. No other projects were forecasted to be impacted or delayed as a result of this recommendation.

DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

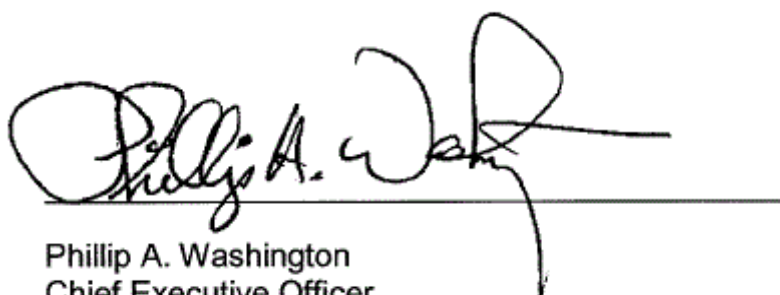
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Attachment A - I-5 North Carpool Lanes (SR-134 to SR-170) Project Funding Comparison - Fiscal Stability Overview and Funding Commitments Inventory, Items 5/19, June 2015

Attachment B - I-5 South (I-605 to Orange County Line) and Carmenita Interchange Project Funding Comparison - Fiscal Stability Overview and Funding Commitments Inventory, Items 5/19, June 2015

Prepared by: Gloria Anderson, Director, (213) 922-2457
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David Yale, Managing Executive Officer, (213) 922-2469

Reviewed by: Calvin E. Hollis, Interim Chief Planning Officer, (213) 922-7319



Phillip A. Washington
Chief Executive Officer

**Board Report**

File #: 2015-1763, **File Type:** Program**Agenda Number:** 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016****SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS****ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS****RECOMMENDATION**

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

- A. the I-5 North Capacity Enhancement (SR-134 to SR-170);
- B. the I-5 South Capacity Enhancement (I-605 to Orange County Line); and
- C. the I-5 South Carmenita Road Interchange.

ISSUE

Metro staff reported to the Board of Directors in June 2015 that it was in the best interest of Metro to use Measure R 20% Highway Sub-fund resources instead of issuing Proposition C 25% bonds for the I-5 North Capacity Enhancement (SR-134 to SR-170), the I-5 South Capacity Enhancement (I-605 to Orange County Line), and the I-5 South Carmenita Road Interchange projects. In total, \$350.0 million of Measure R 20% Highway Subfund resources are now expected to be used instead of Proposition C 25% funds, which are anticipated to incur interest costs due to the need to borrow for this fund type.

Normally, this would not require an action of the Metro Board of Directors. In this instance, the use of the Measure R funds instead of Proposition C funds will eliminate Measure R required replacement project credits once included in the 2009 LRTP. We are recommending that the Metro Board of Directors instead make these replacement project credits available to the applicable subregions from Proposition C 25% funds. The Measure R credits were not to be made available until late in the 2009 LRTP period and so we propose to include the \$350.0 million from Proposition C 25% in the third decade of the LRTP.

DISCUSSION

Four projects are listed with footnote “j” in the Measure R Expenditure Plan for an allocation of Measure R 20% highway funds:

1. I-5 North Capacity Enhancement from SR-134 to SR-170 (San Fernando Valley and Arroyo Verdugo subregions);
2. I-5 South Capacity Enhancement from I-605 to Orange County Line (Gateway subregion);
3. I-5 South Carmenita Road Interchange (Gateway subregion); and
4. I-5/SR-14 Capacity Enhancement (North County subregion).

Footnote “j” of the Measure R Expenditure Plan states:

“For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).”

These four projects are Measure R highway projects programmed for delivery using other funding sources before the passage of Measure R. The Measure R funding made available due to this prior programming was to be reserved for use by the subregions in which the projects exist. This was a subregional equity protection included in the Measure R authorizing legislation, ordinance, and Expenditure Plan. To track the requirement for the projects, the 2009 Long Range Transportation Plan (LRTP) and the 2014 Short Range Transportation Plan (SRTP) assumed Measure R highway project credits for the San Fernando Valley, Arroyo Verdugo, Gateway, and North County subregions for to-be-determined projects late in the third decade.

Per the legal opinion of County Counsel, Metro staff believes the Measure R Ordinance only governs the use of Measure R funds, not any other funds, including Proposition C 25% funds. In accordance with that legal opinion, Metro staff believes that neither the Measure R Ordinance nor State law requires an equivalent subregional payback of non-Measure R funds. However, the Metro Board can act as it deems appropriate to provide such subregional project credits paid with non-Measure R funds independent of the Measure R Ordinance. We believe it is appropriate to do so given the Measure R footnote “j”.

Table 1 below shows the amount of Measure R 20% Highway Subfunds originally planned to complete the projects with the balance originally assumed for Measure R replacement project credits in the third decade of Measure R for the affected subregions. Due to the availability of Measure R 20% highway cash funds and the cost of bonding for Proposition C 25% funds, Metro staff has reassigned funding within the project budgets to expend Measure R 20% Highway Subfund resources in place of the originally planned Proposition C 25% funds for three of the four projects.

Without further action by the Metro Board of Directors, this funding change would result in the substantial reduction and/or elimination of the replacement Measure R 20% project credits assumed in the 2009 LRTP and the 2014 SRTP.

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Total	\$765.1	\$95.0	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The Measure R 20% Highway Subfunds require no bonding at this time compared to the bonding which would be required for Proposition C 25% funds which are in higher demand and are anticipated to require borrowing in the future. The annual level debt service payment on a \$350.0 million bond at 4% for 30 years would be \$20.2 million per year totaling \$257.2 million of interest. The reassigment of the fund types was intended to avoid some or all of this interest.

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*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The estimated fund reassignments for the three projects through FY 2020 were reported to the Metro Board in June 2015 as part of Attachment A of Items 5 and 19, the Fiscal Stability Overview and Funding Commitments Inventory. The associated reduction of the replacement project credits in the later decades of the 2009 LRTP was not separately reported at that time. No other projects were forecasted to be impacted or delayed as a result of this recommendation.

DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

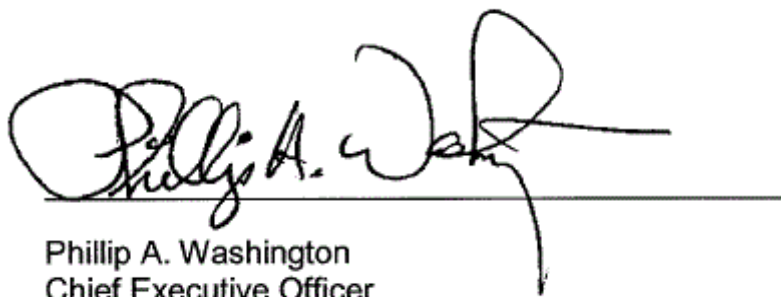
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Reviewed by: Calvin E. Hollis, Interim Chief Planning Officer, (213) 922-7319



Phillip A. Washington
Chief Executive Officer



Board Report

File #: 2015-1763, File Type: Program

Agenda Number: 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

**SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS**

**ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS**

RECOMMENDATION

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

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ISSUE

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Impact to Budget

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ALTERNATIVES CONSIDERED

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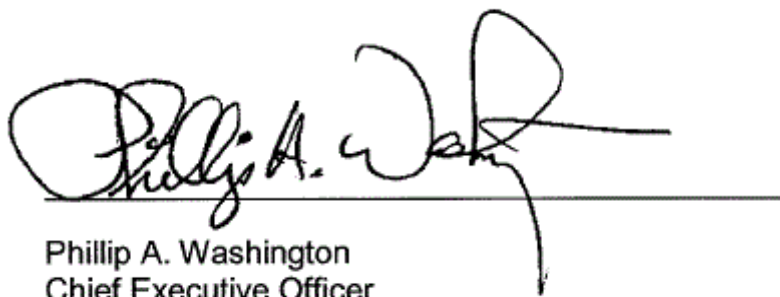
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Board Report

File #: 2015-1763, File Type: Program

Agenda Number: 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

**SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS**

**ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS**

RECOMMENDATION

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(millions)	A	B	C=A-B
Project	Measure R Expenditure Plan	Measure R 20% in SRTP	Measure R 20% Replacement Project Credits
I-5 North Capacity Enhancement	\$271.5	\$18.0	\$253.5
I-5 South Capacity Enhancement	\$264.8	\$70.0	\$194.8*
I-5 South Carmenita Interchange	\$138.0	\$5.0	\$133.0
I-5/SR-14 Capacity Enhancement	\$90.8	\$2.0	\$88.8
Total	\$765.1	\$95.0	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The Measure R 20% Highway Subfunds require no bonding at this time compared to the bonding which would be required for Proposition C 25% funds which are in higher demand and are anticipated to require borrowing in the future. The annual level debt service payment on a \$350.0 million bond at 4% for 30 years would be \$20.2 million per year totaling \$257.2 million of interest. The reassigment of the fund types was intended to avoid some or all of this interest.

Table 2 shows the proposed estimated Measure R 20% and Proposition C 25% replacement project credits late in the third decade of Measure R. Metro staff believes that neither the Measure R Ordinance nor State law requires equivalent replacement project credits from non-Measure R funds; however, the Metro Board can adopt a policy to fund replacement project credits under such circumstances.

Table 2

STAFF RECOMMENDATION - FUNDING OF REPLACEMENT PROJECT CREDITS IN 3RD DECADE			
(millions)	D	E	F=D+E
Project	Proposition C 25% Replacement Project Credits	Measure R 20% Replacement Project Credits	Total Replacement Project Credits
I-5 North Capacity Enhancement	\$223.5	\$30.0	\$253.5
I-5 South Capacity Enhancement	\$86.4	\$108.4*	\$194.8
I-5 South Carmenita Interchange	\$40.1	\$92.9	\$133
I-5/SR-14 Capacity Enhancement	\$0	\$88.8	\$88.8
Total	\$350.0	\$320.1	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The estimated fund reassignments for the three projects through FY 2020 were reported to the Metro Board in June 2015 as part of Attachment A of Items 5 and 19, the Fiscal Stability Overview and Funding Commitments Inventory. The associated reduction of the replacement project credits in the later decades of the 2009 LRTP was not separately reported at that time. No other projects were forecasted to be impacted or delayed as a result of this recommendation.

DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

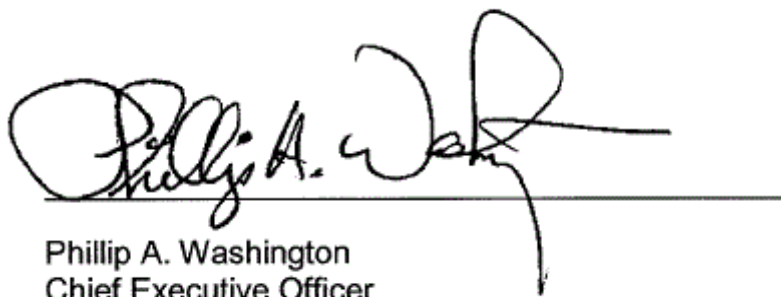
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Attachment B - I-5 South (I-605 to Orange County Line) and Carmenita Interchange Project Funding Comparison - Fiscal Stability Overview and Funding Commitments Inventory, Items 5/19, June 2015

Prepared by: Gloria Anderson, Director, (213) 922-2457
Wil Ridder, Executive Officer, (213) 922-2887
David Yale, Managing Executive Officer, (213) 922-2469

Reviewed by: Calvin E. Hollis, Interim Chief Planning Officer, (213) 922-7319



Phillip A. Washington
Chief Executive Officer



Board Report

File #: 2015-1763, File Type: Program

Agenda Number: 20.

REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016

SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY REPLACEMENT PROJECT CREDITS

ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT CREDITS

RECOMMENDATION

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

- A. the I-5 North Capacity Enhancement (SR-134 to SR-170);
- B. the I-5 South Capacity Enhancement (I-605 to Orange County Line); and
- C. the I-5 South Carmenita Road Interchange.

ISSUE

Metro staff reported to the Board of Directors in June 2015 that it was in the best interest of Metro to use Measure R 20% Highway Sub-fund resources instead of issuing Proposition C 25% bonds for the I-5 North Capacity Enhancement (SR-134 to SR-170), the I-5 South Capacity Enhancement (I-605 to Orange County Line), and the I-5 South Carmenita Road Interchange projects. In total, \$350.0 million of Measure R 20% Highway Subfund resources are now expected to be used instead of Proposition C 25% funds, which are anticipated to incur interest costs due to the need to borrow for this fund type.

Normally, this would not require an action of the Metro Board of Directors. In this instance, the use of the Measure R funds instead of Proposition C funds will eliminate Measure R required replacement project credits once included in the 2009 LRTP. We are recommending that the Metro Board of Directors instead make these replacement project credits available to the applicable subregions from Proposition C 25% funds. The Measure R credits were not to be made available until late in the 2009 LRTP period and so we propose to include the \$350.0 million from Proposition C 25% in the third decade of the LRTP.

DISCUSSION

Four projects are listed with footnote “j” in the Measure R Expenditure Plan for an allocation of Measure R 20% highway funds:

1. I-5 North Capacity Enhancement from SR-134 to SR-170 (San Fernando Valley and Arroyo Verdugo subregions);
2. I-5 South Capacity Enhancement from I-605 to Orange County Line (Gateway subregion);
3. I-5 South Carmenita Road Interchange (Gateway subregion); and
4. I-5/SR-14 Capacity Enhancement (North County subregion).

Footnote “j” of the Measure R Expenditure Plan states:

“For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).”

These four projects are Measure R highway projects programmed for delivery using other funding sources before the passage of Measure R. The Measure R funding made available due to this prior programming was to be reserved for use by the subregions in which the projects exist. This was a subregional equity protection included in the Measure R authorizing legislation, ordinance, and Expenditure Plan. To track the requirement for the projects, the 2009 Long Range Transportation Plan (LRTP) and the 2014 Short Range Transportation Plan (SRTP) assumed Measure R highway project credits for the San Fernando Valley, Arroyo Verdugo, Gateway, and North County subregions for to-be-determined projects late in the third decade.

Per the legal opinion of County Counsel, Metro staff believes the Measure R Ordinance only governs the use of Measure R funds, not any other funds, including Proposition C 25% funds. In accordance with that legal opinion, Metro staff believes that neither the Measure R Ordinance nor State law requires an equivalent subregional payback of non-Measure R funds. However, the Metro Board can act as it deems appropriate to provide such subregional project credits paid with non-Measure R funds independent of the Measure R Ordinance. We believe it is appropriate to do so given the Measure R footnote “j”.

Table 1 below shows the amount of Measure R 20% Highway Subfunds originally planned to complete the projects with the balance originally assumed for Measure R replacement project credits in the third decade of Measure R for the affected subregions. Due to the availability of Measure R 20% highway cash funds and the cost of bonding for Proposition C 25% funds, Metro staff has reassigned funding within the project budgets to expend Measure R 20% Highway Subfund resources in place of the originally planned Proposition C 25% funds for three of the four projects.

Without further action by the Metro Board of Directors, this funding change would result in the substantial reduction and/or elimination of the replacement Measure R 20% project credits assumed in the 2009 LRTP and the 2014 SRTP.

Table 1

BEFORE STAFF RECOMMENDATION (2014 SRTP)			
(millions)	A	B	C=A-B
Project	Measure R Expenditure Plan	Measure R 20% in SRTP	Measure R 20% Replacement Project Credits
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Total	\$765.1	\$95.0	\$670.1

*Per the asterisk footnote on the Measure R Expenditure Plan, additional funding for the West Santa Ana Branch project would come from replacement projects credits from the I-5 South project (\$108.4 million is the current estimate).

The Measure R 20% Highway Subfunds require no bonding at this time compared to the bonding which would be required for Proposition C 25% funds which are in higher demand and are anticipated to require borrowing in the future. The annual level debt service payment on a \$350.0 million bond at 4% for 30 years would be \$20.2 million per year totaling \$257.2 million of interest. The reassigment of the fund types was intended to avoid some or all of this interest.

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The estimated fund reassignments for the three projects through FY 2020 were reported to the Metro Board in June 2015 as part of Attachment A of Items 5 and 19, the Fiscal Stability Overview and Funding Commitments Inventory. The associated reduction of the replacement project credits in the later decades of the 2009 LRTP was not separately reported at that time. No other projects were forecasted to be impacted or delayed as a result of this recommendation.

DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

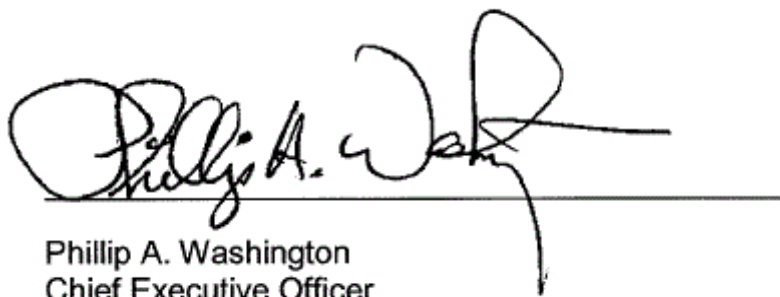
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Phillip A. Washington
Chief Executive Officer



Board Report

File #: 2015-1763, File Type: Program

Agenda Number: 20.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

**SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN MEASURE R HIGHWAY
REPLACEMENT PROJECT CREDITS**

**ACTION: APPROVE FUNDING CHANGE FOR MEASURE R REPLACEMENT PROJECT
CREDITS**

RECOMMENDATION

APPROVE the inclusion of **\$350.0 million of Proposition C 25% funds (or other eligible funds as necessary)** in the third decade of the Long Range Transportation Plan for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions as replacement project credits for Measure R 20% highway funds now programmed (instead of the originally planned Proposition C 25%) on three projects:

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DETERMINATION OF SAFETY IMPACT

The recommended actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

For FYs 2014 and 2015, Measure R 20% Highway Subfunds of \$136.7 million were used instead of issuing Proposition C 25% bonds. For FY 2016 and beyond, \$213.3 million of Measure R 20% Highway Subfunds are currently estimated to be used. Therefore, the estimated total is \$350.0 million of Measure R 20% highway cash funds which will save approximately \$257.2 million in debt interest over 30 years instead of issuing \$350.0 million of Proposition C 25% bonds for use on the projects.

Approval of the recommendation would result in the programming of \$350.0 million of Proposition C 25% funds late in the third decade of Measure R as replacement project credits for the San Fernando Valley, Arroyo Verdugo, and Gateway subregions for Measure R 20% highway funds.

Impact to Budget

The FY 2016 budget includes the reassignment of \$83.0 million of Measure R 20% highway cash funds in place of bonding Proposition C 25% funds, thereby saving on interest costs.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the programming of Proposition C 25% funds late in the third decade of Measure R for the affected subregions. Staff does not recommend this alternative as the recommendation provides for a subregional equity payback in the form of replacement project credits with non-Measure R funds consistent with the spirit of the Measure R Expenditure Plan and its footnote "j".

NEXT STEPS

Subject to Board action on the staff recommendation, Metro staff will work with the San Fernando Valley, Arroyo Verdugo, and Gateway subregions to identify specific projects and years in the 2017 LRTP update for reprogramming the estimated \$350.0 million in Proposition C 25% project credits.

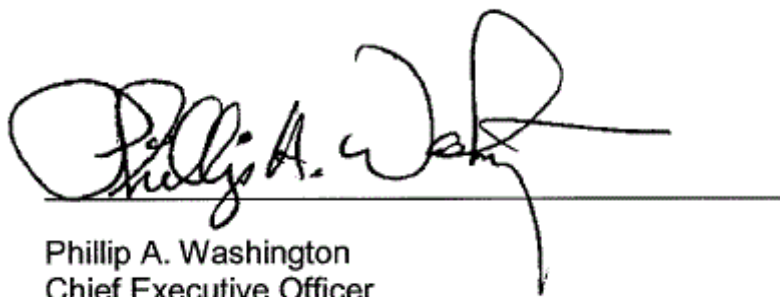
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Phillip A. Washington
Chief Executive Officer

**Board Report**

File #: 2015-1656, **File Type:** Contract**Agenda Number:** 21.

**PLANNING & PROGRAMMING COMMITTEE
JANUARY 20, 2016****SUBJECT: I-710 SOUTH CORRIDOR PROJECT EIR/EIS, SCOPE, BUDGET, AND SCHEDULE****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 17 to **Contract No. PS4340-1939 for the I-710 South Corridor Project with URS Corporation (an AECOM Entity) to provide professional services for an additional four month period** in the not-to-exceed amount of \$3,729,598, increasing the total contract value from \$45,794,130 to \$49,523,728.

ISSUE

At the October 2015 meeting, the Board approved Motion 22.1 to evaluate additional scope elements for Alternatives 5C and 7 in the I-710 Corridor Project EIR/EIS and directed staff to report back in 60 days. The additional scope elements include bikeway and pedestrian improvements, right-of-way avoidance designs, and additional transit service analysis among other things (see Attachment D). Three independent bikeway projects were also recommended for study outside the EIR/EIS and staff was directed to return to the Board with recommendations on how to fund these studies.

Metro staff developed a statement of work and an independent cost estimate for the additional scope elements included in Motion 22.1. The contract modification covers the preliminary engineering and environmental studies associated with the additional scope items for the I-710 South Corridor EIR/EIS. The cost to develop the three independent bikeway projects (\$1,196,596) will come from Measure R Administrative funds and is included in this contract modification. Staff also determined that the additional work will delay the re-circulation date by at least four months.

DISCUSSION

The I-710 South Corridor Project (I-710 South) study encompasses an 18-mile long corridor that extends from Ocean Blvd in Long Beach to State Route 60. The I-710 South is a vital transportation artery linking the Ports of Los Angeles and Long Beach to Southern California and beyond. As a result of population growth, cargo container growth, increasing traffic volumes, and aging infrastructure, the I-710 South experiences serious congestion and safety issues. Among the major concerns in the corridor are higher than average truck accident rates; the projected growth in the study area, and effects of recurring congestion and diesel emissions on the quality of life in the

surrounding communities. The I-710 South project alternatives seek to improve safety, air quality/public health, and mobility, and accommodate projected growth.

A Draft EIR/EIS circulated on June 28, 2012 evaluated four build alternatives, three of which included a grade-separated freight corridor. Close to 3,000 comments were received as part of the circulation. Community Alternative 7 (CA-7) was proposed by the Coalition for Environmental Health and Justice (CEHAJ) as a build alternative to be studied in the Draft EIR/EIS. CEHAJ consists of several environmental and community organizations including Communities for Better Environment, Legal Aid Foundation of Los Angeles, Natural Resources Defense Council, East Yard Communities for Environmental Justice, Physicians for Social Responsibility, and Coalition for Clean Air, among others. CA-7 proposes no additional general purpose lanes, a separate 4 lane elevated freight corridor restricted for use by zero emission trucks, no new right-of-way acquisition, an aggressive strategy to improve public transit via rail and bus in the I-710 Corridor, comprehensive regional active transportation improvements, comprehensive construction mitigation program, and extensive community benefits programs. As most of these proposed concepts are not fully developed, CEHAJ proposed that CA-7 be further developed by the Project Team and then studied in the Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS).

In early 2014, the Project Team began working with the various I-710 advisory committees to present the work accomplished so far (traffic forecasting and alternatives development) and to further refine the preliminary build alternatives and geometric concepts. By the middle of 2014, the following two Build Alternatives were presented to the 710 Committees for inclusion in the RDEIR/SDEIS:

Alternative 5C - widen to 5 mixed flow lanes in each direction plus improvements at I-710/I-405 (including truck by-pass lanes), I-710/SR-91, I-710/I-5 and every local interchange between Ocean Blvd. and SR-60.

Alternative 7 - two dedicated lanes (in each direction) for clean technology trucks from Ocean Blvd. in Long Beach to the intermodal railroad yards in Commerce/Vernon, plus improvements at I-710/I-405, I-710/SR-91, I-710/I-5 and every local interchange between Ocean Blvd. and SR-60.

The Board approved Motion 22.1 after extensive coordination and collaboration with a variety of stakeholders. This Motion directed staff to evaluate certain CA-7 scope elements under Alternatives 5C and 7 in the I-710 Corridor Project EIR/EIS, and to report back in 60 days. The additional scope elements include bikeway and pedestrian improvements, right-of-way avoidance designs, and additional transit service analysis among other things (Attachment D). Three independent bikeway projects were also recommended for study outside the EIR/EIS and staff was directed to come back with recommendations on how to fund the studies.

DETERMINATION OF SAFETY IMPACT

The I-710 South Corridor project scope, schedule, and budget revisions will have no impact to the safety of Metro's patrons or employees or the general public.

FINANCIAL IMPACT

Funding for the scope elements to be added to the I-710 South Draft EIR/EIS is included in the \$13,886,695 FY16 budget in Cost Center 4730 (Highway Program B), Project 460316, (I-710 South Early Action Projects), Account 50316 (Services Professional/Technical). Funding for the independent bikeway projects will come from Measure R Administrative funds. Since this is a multi-year project, the cost center manager and the Managing Executive Officer of the Highway Program or designee will continue to be responsible for budgeting the cost in future years.

Impact to Budget

The additional sources of funds for this project will be from Measure R Highway Capital (20%) Funds from the I-710 South and/or Early Action Projects and Measure R Administrative funds. These funds are not eligible for bus and rail operating and capital expenditures.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the proposed contract modification. This option is not recommended. Completing the environmental document for the project is a necessary step in developing the improvements described in Measure R for the corridor. Board approval would allow the project to move forward with continued community engagement and support which has been the trademark of this study.

NEXT STEPS

Upon approval by the Board, staff will execute the contract modification.

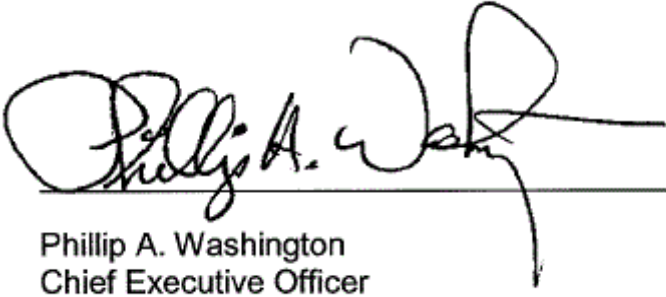
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary
Attachment D - Board Motion 22.1

Prepared by: Lucy Olmos-Delgadillo, Transportation Planning Manager, Highway Program,
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Ernesto Chaves, Director, Highway Program (213) 922-7343

Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management (213) 922-6383

Richard Clarke, Executive Director, Program Management, (213) 922-7557



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**I-710 SOUTH CORRIDOR PROJECT
ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STUDY
(EIR/EIS) ENGINEERING/ENVIRONMENTAL COMPONENT**

1.	Contract Number: PS4340-1939 (Modification #17)		
2.	Contractor: URS Corporation (an AECOM Entity)		
3.	Mod. Work Description: Supplemental Statement of Work in support of Motion 22.1 by Metro Board and Period of Performance Extension		
4.	Contract Work Description: EIR/EIS for the I-710 Corridor Project		
5.	The following data is current as of: December 8, 2015		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	01/28/08	Contract Award Amount: \$22,686,314
	Notice to Proceed (NTP):	01/28/08	Total of Modifications Approved: \$23,107,816
	Original Complete Date:	06/30/15	Pending Modifications (including this action): \$3,729,598
	Current Est. Complete Date:	07/31/17	Current Contract Value (with this action): \$49,523,728
7.	Contract Administrator: Erika Estrada		Telephone Number: 213-922-1102
8.	Project Manager: Ernesto Chaves		Telephone Number: 213-922-7343

A. Procurement Background

This Board Action is to approve Modification No.17 issued in support of Motion 22.1 by Director Solis which requested a supplemental statement of work to address geometric design for the I-710 Freight Corridor (under Alternative 7 only), evaluate the feasibility to operate only zero-emissions trucks along the Freight Corridor (under Alternative 7) to analyze Implementing High Frequency Express Bus Transit Service, evaluate Upgrades to the Existing Los Angeles River Bike Path, evaluate construction of Bike/Pedestrian Infrastructure Upgrades, Water Quality Enhancements, Bikeway Projects, and optional work to conduct Bike Projects Environmental Phase.

The supplemental statement of work is included in the evaluation of Alternatives 5C and 7 in the I-710 Recirculated Draft EIR/ EIS. The contract period of performance is extended for an additional four months for a revised program completion date of July 31, 2017.

This contract modification was processed in accordance with Metro's Acquisition Policy and Procedures. The contract type is cost plus fixed fee.

A total of 16 modifications have been executed to date. For details, please refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon MASD audit, an independent cost estimate, cost analysis, technical evaluation, and negotiations. Metro staff successfully negotiated a cost savings of \$56,879 from the firm's proposed amount.

Proposal Amount	Metro ICE	Negotiated Amount
\$3,786,477	\$4,514,465	\$3,729,598

CONTRACT MODIFICATION/CHANGE ORDER LOG
I-710 SOUTH CORRIDOR PROJECT EIR/EIS
ENGINEERING/ENVIRONMENTAL COMPONENT/PS4340-1939

Mod. No.	Description	Date	Amount
1.	Added New DBE/ and updated Project Manager	5/20/08	\$0.00
2.	Added New Subcontractor/Revised SOW – to include additional Traffic Studies	1/15/09	\$53,599
3.	Revised SOW – Utility Design	10/29/09	\$299,193
4.	Revised SOW – to include additional Traffic Studies	1/25/10	\$78,019
5.	Revised SOW – Enhanced Landscape design services	02/22/10	\$254,947
6.	Revised SOW to include additional geometric design options, traffic analysis and forecasts, advanced planning studies	10/20/10	\$484,017
7.	Revised SOW to revise build alternatives 6A/6B, oil field relocation strategies, Visual impact analysis, meeting support, project management support, tolling alternatives, Utility strategy alternatives analysis	1/5/11	\$4,001,672
8.	Revised SOW to revise alternative segments 6 and design options, update geometric plans, Visual impact analysis, meeting support, project management support, tolling alternatives, and community participation, public officials coordination	5/23/11	\$1,339,228
9.	Supplemental SOW – Traffic Simulation Model	04/23/12	\$324,339
10.	Supplemental Environmental Analyses for the I-710 Corridor Project (\$255,525) and Task reductions (-\$255,525) resulting in net zero change	04/24/12	\$0.00
11a.	Supplemental SOW (\$218,518) and Task reductions (-\$218,518) resulting in net zero change	11/30/12	\$0.00
12.	Revised SOW incorporating project changes, changes in State and federal improvement requirements, evaluation of Preferred alternative, re-circulation of Draft EIR/EIS and completion of Final EIR/EIS	1/24/13	\$9,190,276
13.	Supplemental Work -Augment public officials, staff oversight coordination	1/13/14	\$69,791
14.	Period of Performance Extension	6/29/15	\$0.00
15.	Period of Performance Extension	9/21/15	\$0.00

Mod. No.	Description	Date	Amount
16.	Supplemental Statement of Work and Period of Performance Extension to March 31, 2017	10/22/15	\$7,012,735
17.	Supplemental Statement of Work in support of Board Motion 22.1 and Period of Performance Extension to July 31, 2017	PENDING	\$3,729,598
	Modification Total:		\$26,837,414
	Original Contract:	1/28/08	\$22,686,314
	Total:		\$49,523,728

DEOD SUMMARY

I-710 SOUTH CORRIDOR PROJECT (EIR/EIS)/PS-4340-1939

A. Small Business Participation

URS Corporation (an AECOM Entity) (URS) made a 9.56% Disadvantaged Business Enterprise (DBE) commitment for this contract. URS is exceeding its commitment with a DBE participation of 9.78%. This project is 80% complete.

In September 2015, URS added DBE subcontractor Pan Environmental Inc. to the project for contract Modification No. 16, which was approved with a DBE commitment of 17.50%. Pan Environmental Inc. is expected to begin air quality technical analysis work in December 2015, and is expected to increase URS's overall DBE participation by 0.15%.

For contract Modification No. 17, URS added DBE subcontractor PacRim Engineering, Inc. to the project to perform additional civil engineering work; the DBE commitment proposed by URS for contract Modification No. 17 is 22.11%. Modification No. 17 is projected to increase URS' overall DBE participation by an additional 1.80%.

Small Business Commitment	9.56% DBE	Small Business Participation	9.78% DBE
----------------------------------	------------------	-------------------------------------	------------------

	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Civil Works Engineers	Caucasian Female	3.10%	2.81%
2.	JMD, Inc	Hispanic American	2.77%	1.79%
3.	Tatsumi and Partners, Inc	Asian Pacific American	0.79%	1.20%
4.	Wagner Engineering & Survey, Inc	Caucasian Female	2.90%	1.76%
5.	Epic Land Solutions	Caucasian Female	Added	0.05%
6.	Wiltec	African American	Added	0.36%
7.	D'Leon	Hispanic American	Added	0.90%
8.	MBI Media	Caucasian Female	Added	0.60%
9.	Galvin Preservation	Hispanic American	Added	0.31%
10.	Pan Environmental Inc.	Asian Pacific American	Added	0.00%
11.	PacRim Engineering	Asian Pacific American	Added	0.00%
Total			9.56%	9.78%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection and other support trades.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this project.

**Board Report**

File #:2015-1595, **File Type:**Motion / Motion
Response

Agenda Number:22.1

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 14, 2015**

Motion by:

Supervisor Solis as Amended by Director Knabe

October 14, 2015

**Relating to Item 22, File ID 2015-1345
I-710 South Corridor Project EIR/EIS Scope, Budget and Schedule**

The I-710 Corridor is a vital transportation artery, linking adjacent communities and the Ports of Los Angeles and Long Beach to Southern California and beyond. As an essential component of the regional, statewide, and national transportation system, it serves both passenger and goods movement vehicles. As a result of population growth, employment growth, increased demand for goods movement, increasing traffic volumes, and aging infrastructure, the I-710 Corridor experiences serious congestion and safety issues. Notably, the existing I-710 Corridor has elevated levels of health risks related to high levels of diesel particulate emissions, traffic congestion, high truck volumes, high accident rates, and many design features in need of modernization (the original freeway was built in the 1950s and 1960s).

The purpose of the I-710 Corridor Project is to improve air quality and public health, improve traffic safety, modernize the freeway design, address projected traffic volumes, and address projected growth in population, employment, and activities related to goods. The project includes an extensive community participation process that has provided a forum for residents, community advocates, and local municipalities comment and make recommendations for meeting the project purpose and need. Metro and Caltrans must ensure that we address the purpose and need of the project in a manner that is responsive to the community, yet feasible and fiscally responsible.

PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (3-0) approving the MOTION by Director Solis that the Board of Directors make approval of Item 22 contingent on studying the following as a part of the evaluation of Alternatives 5C and 7 in the I-710 Recirculated Draft Environmental Impact Report/ Supplemental Environmental Impact Statement:

-
- A. Geometric design for the I-710 Freight Corridor (under Alternative 7 only) that eliminates significant impacts and displacements of homes, businesses, or community resources, such as but not limited to the Bell Shelter or Senior Centers, and the implications of such a design on commuter and freight traffic demands; where significant impacts are unavoidable, provide documentation of the rationale and constraints;
- B. An option, under Alternative 7 only, to evaluate the feasibility should technology be available, to operate only zero-emissions trucks along the Freight Corridor as part of the project;
- C. Implementing high frequency Express Bus Transit service along the main 710 corridor and the impact of such a line on commuter and freight traffic demands;
- D. Adding transit service on the bus and rail lines serving the I-710 project area, including operating Blue and Green Line trains with a minimum of 10-minute headways and a minimum of 25% increase in local bus, express bus and community shuttles service frequencies;
- E. Traffic Control measures, traffic management, intelligent transportation systems and operational efficiency improvements, such as highway ramp metering and transit system signal prioritization, to reduce congestion on local streets and arterials before considering expanding lanes;
- F. The use of the best available control technology construction equipment as defined by the California Air Resources Board;
- G. Construction of a new, 8-foot, Class-I bike path and access points within the Los Angeles Flood Control District right-of-way on the western levee of the Los Angeles River Channel from the Pacific Coast Highway [Long Beach] to Imperial Highway [South Gate] to connect with the existing Los Angeles River Bike Path;
- H. Construction of a new 8-foot, Class I bike path and access points within SCE right-of-way, roughly parallel to Greenleaf Blvd., between the Los Angeles Blue Line and Sportsman Drive;

For items G, H and I above, conduct a study separate from the I-710 South Environmental Impact

Report. Work with the CEO to identify and recommend funds to support the study.

Instruct staff to report back within 60 days.

- I. Construction of a new 8-foot, Class I bike path and access points within SCE and LADWP right-of-way from Willow/TI Freeway [Long Beach] to connect with the Rio Hondo Bike trail at Garfield Avenue [South Gate] This new route would be approximately 12 miles in length;
- J. Upgrades to the existing Los Angeles River Bike Path consisting of safety, landscaping, hardscape, lighting and access enhancements and fix station including to locations, between Ocean Blvd. [Long Beach] and its northern terminus at Slauson Avenue [Vernon];
- K. The replacement/enhancement of approximately 28 existing bridges/underpasses and the construction of at least five new pedestrian/bike bridges/underpasses to ensure safe and easily accessible freeway and river crossings to reduce gaps between crossing over ½ a mile where demand for increased access exists along the project corridor;
- L. Ensure implementation of Complete Streets treatments that promote sustainable and “livable neighborhoods” for all those arterials, ramp termini, and intersections as part of the proposed I-710 Project. Designs shall be consistent with the principles outlined in Caltrans’ *Main Streets, California: A Guide for Improving Community and Transportation Vitality*;
- M. Consistent with Caltrans’ policy, maximize the number of new trees, shrubs and foliage within proposed state ROW that are drought resistant and have superior biosequestration and biofiltration capabilities, in an effort to surpass the minimum tree removal/replacement ratio;
- N. Consistent with the Regional Water Quality Control Board and their Municipal Separate Storm Sewer System permits, identify suitable locations within the state’s right of way to implement additional storm water Best Management Practices and enhance the water quality for the LA River and its tributaries; and
- O. Incorporate into the project design, avoidance and minimization measures to reduce the level of impacts to Los Angeles River’s riverbanks, trails, pocket parks, open space, wetlands and

native landscaping within the project area.

FURTHER MOVE that the Board of Directors instruct the Chief Executive Officer to consider the following mitigation during construction, in parallel to the EIR/EIS process:

- A. Direct staff to monitor traffic congestion on all rail and bus routes in the I-710 construction area to identify and make needed adjustments to service based on actual traffic conditions and to determine if Metro services should operate on an incentive fee structure during the construction period;
- B. Direct staff to identify potential incentive programs for the Blue line and Metro buses in the I-710 corridor and affected by construction, to be considered as possible mitigation to help ease the impact of delays to bus service identified in the recirculated DEIR/DEIS;
- C. Develop a community outreach plan in conjunction with community stakeholders to provide quarterly reports on the progress of the I-710 project to the Gateway Cities Council of Governments (GCCOG) and the community at public meetings/hearings where there is the opportunity for community input;
- D. Establish a bike and pedestrian safety plan during construction; and
- E. Create a residential and school noise and air mitigation program, to be incorporated into the I-710 Community Health and Benefit Program.

FURTHER MOVE that the Board of Directors instruct the Chief Executive Officer take the following actions, working with Caltrans and partner agencies as necessary and in parallel to the EIR/EIS process:

- A. Direct staff to include an analysis of a Zero Emission Truck procurement and operations program (Alternative 7 only) in any Public Private Partnership analysis to be done for the Project;
- B. Work with the Gateway Cities Council Of Government jurisdictions to add, align and/or partner bus route stops with access points to surrounding Class-I bike paths to further promote the

combination of active transportation and transit ridership; and

- C. Direct staff to work with community based partners (community groups, faith based groups and labor) on the development of a Local and Targeted Hiring Policy and PLA for construction jobs and a First Source Hiring Policy for permanent jobs created by the project. This should be completed, at the latest, by the completion of the recirculated DEIR/DEIS.

**Board Report**

File #: 2015-1692, **File Type:** Contract

Agenda Number: 22.

**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2016**

SUBJECT: VAN NUYS NORTH PLATFORM PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Contract Modification No. 5 for **Contract No. PS2415-3268, Van Nuys North Platform Project, with RailPros Inc. (Rail Pros), in the amount of \$399,485 for Phase II bid support and additional engineering services**, increasing the contract value from \$3,176,169 to \$3,575,654; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS2415-3268, Van Nuys North Platform Project, in the amount of \$200,000, increasing the total CMA amount from \$288,750 to \$488,750.
- C. AMEND the FY16 annual budget by \$599,485 representing current year costs of the contract modifications requested above.

ISSUE

In December 2013, the California Transportation Commission (CTC) allocated \$4 million in Proposition 1B Intercity Improvement Program (ICR1B) funds to Metro to complete final design for the Van Nuys North Platform Project (Project).

In January 2014, the Metro Board approved amending the FY 2013-14 budget to add \$4 million to complete final design of the Project. Additionally, the Metro Board authorized the CEO to enter into funding agreements with Caltrans to reimburse Metro up to \$4 million in state funds for the final design of the Project.

In May 2014, the Metro Board authorized the CEO to negotiate and execute a cost-plus-fixed-fee (CPFF) Contract No. PS2415-3268 to RailPros for the Van Nuys North Platform Project inclusive of options for bid and design support services during construction. In June 2014, RailPros and Metro entered into Contract No. PS2415-3268 for a contract price of \$2,887,499 for Phase I services for plans, specifications, estimates, and final design.

Board approval for the contract modification is needed to fund Phase II bid support services and additional engineering to develop shoring plans, complete geotechnical engineering environmental investigation, Federal Communications Commission/Federal Aviation Administration (FCC/FAA) permit antenna applications, and provide support for obtaining all necessary agreements with stakeholders. If this work is not done at this point, it will lead to a delay of the project.

In addition, staff is requesting to increase the contract modification authorization amount by \$200,000 to cover any additional engineering contingencies.

Background

The Van Nuys Station is located along the Los Angeles - San Diego - San Luis Obispo (LOSSAN) corridor in the San Fernando Valley. LOSSAN is the second busiest intercity passenger rail corridor in the nation with 2.6 million Amtrak Pacific Surfliner boardings per year. Metrolink commuter rail also operates the Ventura Line through the San Fernando Valley. The planned improvements will occur along Metro owned right-of-way along the Ventura Subdivision.

Currently, there are two main line tracks at the Van Nuys Station; however, there is only one side platform. A center platform will be added to provide service to both tracks. A pedestrian underpass will be constructed to provide safe pedestrian access to the new platform. This project adds operational flexibility and has the following benefits: improved travel times, improved station safety, and enhanced cross-modal benefits to the intercity, commuter, and freight services. The project will provide for improved connectivity to the future East San Fernando Valley North South Transit Corridor along Van Nuys Boulevard. The issue for bid documents were completed on November 25, 2015.

After the completion of this final design phase, the project will proceed to construction. Metro and Metrolink are currently in discussions about transferring implementation of the construction phase to Metrolink.

Funding Commitment

Due to the significant project benefits, Caltrans Division of Rail has identified the Project as one of the highest priority LOSSAN corridor projects to advance through the environmental and design phases towards eventual construction.

In December 2013, the California Transportation Commission (CTC) affirmed its commitment to the Project by amending the Proposition 1B Intercity Rail (ICR1B) project list to add \$4 million for final design and \$30.5 million for construction.

FUNDING SOURCE	FINAL DESIGN	TOTAL
Prop 1B (State)	\$4,000,000	\$4,000,000

In January 2014, the Metro Board programmed \$4 million to advance the final design of the Project, subject to reimbursement by Caltrans.

The Project is fully funded by Caltrans. There is no Metro local match requirement. Metro acted under contract to Caltrans Division of Rail to complete issue for bid documents for the project.

DETERMINATION OF SAFETY IMPACT

The Project will include a new pedestrian underpass which will provide pedestrian access to the platform without crossing active railroad tracks. All aspects of the project will be designed in accordance with Metrolink's current design standards.

FINANCIAL IMPACT

The funding of \$4 million for this Project is from State ICR1B funds. Metro pays for the engineering work upfront from Measure R 3% funds; Metro has been getting reimbursement from the State ICR1B funds quarterly. In January 2014, the Metro Board approved amending the FY 2013-14 budget to add \$4 million to complete the final design. Currently \$823,830.79 is available for the engineering design.

This board report request is for authority to utilize \$599,485 out of the \$823,830.79 engineering funds available. The request is also for the amount of \$599,485 to be added to the FY 2015-16 Metro budget included in the department 2415, Regional Rail, Project No. 460080 to pay for Modification No. 5 and the CMA. Since this is a multi-year contract, the cost center manager, and Executive officer, Regional Rail will be accountable and responsible for budgeting the cost of future fiscal year requirements.

Impact to Budget

The request is for the amount of \$599,485 to be added to the FY 2015-16 Metro budget.

Source of Funds: \$4 million, to be reimbursed with State ICR1B funds from Caltrans, Division of Rail. The cost for final design of this project is fully reimbursable to Metro.

ALTERNATIVES CONSIDERED

The Board could choose not to execute Contract Modification No. 5 to complete the additional engineering required for the Project. This alternative is not recommended due to the significant benefits that the Project offers to the LOSSAN corridor and the Metrolink Ventura Line. Caltrans Division of Rail has also fully funded the project by allocating \$34.5 million in State ICR1B funds for final design and construction. These funds would otherwise be lost to the Los Angeles County region if the Project is not completed.

NEXT STEPS

Upon approval by the Board, staff will execute Contract Modification No. 5 for additional engineering required for the Project.

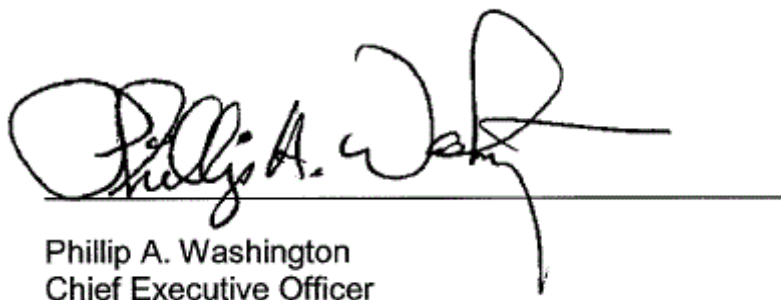
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification Log
Attachment C - DEOD Summary

Prepared by: Don A. Sepulveda, P.E., Executive Officer, Regional Rail
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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

VAN NUYS NORTH PLATFORM PROJECT

1.	Contract Number: PS2415-3268		
2.	Contractor: RailPros, Inc.		
3.	Mod. Work Description: Modification No. 5 for Phase II bid support and additional engineering services.		
4.	Contract Work Description: Professional engineering services for the Van Nuys Metrolink Station North Platform		
5.	The following data is current as of: 11/16/15		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	06/26/14	Contract Award Amount: \$2,887,499
	Notice to Proceed (NTP):	07/01/14	Total of Modifications Approved: \$288,670
	Original Complete Date:	07/01/17	Pending Modifications (including this action): \$399,485
	Current Est. Complete Date:	07/10/17	Current Contract Value (with this action): \$3,575,654
7.	Contract Administrator: Ben Calmes		Telephone Number: (213) 922-7341
8.	Project Manager: Kunle Ogunrinde		Telephone Number: (213) 922-8830

A. Procurement Background

This Board Action is to approve Contract Modification No. 5 for Phase II bid support and additional engineering required for this project to develop shoring plans, complete geotechnical engineering environmental investigation, Federal Communications Commission/Federal Aviation Administration (FCC/FAA) permit antenna applications, and provide support for obtaining all necessary agreements with stakeholders.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee. All other terms and conditions remain in effect.

In May 2014, the Metro Board authorized the CEO to negotiate and execute a cost-plus-fixed-fee (CPFF) Contract No. PS2415-3268 to RailPros for the Van Nuys North Platform Project inclusive of options for bid and design support services during construction. In June 2014, RailPros and Metro entered into Contract No. PS2415-3268 for a contract price of \$2,887,499 for Phase I services for plans, specifications, estimates, and final design.

A total of four modifications have been issued to date. Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent costs estimate, cost analysis, technical evaluation, fact finding and negotiations. All contract indirect and direct rates remain unchanged from the original contract. Metro staff successfully negotiated a cost savings of \$43,119.

Proposal Amount	Metro ICE	Negotiated Amount
\$442,603	\$450,900	\$399,484

CONTRACT MODIFICATION/CHANGE ORDER LOG

VAN NUYS NORTH PLATFORM PROJECT/PS2415-3268

Mod. No.	Description	Date	Cost
1	No cost administrative changes.	09/04/14	\$0
2	Additional requirements for flagging services, right-of-entry agreements, and city permits.	11/26/14	\$54,750
3	Added additional SBE subcontractor.	01/26/15	\$0
4	Additional design work services required for site related changes and signal re-design.	09/30/15	\$233,920
5	Pending Board Approval Authorize Phase II bid support and additional engineering services support.	TBD	\$399,485
	Modification Total:		\$688,155
	Original Contract:	06/26/14	\$2,887,499
	Total:		\$3,575,654

DEOD SUMMARY

VAN NUYS NORTH PLATFORM PROJECT/PS2415-3268

A. Small Business Participation

Rail Pros, Inc. made a 22.04% Small Business Enterprise (SBE) commitment. The current SBE participation is 20.66%, a shortfall of 1.38%. The project is 88% complete. According to RailPros, and concurred by the Project Manager, Metro ultimately decided to conduct the outreach process in-house rather than using an outside subconsultant (MBI Media). Additionally, the scopes of work identified for two subcontractors (Diaz Yourman and Wagner Engineering) were less than the original budget. RailPros will utilize these subcontractors in the upcoming Contract Modification no. 5. Further, RailPros confirmed that their November invoice is pending and affirmed that they will achieve their goal commitment by the end of the project.

Small Business Commitment	22.04% SBE	Small Business Participation	20.66% SBE
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	SBE Subcontractors	% Commitment	Current Participation¹
1.	Anil Verma Associates	5.68%	6.06%
2.	BA Inc.	4.37%	4.93%
3.	Diaz Yourman Associates	1.95%	1.53%
4.	Lynn Capouya, Inc.	1.82%	1.84%
5.	MBI Media	1.83%	0.00%
6.	Wagner Engineering & Survey	6.39%	6.19%
7.	Archway Systems, Inc.	Added	0.11%
	Total	0	0

¹Current Participation = Total Actual amount Paid-to-Date to SBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include surveying, potholing, soils and materials testing, building construction inspection, and other support trades.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.



Board Report

File #: 2015-1735, File Type: Policy

Agenda Number: 23.

..Meeting_Body

REVISED
AD HOC CONGESTION REDUCTION COMMITTEE
JANUARY 20, 2016

SUBJECT: METRO EXPRESSLANES TOLL POLICY

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT the **ExpressLanes Toll Policy** as shown in Attachment A.

ISSUE

One of the primary goals of the ExpressLanes program is to provide a safe, reliable, predictable commute for customers of the ExpressLanes. In 2015, during the morning peak period, the northbound I-110 and westbound I-10 ExpressLanes have seen increasing congestion jeopardizing our ability to meet this goal. The ExpressLanes have regularly gone into "HOV Only" mode, whereby they are shut down to toll paying customers, with only those qualifying non-toll paying HOV commuters allowed into the system. The situation is further exacerbated by the fact that zero/low emission vehicles are allowed to remain in the ExpressLanes during "HOV Only" periods contributing to additional congestion.

The "HOV Only" operating mode signals that the ExpressLanes are becoming too congested and conditions are deteriorating below established performance requirements. Demand has exceeded capacity and the current toll maximums do not motivate enough toll paying customers from entering the ExpressLanes. The ExpressLanes operate in the "HOV Only" mode until traffic densities (traffic volume/average travel speed) improve and capacity can be restored. Once capacity is restored, toll paying customers are allowed back into the ExpressLanes.

The policy framework in Attachment A updates policies to operate, maintain and administer the ExpressLanes to ensure program goals are met. The policies of particular importance to attaining the program goals are: Performance Requirements; and Toll Rate Setting.

DISCUSSION

Performance Requirements

Section 166 of Title 23 Code of Federal Regulations, requires that the ExpressLanes operate at 45 miles per hour (or traffic density of 48), 90 percent of the time during peak periods. To ensure compliance with this requirement, staff has outlined mitigation strategies to be deployed should conditions degrade. Allowing increases in toll prices as described below is one strategy. Another strategy that could be implemented in conjunction with pricing, and with concurrence from Caltrans, would be to extend the peak period if conditions outlined in the policy are met. For example congestion is highest on the I-110 during the morning peak period, a change in the peak period to allow peak pricing could be beneficial to smoothing out the demand and extending it over a longer period of time.

Ultimately there is a finite amount of capacity available. Therefore, it is important for staff to have the tools available to manage this capacity to ensure the ExpressLanes are meeting their operational and program goals.

Toll Rate Setting

In July 2009 the Board adopted toll rates for the I-10 and I-110 ExpressLanes. The current minimum toll per mile during off-peak and peak periods is \$0.25 and \$0.35 respectively with the maximum toll per mile set at \$1.40. Approval of this action will allow an increase in the maximum by \$0.10 increments when warranted while reducing the minimum toll to \$0.10 per mile during off-peak hours.

At the time the toll rates were adopted the traffic and tolling models projected, that the probability of people being willing to pay \$1.40 per mile was approximately 1% and that the toll rate would help to balance supply and demand, as both of these corridors are high demand corridors for vanpools, transit and carpools. What we have found over the past year is that the current maximum price of \$1.40 per mile does not appear to be enough of a disincentive for toll paying customers to choose not to enter the ExpressLanes. This impacts the performance of the lanes by increasing congestion and slowing speeds to the point where the lanes revert to "HOV Only" mode and thus, toll paying customers are not allowed to enter the lanes until the speeds pick up and performance improves.

In 2015, the ExpressLanes have been in "HOV Only" mode for 13,038 minutes (217.3 hours) with 11,584 of those minutes on the I-110 and 1,454 minutes on the I-10 which reflects over 10 percent of the AM peak period. The majority of these occurrences are at toll segments 3 (108th Street to Gage Avenue) and 4 (Slauson Avenue to 39th Street) on the northbound I-110, and at segment 4 (I-710 and Garvey Avenue and exits for the I-10 general purpose lanes) on the westbound I-10. The 13,038 total "HOV Only" minutes reflects a 154% increase from 2014.

In addition, traffic volumes on the I-110 and I-10 ExpressLanes continue to grow. Since 2013 there has been an average annual trip growth of 22% on the ExpressLanes with an 18% increase on I-110 and a 25% increase on I-10. In 2015, customers on the I-110 paid an average toll of \$2.55 per trip while those on the I-10 paid \$2.75. The percentage of trips on the I-110 that are charged the maximum fare of \$15.75 is 0.16% of all trips taken, and on the I-10 those who paid the maximum fare of \$15.55 constitutes 0.15% of all trips.

Given the increase in traffic volumes and "HOV Only" minutes, the current maximum price of \$1.40 per mile does not appear to be enough of a disincentive for toll paying customers to choose not to enter the ExpressLanes. Because of the increase in volumes and the "HOV Only" minutes staff is

recommending a methodology as outlined in Attachment A, for an automatic increase of \$0.10 increment to the maximum rate per mile as traffic densities increase per segment on the ExpressLanes to ensure continued reliability of the system and to minimize “HOV Only” occurrences. The incremental increase to the maximum toll rate per segment would only impact those segments that consistently exceed the density threshold and go into “HOV Only” mode. Based on the quarterly review that is part of the rate setting methodology, and the 30-day notification to customers, the maximum toll rate per segment would increase no more than \$0.30 in a calendar year.

The rate setting methodology is a tool that will allow staff to better manage congestion in the ExpressLanes and improve the customer experience by reducing the “HOV Only” minutes. This automatic rate increase is an industry best practice that other experienced tolling agencies such as OCTA (91 ExpressLanes) and SANDAG (I-15 ExpressLanes) utilize to increase their toll pricing when certain conditions are met.

If the Board were to adopt this rate setting policy staff would notify customers 30 days in advance of any price change through the ExpressLanes website, send correspondence via email or mail depending upon customer preferences, and would provide notifications in various print and electronic media outlets. Staff would also add a historic rate table on the ExpressLanes website and provide monthly updates to provide customers with historic time of day pricing for their reference.

Finally, for congestion pricing to be effective, the price needs to be at a rate that is great enough during high congestion times to be a disincentive to entering as a toll-paying customer and an incentive for people to change behavior - travel later/earlier, rideshare or take transit. Based upon staff’s experience to date, the evidence suggests that the current maximum rate is no longer high enough to curb demand in the morning peak period. Given the dynamic nature of the algorithm, pricing will remain the same unless demand requires the additional \$0.10 increase.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

This policy would have no impact to the adopted FY16 budget. If this action leads to an increase in revenue, the revenues will be subject to Board adopted guidelines.

ALTERNATIVES CONSIDERED

The request to convert from a constrained toll rate to a market based toll rate comes after staff has exhausted all other measures to reduce the congestion and the recurrence of “HOV Only” in the ExpressLanes. During 2015 staff employed a number of measures to reduce the congestion and the “HOV Only” minutes to improve system performance including toll pricing algorithm adjustments to ensure all toll segments were working together as a system and more predictive of traffic volumes in previous segments; removing the price caps that were placed on each freeway during the peak hours to allow the algorithm to price based on actual congestion; providing more CHP enforcement officers during peak hours; and revising the business rules to reduce the number of violators.

The Board could choose not to approve the market based policy and the \$0.10 incremental increase in the maximum toll rates but that is not recommended as ExpressLanes congestion is increasing thereby limiting our ability to meet system operational goals. This policy provides the requested guidance to enable staff to make adjustments as needed to improve the performance of the ExpressLanes consistent with prior Board directives.

NEXT STEPS

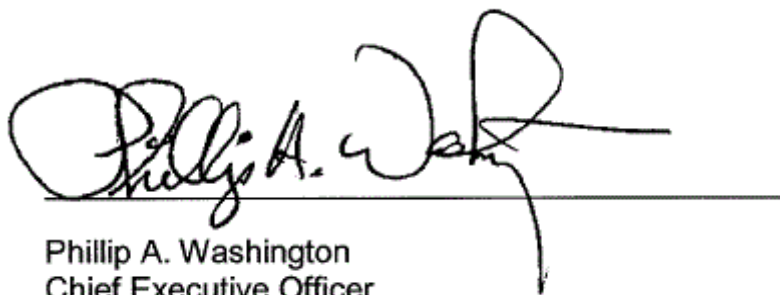
Upon Board approval, staff will take the necessary steps to notify customers of the change and implement the new policies. Staff will periodically update or modify the policies for Board consideration to assure optimal operations of the ExpressLanes and will provide an annual update to the Board regarding any price changes.

ATTACHMENTS

Attachment A - ExpressLanes Toll Policy

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Phillip A. Washington
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority ExpressLanes Toll Policy

Purpose

The policy framework detailed herein establishes policies to operate, maintain, and administer the ExpressLanes to ensure program goals are met. The policies will be used to operate the current Metro ExpressLanes program and any future ExpressLanes facilities in compliance with the program goals and Board direction. This policy framework will be expanded or modified as the ExpressLanes system grows and technology changes.

Program Goals

The following goals are established for the ExpressLanes program. The specific policies that follow derive their authority from these goals, and any future policy decisions should be measured against these goals to ensure compliance with the goals.

- Provide a safe, reliable, predictable commute for customers of the ExpressLanes
- Reinforce LACMTA's ongoing efforts to increase vehicle occupancy rates and transit ridership
- Use dynamic pricing to manage traffic and optimize -people throughput in the corridor
- Provide excellent customer service
- Operate and maintain a self-sustaining ExpressLanes program
- Utilize any surplus toll revenue for corridor improvements and system expansion

Chapter 1: OPERATIONS

Performance Requirements 100.005

In accordance with Section 166 of Title 23, Code of Federal Regulations, the ExpressLanes performance will be monitored to ensure a minimum average operating speed of 45 miles per hour, 90 percent of the time during weekday peak periods.

Mitigation strategies to be deployed, should performance degrade, are as follows:

- (a) Increase the maximum toll charged to vehicles to reduce demand as described in 100.005, up to four times, then implement strategy (b), or (c), as appropriate;
- (b) Extend the peak period hours, as described in 200.015, then implement strategy (a) or (c), as appropriate;
- (c) Discontinue non-HOV vehicle use of ExpressLanes, and implement strategy (a) as appropriate.

Peak period performance will be monitored against ExpressLanes performance requirements. Staff will adjust the peak period to maintain performance standards.

For tolling operations, after four occurrences, within a quarter, of meeting the HOV threshold in a non-peak hour, staff may increase the duration of the peak-period to include the hour. For example, if HOV

Only has occurred four times during the 9:00 am and 10:00 am hour within the past 3 months then the peak period would now be extended to 10:00 AM from 9:00 AM

HOV threshold is defined as:

- (a) System in HOV Only mode;
- (b) Lasting more than 35 minutes; and
- (c) Excludes incidents.

Chapter 2: Toll Rates, Exemptions and Discounts

Toll Rate Setting 200.005

When the ExpressLanes are in operation, the toll rate schedule will be a minimum of \$0.10 per mile during off-peak hours and \$0.35 per mile during peak hours, as defined in policy 200.015. Toll rates will vary based on, traffic density (traffic volumes/travel speeds) and will automatically adjust using a dynamic pricing system. The trip price is determined by multiplying the miles travelled by the rate per mile in each tolling segment at the time of the trip. Staff will monitor toll rates against ExpressLanes performance and adjust the maximum rate per mile to maintain performance standards and ensure the following ExpressLane toll rate goals are met:

- Provide a safe, reliable, predictable commute for customers of the ExpressLanes
- Optimize people throughput in the corridor.

After four occurrences, within a quarter, of meeting the density threshold, staff may increase the maximum price per mile per segment by \$0.10.

Density threshold is defined as:

- Density exceeding 48 (calculated as traffic volume/average travel speed);
- Lasting more than 35 minutes; and
- Excludes incidents.

Toll Exemptions 200.010

Except as provided herein, all vehicles using the ExpressLanes must pay the required toll. Only qualified vehicles may be exempt from paying tolls. The registered owner and operator of the qualified vehicle must comply with the requirements of the agency in order to obtain the exemption. The following vehicles qualify for exemption:

- (a) Mass transit and paratransit as defined in Vehicle Code Section 21655.5;
- (b) Carpools and vanpools, as established for each tolled facility;
- (c) Motorcycles;
- (d) California Highway Patrol;
- (e) Authorized marked emergency vehicles on bona fide emergencies as defined in Vehicle Code Section 23301.5;
- (f) Maintenance vehicles directly involved in maintenance on the ExpressLanes and adjoining bus stations or responding to bus related incidents; and

- (g) Tow trucks authorized by Freeway Service Patrol responding to incidents on the ExpressLanes.

Toll Discounts 200.015

The following classes of vehicles may qualify for a toll discount. The registered owner of the qualified vehicle must comply with the following requirements to obtain the discount:

- (a) Clean Air Vehicles (see transponder requirement under Section 200.020); and
- (b) HOV 2 discount during peak hours, where applicable and indicated by roadway signage.

Staff will implement the toll discounts at a time in the future when operationally feasible.



Board Report

File #: 2015-1733, **File Type:** Program

Agenda Number: 24.

**AD HOC CONGESTION REDUCTION COMMITTEE
JANUARY 20, 2016**

SUBJECT: METRO EXPRESSLANES ROUND 2 NET TOLL REVENUE GRANT APPLICATION PACKAGE

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVE the **Metro ExpressLanes Round 2 Net Toll Revenue Grant Applications** (Attachments B and C).

ISSUE

State law requires the net toll revenues generated from the Metro ExpressLanes be invested in the corridor from which they were derived, pursuant to an approved expenditure plan. In October 2015 the Board approved the guidelines (Attachment D) for allocation of net toll revenue. As part of this allocation, funding was approved for a grant program which includes three (3) transportation funding categories - Transit Uses; System Connectivity/Active Transportation; and Roadway Improvements. The application package requires Board approval prior to solicitation of grant proposals from local agencies.

DISCUSSION

The generation of net toll revenues from the ExpressLanes offers a unique opportunity to advance the Long Range Transportation Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (Metro) goals for a more sustainable multi-modal countywide transportation system. To further advance these goals, staff initiated and the board approved Round 1 of the Net Toll Revenue Reinvestment Program in 2014.

In October 2015, the Board approved the Round 2 guidelines delineating the method by which Metro will disburse the net toll revenues based on six reinvestment principles. Three of the re-investment principles are direct set-asides (Reserve Fund, Transit Operations, and Caltrans set-aside), which are not part of the Grant Program.

Net of the set-asides, the Grant Program allocates surplus revenues among three funding categories: 1)Transit Uses, 2)System Connectivity/Active Transportation, and 3)Roadway Improvements, which are the subject of the Grant Application Package.

The objective of the Grant Program is to increase mobility through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) on the I-10 and I-110 corridors. These combined strategies often result in more reliable and stable outcomes and provide a greater magnitude of positive change than a single strategy scenario. As part of the 2014 Round 1 Grant program, staff received 35 applications totaling \$123,405,007 in funding requests of which 22 projects totaling \$20,729,452 were funded.

Round 2 of the Grant program is slated to distribute between \$20 and \$24 million in funding to the three identified funding categories. Consistent with the Round 1 process, on December 14, 2015, staff convened a Corridor Advisory Group (CAG) Summit which included representatives from both the I-10 and I-110 corridors to present eligibility guidelines, new application requirements, and seek stakeholder input. As Attachment E illustrates, the meeting was attended by a myriad of agencies representing public and non-profit interests in transit, highways, active transportation, and public health. Following discussion and exchange, the participants concurred with the proposed guidelines changes.

Eligible Applicants

Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and Los Angeles County Metropolitan Transportation Authority. Transportation-related public joint powers authorities and non-profit agencies must partner with a public agency serving as lead to be eligible.

Non-profit Agencies

Based on Board direction provided in October 2015 and Metro ExpressLanes staff's experience with the non-profit community whose role has been vital in making Los Angeles County more sustainable, staff is encouraging, whenever possible, for eligible applicants to partner with non-profit organizations. The experience, programs, networks, and commitment of the region's non-profit agencies provide a foundation for increased public and direct community engagement resulting in positive behavior change.

The Round 2 scoring criteria furthers this objective in the following manner:

Transit Uses and Roadway Improvements - In the Innovative Transportation Technology, Practices, and Strategies criterion, five (5) out of the 15 points will be given to those applicants that partner with a non-profit agency.

System Connectivity/Active Transportation - For applications in this category, staff has identified 10 out of 100 points for partnership with Non-Profit agencies.

Eligible Projects/Programs

To be eligible for funds, the project, program, or enhanced transit service must operate along or within three miles of either the I-10 Corridor (between Alameda Street to the west and the El Monte Transit Center to the east) or I-110 corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south). A project/program beyond the 3-mile radius will also be eligible if it can be determined that it is regionally significant and demonstrates direct benefit to the I-10 or I-110 corridors. Regional significance is defined as those projects/programs that are multi-jurisdictional, and/or are included in, or consistent with, the Metro LRTP, Metro Countywide Sustainability Policy and Implementation Plan, or other relevant sub-regional plan.

New Program Requirements

- Two versions of the application will be available. The first version will be for Transit Use and Roadway Improvements, the other for System Connectivity/Active Transportation. Project sponsors should submit an application in which the project would score the highest possible points under the evaluation criteria.
- Project sponsors must execute their funding agreement within six (6) months of receipt of the agreement from Metro and begin expenditure of funds within one (1) year of executing the agreement to avoid potential lapsing of funds.
- Encouraging, wherever possible, for eligible applicants to partner with a non-profit organization to deliver projects/programs.
- All project applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.
- Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.
- All approved projects will adhere to Metro's Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.

Evaluation Criteria

To be recommended for funding, projects/programs must provide a direct mobility benefit within the Metro ExpressLanes corridors. Projects/programs will be evaluated based on the following criteria with a possibility of attaining a maximum of 100 points:

Transit Uses and Roadway Improvements:
A. Mobility Benefits (up to 30 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points) * 5 points will be given to those applicants that partner with a non-profit agency
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 15 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)

System Connectivity/Active Transportation:
A. Mobility Benefits (up to 20 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points)
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 10 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)
H. Non-Profit Partnership (up to 10 points)

Application Evaluation Process

The application evaluation process is as follows:

Step 1 - Staff will distribute the application package to eligible applicants and convene workshops to review the application package and guidelines with workshop attendees.

Step 2 - Once all applications have been received, projects will undergo a preliminary eligibility review.

Step 3 - All eligible projects will be scored by a technical review team comprised of Metro and members of the I-10 and I-110 Corridor Advisory Group.

Step 4 - Once the projects have been ranked, staff will then review to ensure consistency with funding availability and criteria within the corridor and category.

Step 5 - Recommended projects/programs will be submitted to the Board for consideration and

funding approval.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

The funding for approved projects will be derived from net toll revenues generated. The costs for the grant program are already included in the FY16 budget in Cost Center 2220, Congestion Reduction, in Project 307002 (ExpressLanes I-10) and Project 307001 (ExpressLanes I-110).

ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as State legislation requires that the net toll revenues be reinvested in the corridor where generated.

NEXT STEPS

Staff will distribute the application package and return to the Board with recommended projects based on the following schedule:

Board Approval of Application Package	January 28, 2016
Distribution of Application Package	February 12, 2016
Applicant Workshop	March 3, 2016 & March 8, 2016
Deadline for Grant Submissions	May 16, 2016
Presentation of Projects to CAGs	June 2016
Recommendation of Expenditure Plan Projects to Metro Board for Approval	July 2016
Allocation of Funds to Grantees	December 2016

ATTACHMENTS

Attachment A - Project Eligibility Guidelines

Attachment B - Project Application - Transit Uses and Roadway Improvements


Attachment C - Project Application - System Connectivity/Active Transportation

Attachment D - Adopted Guidelines for Net Toll Revenue Allocation

Attachment E - ExpressLanes I-10 and I-110 CAG Summit Attendees

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Phillip A. Washington
Chief Executive Officer

**Round 2 - Congestion Reduction
ExpressLanes Net Toll Revenue Re-Investment Grant
Project Eligibility Guidelines**

I. Overview

The generation of net toll revenues from the ExpressLanes offers a unique opportunity to advance the Long Range Transportation Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (LACMTA) goals for a more sustainable countywide transportation system.

The objective of the Program is to increase mobility through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) in the I-10 and I-110 corridors. These combined strategies have been resulted in more reliable and stable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would advance Metro's LRTP and sustainability goals as outlined in Metro's Countywide Sustainability Planning Policy (CSPP).

II. Eligible Applicants

Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and the Los Angeles County Metropolitan Transportation Authority. Transportation-related public joint powers authorities and non-profit agencies must partner with a public agency serving as lead to be eligible.

III. Eligible Projects

To be eligible for funds, the project/program must operate along or within three miles of either the I-10 Corridor (between Alameda Street to the west and the El Monte Transit Center to the east) or I-110 Corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south) (see attached maps). A project/program beyond the 3-mile radius will also be eligible if it can be determined that it is regionally significant and provides a direct benefit to the I-10 or I-110 corridors. Regional significance is defined as those projects that are multi-jurisdictional, and/or are included in, or consistent with, the Metro LRTP, the Metro Countywide Sustainability Planning Policy and Implementation Plan, or other relevant sub-regional plan.

Projects and programs are recommended for three categories to promote the LRTP and sustainable transportation strategies as an integral enhancement to the Metro ExpressLanes. A category for Transit Use is recommended because operation of high frequency transit and feeder service as well as transit capital improvements have

proven to be effective in creating mode shift and reducing congestion on the Metro ExpressLanes. A category for System Connectivity/Active Transportation primarily serves to improve bicycle and/or pedestrian infrastructure and to improve system connectivity between transit and the state highway. This category also demonstrates Metro's commitment to advance sustainable community strategies since Metro currently does not have a discretionary fund source eligible to fund operational activities associated with Active Transportation projects. A category for roadway improvements is recommended to encourage operational and system improvements to the adjacent roadways rather than focusing on improvements through expansion.

a) Transit Uses - eligible projects include:

- Purchase of new bus or commuter rail vehicles for service enhancement or new service
- Fare subsidy/operating subsidy
- Station enhancements and capacity improvements, including enhanced bus shelters, real-time arrival information, ticket vending machines (TVM) and other related improvements
- Regional Bus Maintenance facility improvements
- Transit corridor projects serving ExpressLanes corridors
- Rideshare/Vanpool programs * May qualify for System Connectivity/Active Transportation funding if project creates shorter length trips. (3 miles or less)

b) System Connectivity/Active Transportation – eligible projects include:

- First mile/last mile connections to transit facilities, focusing on multimodal elements recommended as part of the First/Last Mile Strategic Plan including investments that might support 3rd party mobility solutions (car-share, bike-share)
- Complete Streets projects which emphasize multi-modalism and consider the needs of motorists, pedestrians, transit users, bicyclists, commercial and emergency vehicles
- Bicycle infrastructure including bicycle lanes and secured bicycle parking facilities
- Pedestrian enhancements such as street crossings and ADA-compliance improvements
- Operating subsidy for bike parking, bike-share, and car-share
- Infrastructure and programs to support the use of electric vehicles
- Park-n-Ride facility improvements including restrooms, lighting, and security

c) Roadway Improvements

- Intelligent transportation system improvements to manage demand
- On/off ramp improvements connecting to city streets which reduce the incidents of bicycle and pedestrian collisions with vehicles
- Graffiti removal and landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/or which provides habitat to environmentally sensitive species is favorable
- Subject to Metro Board approval, extension of the ExpressLane corridors

To the extent possible, applicants must utilize green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening initiatives.

If applicant is seeking funding for transit operations or roadway maintenance, the service/maintenance must either be new service/maintenance meeting a previously unmet need in the corridor or must increase service for existing lines in the corridor. Funding cannot be used to supplant existing service.

Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.

IV. Project Selection Process

Projects will be evaluated based on the following criteria:

Transit Uses and Roadway Improvements:
A. Mobility Benefits (up to 25 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points)* * 5 points will be given to those applicants that partner with a non-profit agency.
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 15 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)

System Connectivity/Active Transportation:
A. Mobility Benefits (up to 20 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points)
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 10 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)

F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)
H. Non-profit Partnership (up to 10 points)

V. Funding Priorities

Baseline targets of 40% of available funds for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements are identified as goals; however the actual allocation of the funding will be based on the merits of the proposed projects and programs received.

VI. Eligible Costs

Eligible costs are development phase activities (including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities) and the costs of construction, reconstruction, rehabilitation, and acquisition of right-of-way, environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements.

VII. Non-Eligible Costs

Costs such as office equipment, furniture, office leases or space cost allocations or similar costs, applicant staff overtime costs, mileage reimbursements, and travel costs.

VIII. Other Conditions

- Applicants must maintain their existing commitment of local, discretionary funds for street and roadway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Net Toll Revenue funds to be expended for streets and roads.
- All applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.
- Grant funds received cannot be used to supplant, replace, or reduce the project sponsor’s previously required match for any other grant program including Metro’s Call for Projects.
- Applicants shall ensure that all Communication Materials contain the recognition of Metro’s contribution to the project, program, or service. Sponsor shall ensure that at a minimum, all Communication Materials include the phrase “This project/program/service was partially funded by Metro ExpressLanes.”

- PSR/PDS and PSRE – For projects that include a construction element, an approved Project Study Report/Project development Support (PSR/PDS) or Project Study Report Equivalent (PSRE) **is not required**.
- Project Funding Request Caps – there are no project funding request caps for any of the 3 categories.
- All project funding provided will be local funds. There are no federal or state dollars available through this program.
- All approved projects will adhere to Metro’s Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.
- Quarterly Progress /Expenditure Reports – All applicants that receive funding will be required to submit to Metro a Quarterly Progress/Expenditure Report based on this schedule:

Quarter Ending	Quarterly progress/Expenditure Report Due to Metro
March 31 st	May 31 st
June 30 th	August 31 st
September 30 th	November 30 th
December 31 st	February 28 th

- Audits – All grant program funding is subject to Metro audit. The findings of the audit are final.

IX. Schedule (dates are estimated and may change)

Board Approval of Application Package	January 28, 2016
Distribution of Application Package	February 12, 2016
Applicant Workshop	March 1, 2016 & March 3, 2016
Deadline for Grant Submissions	May 16, 2016
Presentation of Projects to CAGs	June 2016
Recommendation of Projects to Metro Board for Approval	July 2016
Allocation of Funds to Grantees	December 2016

X. General Administrative Conditions

a) Duration of Project

Project schedules must demonstrate that the project can be completed within 36 months of award.

Memorandum of Understanding (MOU) – Each awarded applicant must execute a memorandum of Understanding (MOU) with LACMTA which includes the statement of work, financial plan reflecting any local match provided (if applicable), schedule of milestones and deliverables. The schedule and milestones must reflect the **project will be completed within 36 months** from the date of award.

b) Grant Agreement Lapsing Policy

Grantee must demonstrate timely use of the Funds by:

- (i) Executing a grant Agreement within **six (6) months** of receiving formal transmittal of the grant agreement boilerplate;
- (ii) Begin expenditure of funds within one **(1) year** of executing the agreement to avoid potential lapsing of funds;
- (iii) Meeting the Project milestones due dates as stated in the Statement of Work;
- (iv) Timely submittal of the Quarterly Progress/Expenditure Reports; and
- (v) Invoicing of all expenditures incurred within forty two **(42) months** from the date funds are available

If the Grantee fails to meet any of the above conditions, the Project may be considered lapsed and may be submitted to the Board for deobligation.

In the event that the timely use of the Funds is not demonstrated, the Project will be reevaluated as part of the annual Net Toll Re-investment Grant Deobligation process and the Funds may be deobligated and reprogrammed to another project by the Board.

Administrative extensions may be granted under the following conditions:

- (i) Project delay due to an unforeseen and extraordinary circumstance beyond the control of the project sponsor (legal challenge, act of God, etc.). Inadequate staffing shall not be considered a basis for administrative extensions.
- (ii) Project delay due to an action that results in a change in scope or schedule that is mutually agreed upon by Metro and the project sponsor prior to the extension request.
- (iii) Project fails to meet completion milestone; however, public action on the proposed regulatory change(s) has been scheduled and noticed to occur within 60 days of the scheduled completion milestone.

Appeals to any recommended deobligation will be heard by a Metro appeals panel.

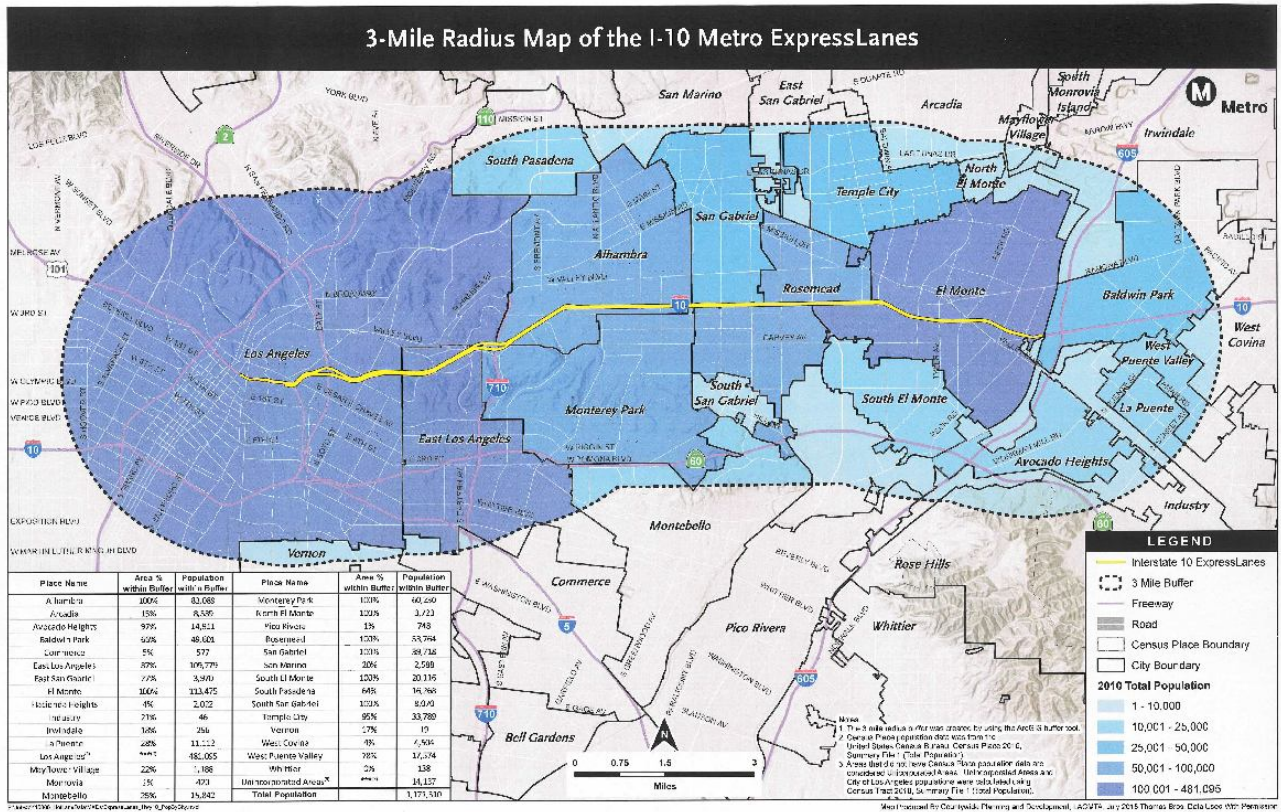
If Grantee does not complete an element of the Project, as described in the Statement of Work, due to all or a portion of the Funds lapsing, the entire Project may be subject to deobligation at Metro's sole discretion.

In the event that all the Funds are reprogrammed, the Project shall automatically terminate.

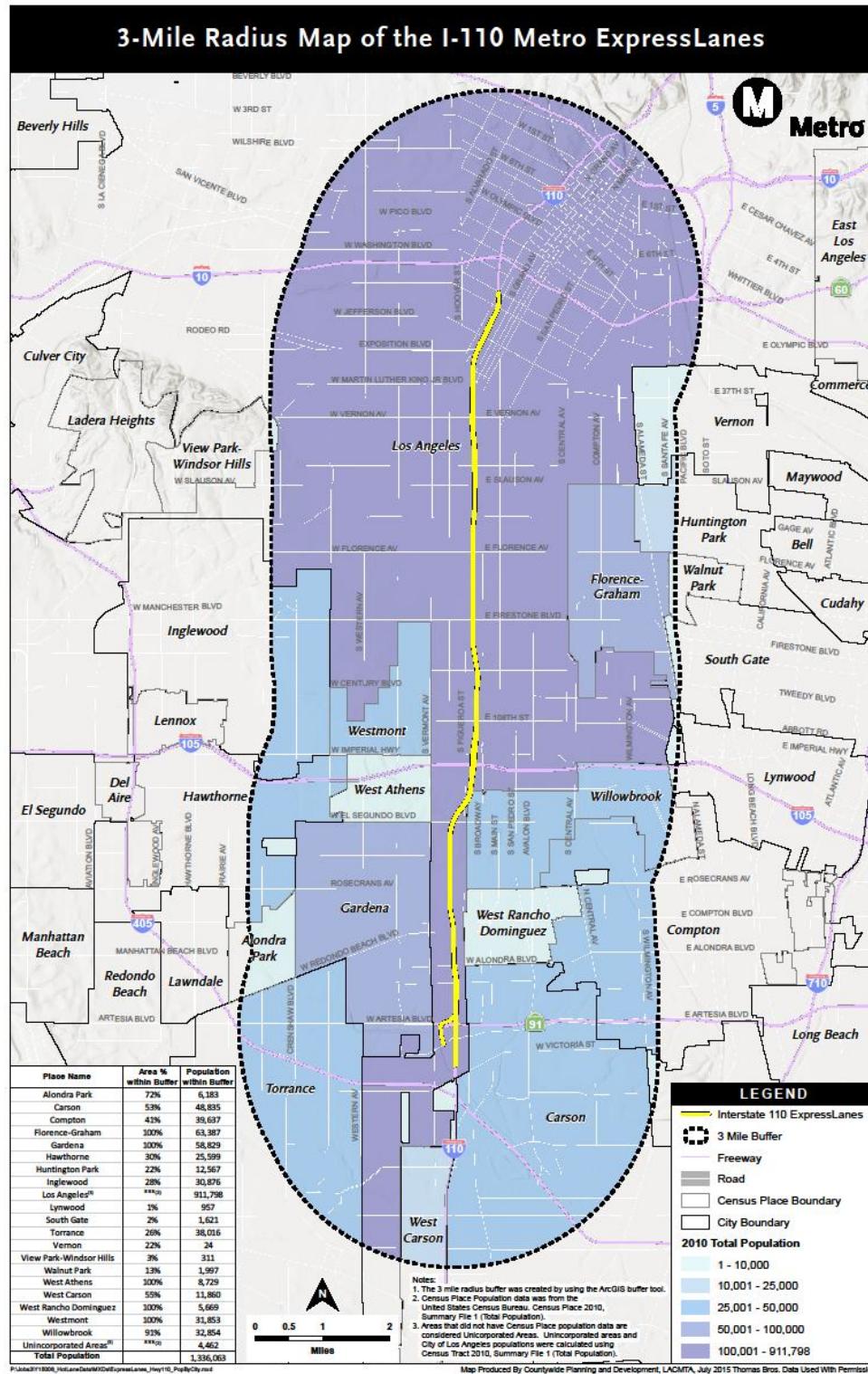
XI. New Program Requirements:

- Two versions of the application will be available. The first version for Transit Use and Roadway Improvements, the second version for System Connectivity/Active Transportation. Project sponsors should submit an application in which the project would score the highest possible points under the evaluation criteria.
- Project sponsors must execute their funding agreement within six (6) months of receipt of the agreement from Metro and begin expenditure of funds within one (1) year of executing the agreement to avoid potential lapsing of funds.
- Metro ExpressLanes believes the non-profit community plays a vital role in helping Los Angeles County become more sustainable. The experience, programs, networks, and commitment of the region's non-profit agencies provide a foundation for increased public engagement, positive behavior change, and community commitment, therefore we are recommending, wherever possible, for eligible applicants to partner with a non-profit organization to deliver projects/programs. The Non-Profit agency should be a 501 (c)(3) non-profit entity. Proof of IRS Determination letter must be provided.
- All project applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.
- Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.
- All approved projects will adhere to Metro's Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.

Attachment A: 3-mile Radius Map I-10



Attachment B: 3-mile Radius Map I-110



ATTACHMENT B

MTA Use Only: Project #: _____ Category: _____
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**Metro ExpressLanes Round 2 Net Toll Revenue Reinvestment Grant Program:
Transit Uses & Roadway Improvements**

Required Documentation:

- **Application Parts A and B**
- **Application Signature Page**
- **Project Location and Map with project limits – 8.5” by 11”**
- **Detailed Cost Estimate**
- **Documentation of Community Support**
- **If partnering with a Non-Profit Agency 501(c)(3) please provide the IRS Determination letter**
- **Include color photos of project site (if applicable)**
- **Data Collection and Methodology**

Submit two (2) copies of each application (Parts 1 & 2) along with the required documentation. Include one (1) CD-R, DVD or USB drive to MTA to the following address:

**LACMTA
Attn: Silva Mardrussian
One Gateway Plaza
Mail Stop 99-9-2
Los Angeles, CA 90012**

I certify that I have reviewed the Project Eligibility Guidelines and that the information submitted in this application is true and correct and in accordance with the Guidelines. If awarded a grant from Metro, I agree that I will adhere to the information and documentation as contained in this grant application.

Name (Print Name):	Title:
Signature: (signature of authorized signatory of applicant)	Date:

Project Category –Select one
(For more information please see Project Eligibility Guidelines)

Transit Uses: <input type="checkbox"/>	Roadway Improvements: <input type="checkbox"/>
---	---

Project Name:

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Lead Agency:	
Address:	
Contact Person/Title:	
Phone:	
Email Address:	

If joint project – include partner agency information below:

Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

If partnering with Non-Profit Agency – include information below:

Non-profit Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

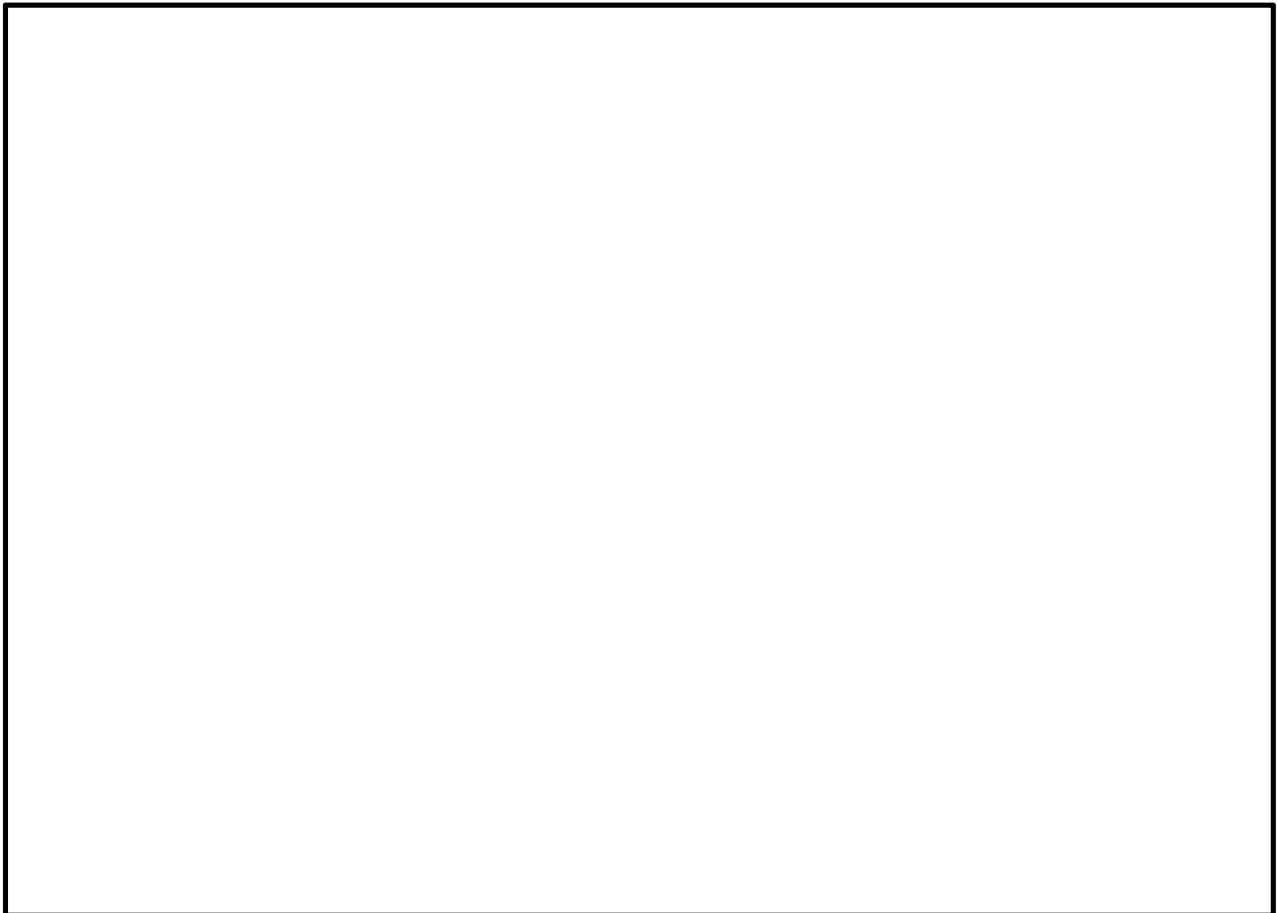
Agency Priority Ranking: <ul style="list-style-type: none"> • If submitting more than 1 project 	
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PART A

1- PROJECT LOCATION / PROJECT LIMITS:

A large, empty rectangular box with a black border, intended for the user to provide details about the project location and its limits.

2- PROJECT DESCRIPTION: (Summarize the project in a clear & concise manner)

A large, empty rectangular box with a black border, intended for the user to provide a clear and concise summary of the project.

3- PROJECT FUNDING:

Phase/Deliverable	Funds Requested	Local Match – Cash*	Local Match - In-Kind	Sub Total Cost

Total Project Cost	
---------------------------	--

* Specify Source of Local Cash Match _____

4- COMMUNITY SUPPORT:

The council or governing board of the applicant must authorize this grant application. Please attach a copy of the resolution or meeting minutes documenting that action. Or if the project is part of an approved Plan, please list all local, system, regional, and state plans in which this project is included and attach a copy of the section in each plan that includes this project.

5- BEFORE AND AFTER DATA:

Applicants must collect before and after data for all projects. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). Please provide the types of data you will collect and a detailed methodology for your collection and analysis. The cost of this task should be included in the project budget.

PART B

1 MOBILITY BENEFITS (Up to 25 points)

All projects will be scored based upon the extent the project or program supports the following goals within the 1-10 or 1-110 ExpressLanes corridors:

- Increases mobility options to support car-free and /or one car living
- Enhances transit coverage, frequency, & reliability within the corridor
- Connects with & complements nearby transit projects
- Provides access to regional trip generators, regional activity centers, fixed guideway & Metrolink services
- Improves access between jurisdictional or community plan area boundaries
- Gives priority to transit & active transportation modes
- Increases the mode share of transit services operating within the corridor
- Provides additional resources for transportation demand management strategies to reduce solo driving
- Maximizes Person Throughput
- Reduces Vehicle Miles Traveled (VMT)

A. Describe the current situation/problem, the need for the project, and how its implementation would resolve the described situation/problem.

B. Describe how your project or program, meets one or more of the above goals. Clearly define the anticipated outcome and how will you measure the impact?

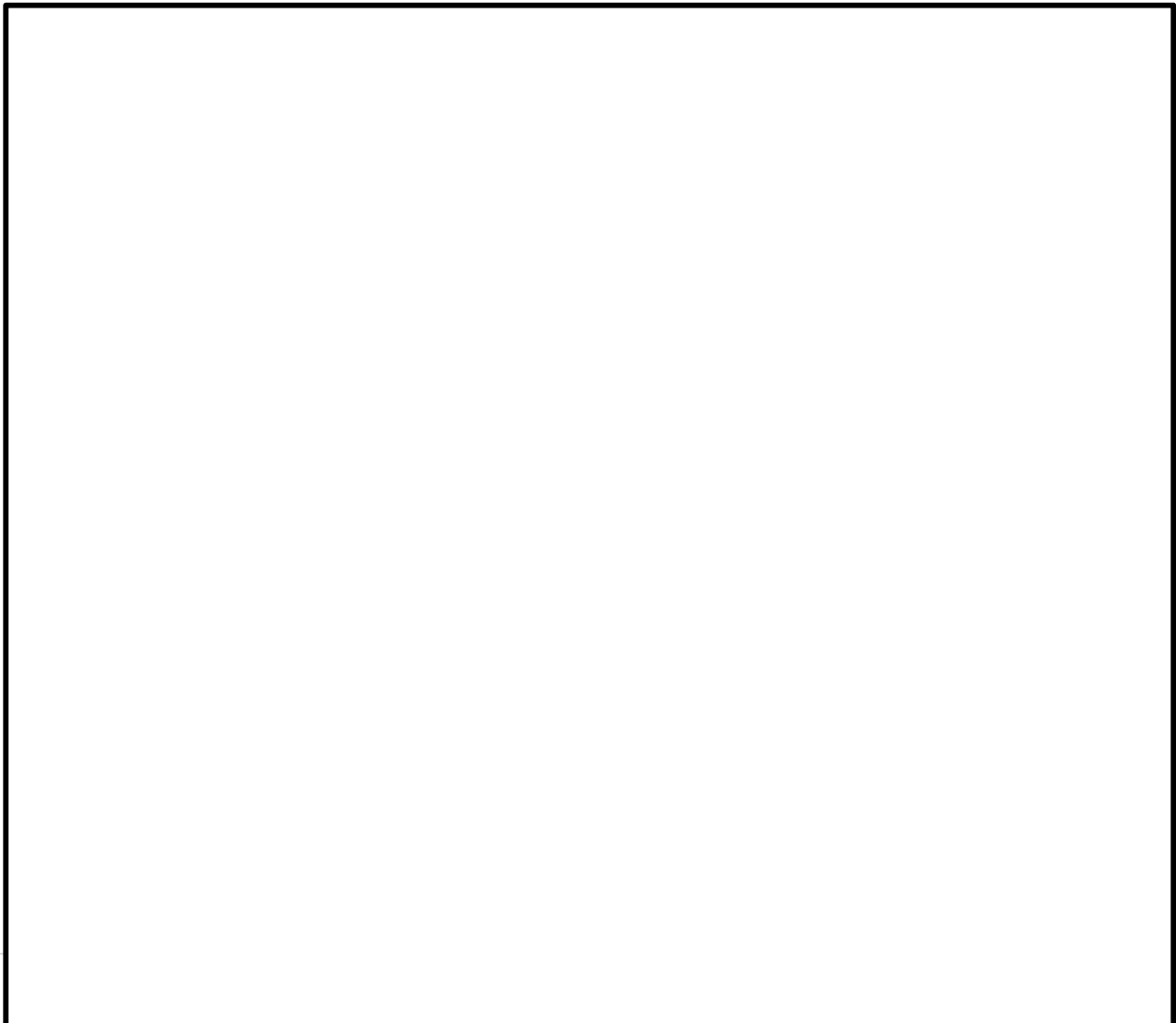
2 INNOVATIVE TRANSPORTATION TECHNOLOGY, PRACTICES AND STRATEGIES (Up to 15 points) *

One of the primary objectives of the ExpressLanes is to better utilize existing capacity within the I-10 and I-110 corridors by employing an innovative operational approach utilizing electronic toll collection and new transponder technology. This approach of transportation network optimization through the use of technology and operational efficiency strategies represents the future of transportation policy and planning.

To that end, the concept of network optimization is identified as a key component of sustainability. Projects will be scored based upon their ability to employ innovative technologies or system management tools to reduce emissions and/or optimize the capacity of the existing transportation system.

Describe the extent to which the project/program facilitates the adoption of innovative technology, practices, or strategies. For example, green technology, zero and near-zero emission vehicles, connected cars, traffic signal and new bus technology, innovative transportation system management.

*** 5 points will be given to those applicants that partner with a non-profit agency**



3 IMPLEMENTATION OF REGIONAL AND LOCAL SUSTAINABILITY PLANS AND POLICIES (Up to 15 points)

Metro’s Countywide Sustainability Planning Policy and Implementation Plan (CSPPIP) along with SCAG’S Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) identify principles and priorities to be advanced through a broad range of activities across all modes. Applicants will be scored based upon the extent the project/program supports the sustainability policies and programs identified in the CSPPIP, RTP, or SCS.

A. Describe how the project/program is consistent with the policies included in Metro’s CSPPIP. Reference the page number(s) of the Plan.

B. Describe how the project/program is consistent with the goals and policies included in the 2012 RTP/SCS. Reference the page number(s) of the Plan.

4 LOCAL MATCH (Up to 10 points)

Total Project Cost	\$
Funding Request	\$
Local Match – Cash	\$
Local Match – In-Kind	\$
Local Match – Percentage	

*** Please attach an itemized cost estimate for all expenses based on an engineer’s estimate or best information available if not a capital project. Be as accurate as possible to avoid future cost overruns.**

Projects will be scored based on the amount of Local Match provided:

46% or more	10 points
41 – 45%	9 points
36 – 40%	8 points
31 – 35%	7 points
26 – 30%	6 points
21 – 25%	5 points
16 – 20%	4 points
11 – 15%	3 points
6 – 10%	2 points
1 – 5%	1 point

5 COST EFFECTIVENESS (Up to 10 points)

Cost effectiveness will be based on the grant amount requested, the total project cost and the estimated useful life of the project (calculated in years). The Estimated Useful Life of the Project is defined as the number of years the capital improvements, bus purchase, transit service, program, or study will last before it has to be replaced or changed.

The cost effectiveness total will be calculated as follows:

Example:

Total Cost of Project - \$1,000,000
Grant Amount Requested - \$800,000 = 1.25

1.25 x 10 (est. useful life of project in years) = 12.5 (cost effectiveness score)

A. Provide your calculations below:

B. What is the expected functional life span of the proposed project (in years)? Please explain.

Points will be awarded based on the following cost effectiveness scores:

17+	10 points
13 - 16	8 points
9 - 12	6 points
5 - 8	4 points
1 - 4	2 points

6 SAFETY (Up to 10 points)

Describe the project's ability to remedy potential safety hazards. For example the number, rate, and consequence of transportation related accidents, serious injuries, and fatalities among operators, drivers, pedestrians and cyclists? Please provide collision data and other safety related data.

7 PROJECT IMPLEMENTATION READINESS (Up to 15 points)

Please provide milestone and actual or estimated completion dates for the various project phases. Include proof of completion of any of the phases below or their equivalents, where applicable.

Capital Projects			
Phase	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule
Feasibility Study			
Environmental			
Design - Plans, Specifications & Estimates (PS&E)			
Right of Way (ROW)			
Construction			
Other			
Other			
Other			

Non-Capital Projects			
Task/Deliverables	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule

ATTACHMENT C

MTA Use Only: Project #: _____ Category: _____
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**Metro ExpressLanes Round 2 Net Toll Revenue Reinvestment Grant Program:
System Connectivity/Active Transportation**

Required Documentation:

- **Application Parts A and B**
- **Application Signature Page**
- **Project Location and Map with project limits – 8.5” by 11”**
- **Detailed Cost Estimate**
- **Documentation of Community Support**
- **If partnering with a Non-Profit Agency 501(c)(3) please provide the IRS Determination letter**
- **Include color photos of project site (if applicable)**
- **Data Collection and Methodology**

Submit two (2) copies of each application (Parts 1 & 2) along with the required documentation. Include one (1) CD-R, DVD or USB drive to MTA to the following address:

**LACMTA
Attn: Silva Mardrussian
One Gateway Plaza
Mail Stop 99-9-2
Los Angeles, CA 90012**

I certify that I have reviewed the Project Eligibility Guidelines and that the information submitted in this application is true and correct and in accordance with the Guidelines. If awarded a grant from Metro, I agree that I will adhere to the information and documentation as contained in this grant application.

Name (Print Name):	Title:
Signature: (signature of authorized signatory of applicant)	Date:

Project Name:

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Lead Agency:	
Address:	
Contact Person/Title:	
Phone:	
Email Address:	

If joint project – include partner agency information below:

Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

If partnering with Non-Profit Agency – include information below:

Non-profit Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

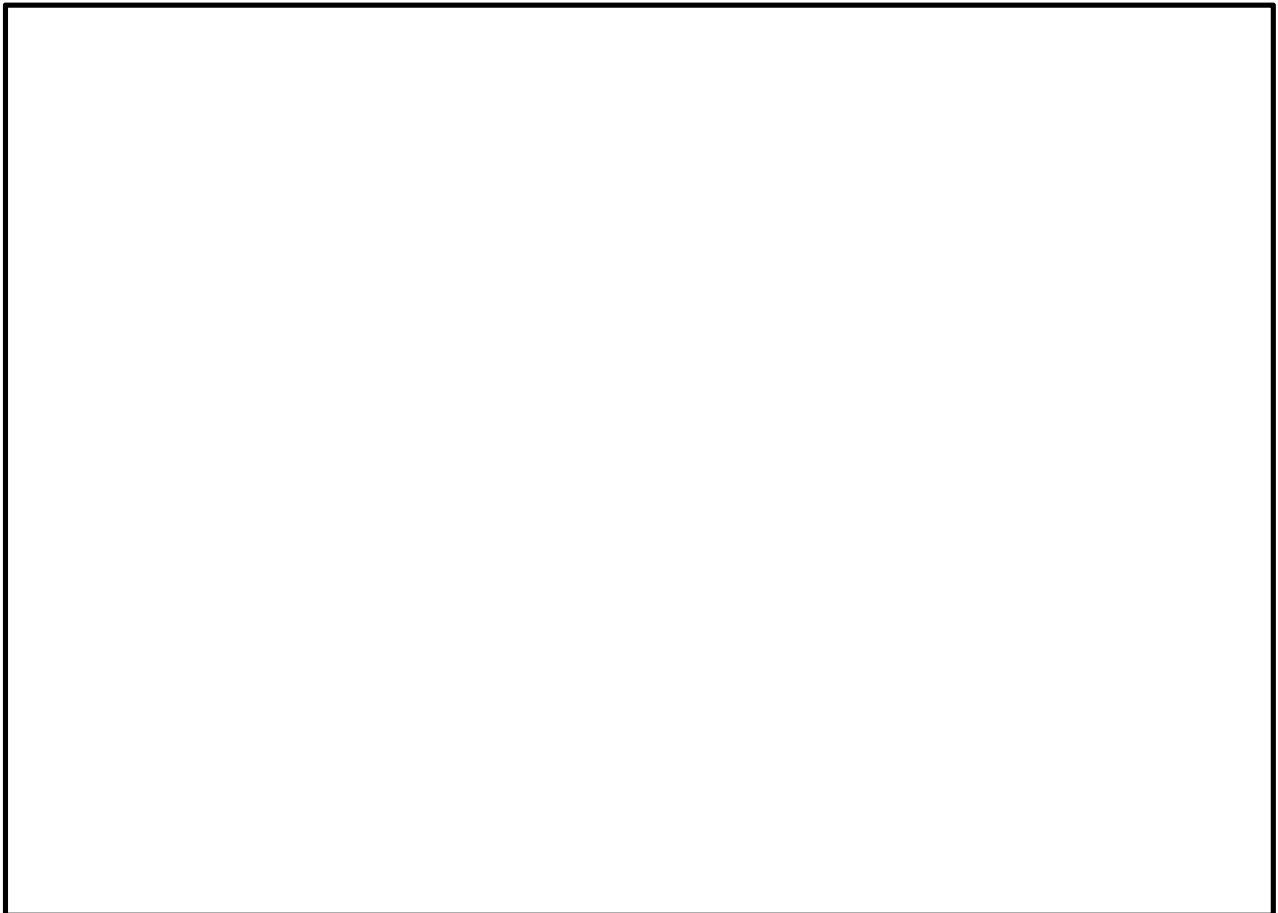
Agency Priority Ranking: <ul style="list-style-type: none">• If submitting more than 1 project	
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PART A

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3- PROJECT FUNDING:

Phase/Deliverable	Funds Requested	Local Match – Cash*	Local Match - In-Kind	Sub Total Cost

Total Project Cost	
---------------------------	--

* Specify Source of Local Cash Match _____

4- COMMUNITY SUPPORT:

The council or governing board of the applicant must authorize this grant application. Please attach a copy of the resolution or meeting minutes documenting that action. Or if the project is part of an approved Plan, please list all local, system, regional, and state plans in which this project is included and attach a copy of the section in each plan that includes this project.

5- BEFORE AND AFTER DATA:

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PART B

1 MOBILITY BENEFITS (Up to 20 points)

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- Maximizes Person Throughput
- Reduces Vehicle Miles Traveled (VMT)

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One of the primary objectives of the ExpressLanes is to better utilize existing capacity within the I-10 and I-110 corridors by employing an innovative operational approach utilizing electronic toll collection and new transponder technology. This approach of transportation network optimization through the use of technology and operational efficiency strategies represents the future of transportation policy and planning.

To that end, the concept of network optimization is identified as a key component of sustainability. Projects will be scored based upon their ability to employ innovative technologies or system management tools to reduce emissions and/or optimize the capacity of the existing transportation system.

Describe the extent to which the project/program facilitates the adoption of innovative technology, practices, or strategies. For example, green technology, zero and near-zero emission vehicles, connected cars, traffic signal and new bus technology, innovative transportation system management.

3 IMPLEMENTATION OF REGIONAL AND LOCAL SUSTAINABILITY PLANS AND POLICIES (Up to 10 points)

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A. Describe how the project/program is consistent with the policies included in Metro’s CSPPIP. Reference the page number(s) of the Plan.

B. Describe how the project/program is consistent with the goals and policies included in the 2012 RTP/SCS. Reference the page number(s) of the Plan.

4 LOCAL MATCH (Up to 10 points)

Total Project Cost	\$
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Local Match – Cash	\$
Local Match – In-Kind	\$
Local Match – Percentage	

* Please attach an itemized cost estimate for all expenses based on an engineer’s estimate or best information available if not a capital project. Be as accurate as possible to avoid future cost overruns.

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Cost effectiveness will be based on the grant amount requested, the total project cost and the estimated useful life of the project (calculated in years). The Estimated Useful Life of the Project is defined as the number of years the capital improvements, bus purchase, transit service, program, or study will last before it has to be replaced or changed.

The cost effectiveness total will be calculated as follows:

Example:

$$\begin{array}{l} \text{Total Cost of Project - } \underline{\$1,000,000} \\ \text{Grant Amount Requested - } \$800,000 \end{array} = 1.25$$

$$1.25 \times 10 \text{ (est. useful life of project in years)} = 12.5 \text{ (cost effectiveness score)}$$

A. Provide your calculations below:

B. What is the expected functional life span of the proposed project (in years)? Please explain.

Points will be awarded based on the following cost effectiveness scores:

17+	10 points
13 - 16	8 points
9 - 12	6 points
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Describe the project's ability to remedy potential safety hazards. For example the number, rate, and consequence of transportation related accidents, serious injuries, and fatalities among operators, drivers, pedestrians and cyclists? Please provide collision data and other safety related data.

7 PROJECT IMPLEMENTATION READINESS (Up to 15 points)

Please provide milestone and actual or estimated completion dates for the various project phases. Include proof of completion of any of the phases below or their equivalents, where applicable.

Capital Projects			
Phase	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule
Feasibility Study			
Environmental			
Design - Plans, Specifications & Estimates (PS&E)			
Right of Way (ROW)			
Construction			
Other			
Other			
Other			

Non-Capital Projects			
Task/Deliverables	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule

8 NON-PROFIT AGENCY PARTNERSHIP (Up to 10 points)
--

Metro ExpressLanes believes the non-profit community plays a vital role in helping Los Angeles County become more sustainable. The experience, programs, networks, and commitment Non-profits provide is a basis to maximizing public engagement, positive behavior change, and community commitment.

Partnering with a 501 (c)(3) non-profit entity	Yes <input type="checkbox"/>	No <input type="checkbox"/>	10 points
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- Please provide the Non-Profit's Name and IRS determination letter.**

Metro ExpressLanes Round 2 Net Toll Revenue Reinvestment Guidelines

The generation of net toll revenues from the **Metro ExpressLanes program** offers a unique opportunity to advance the Long Range Transit Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (LACMTA) goals for a more sustainable countywide transportation system.

The objective of the Program is to increase mobility and person throughput through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) in the I-10 and I-110 corridors. These combined strategies have consistently shown to result in more reliable and stable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would advance Metro's LRTP and sustainability goals as outlined in Metro's Countywide Sustainability Planning Policy (CSPP).

The guideline principles are summarized as follows:

1. Reinvestments in the transportation corridor provide a direct benefit to reducing congestion on the Metro ExpressLanes (I-10 and I-110);
2. Establish a reserve fund consistent with the Board Approved Toll Policy to ensure financial sustainability of the Metro ExpressLanes;
3. Direct allocation of revenue to support the incremental transit service implemented to support the deployment of the Metro ExpressLanes. The incremental services include Metro Silver Line, Foothill Silver Streak, Foothill Route 699, Gardena Line 1, and Torrance Transit Line 4;
4. **Direct allocation of revenue to Caltrans for Intelligent Transportation Systems (ITS), deck rehabilitation, on/off ramp and mainline improvements that benefit the ExpressLanes Corridors. Caltrans will be precluded from seeking additional funding from the competitive grant. 50% of Caltrans's funding will be tied to the agency's ability to meet agreed-upon timelines.**
5. Net of set-asides identified in #2, #3 & 4 above, establish allocation targets of 40% for Transit Uses, 40% for Active Transportation, and 20% for **Roadway** Improvements to support sustainable transportation strategies; and
6. Leverage net toll revenues with other funding sources. Locally sponsored capital projects and operating programs are encouraged. The funding will be mutually determined by Metro and the lead agency, proportionate to the local and regional benefits of the project or program.

Note: Guidelines would be amended by the Board to address changed circumstances such as the ability to bond against the toll revenues or any subsequent policy changes adopted by the Board.

Sustainability

The LRTP and the CSPP identify principles and priorities to be advanced through a broad range of activities across all modes. The principles/priorities include:

- Connect People and Places
 - Access – Better integrating land-use and transportation planning to reduce trip lengths and increase travel choices
 - Prosperity – Reduce transportation costs for residents and provide the mobility necessary to increase economic competitiveness
 - Green Modes – Promote clean mobility options to reduce criteria pollutants, greenhouse gas emissions, and dependence on foreign oil
- Create Community Value
 - Community Development – Design and build transportation facilities that promote infill development, build community identity, and support social and economic activity
 - Urban Greening – Enhance and restore natural systems to mitigate the impacts of transportation projects on communities and wildlife, and ecosystems
- Conserve Resources
 - Context Sensitivity – Build upon the unique strengths of Los Angeles County’s communities through strategies that match local and regional context and support investment in existing communities
 - System Productivity – Increase the efficiency and ensure the long-term viability of the multimodal transportation system
 - Environmental Stewardship – Plan and support transportation improvements that minimize material and resource use through conservation, re-use, re-cycling, and re-purposing

Eligible Uses

The LRTP and CSPP identify a number of key concepts which will help outline eligible uses to reduce congestion on the I-10 and I-110 corridors:

- Green Modes
Green modes include active transportation, rideshare, and transit. Given that all three of these modes operate along the I-10 and I-110 corridors, this key concept would make expanded use of the above modes consistent with the Plan.

Such projects include the addition of bicycle and pedestrian facilities, expanded park-n-ride facilities, expanded service span and/or increased levels of service.

- Bundling Strategies for Greatest Impact

The Metro ExpressLanes, as designed, seeks to increase mobility and person throughput through a series of integrated strategies (transportation demand management, transportation systems management, and multimodal capital investments) in specific corridors. This “bundling of strategies” as referred to in the CSPP has been consistently shown to result in more reliable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would exemplify guidance from the CSPP. Projects that demonstrate the ability to further link or expand the use of existing facilities such as complete streets improvements and first mile/last mile improvements are recommended.

- Network Optimization

One of the primary objectives of the ExpressLanes project is to better utilize existing capacity within a corridor by using dynamic pricing. This approach of network optimization through the use of data represents the future of transportation policy and planning. To that end, the Policy also identified the concept of network optimization as a key component of sustainability. Projects falling under this concept include complete streets, signal prioritization, real-time ride share matching, and other smart technology improvements.

- Act Regionally and Locally

The I-10 and I-110 are two of the busiest corridors in Los Angeles County. Given the regional significance of these corridors, improvements to these facilities as well as additional services utilizing these corridors should emphasize the varying needs of the corridors as well as needs of adjacent communities. Projects which can improve the connection of the local communities to the regional network will be essential to improving the quality of life in those neighborhoods as well as maximizing the potential of the corridors. Projects falling under this concept include first mile/last mile improvements, expanded park-n-ride facilities, expanded service span and/or increased levels of service, and urban greening initiatives which reduce pollution and improve the quality of life for residents.

Based on the key concepts, three project categories are recommended for the allocation of net toll revenues (excluding set-asides):

1. Transit Uses (40% of funds)

- Increased levels of service and/or increased service span
- Fare subsidy programs
- Purchase of new bus and commuter rail vehicles

- Station enhancements and capacity improvements, including intelligent transportation system improvements
 - Metro transit corridor projects serving ExpressLanes corridors
2. System Connectivity/Active Transportation (40% of Funds)
- First mile/last mile connections to transit facilities, focusing on multimodal elements recommended as part of the First/Last Mile Strategic Plan including investments that might support 3rd party mobility solutions (car-share, bike-share)
 - Complete streets projects which emphasize multi-modalism
 - Bicycle infrastructure including bicycle lanes and secured bicycle parking facilities
 - Pedestrian enhancements including on/off-ramp safety improvements, street crossings, and ADA-compliance improvements
 - Infrastructure and programs to support the use of electric vehicles.
 - Bus station improvements including enhanced bus shelters, real-time arrival information, and other related improvements
 - El Monte Bus Maintenance facility
 - Rideshare/Vanpool programs
 - Park-n-Ride facility improvements including restrooms, lighting, and security.
 - Landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable.
3. Highway Roadway Improvements (20% of funds)
- Intelligent transportation system improvements to manage demand
 - **Signal Synchronization programs**
 - On/off ramp improvements which reduce the incidents of bicycle and pedestrian collisions with vehicles
 - Graffiti removal and landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable
 - Subject to Metro Board approval, extension of the ExpressLanes corridors

NOTE: Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Highway Improvements are identified as goals, however the actual allocation of the funding will be based on the merits of the proposed projects and programs.

Project Evaluation Criteria

Implementation of Regional and Local Sustainability Plans and Policies

- The extent to which the project, program, or enhanced transit service supports the recommendations and goals for each transportation mode as stated in the LACMTA's adopted Long Range Transportation Plan and SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
- Extent to which the project, program, or enhanced transit service conforms to local plans to support the implementation of sustainable projects, including transit-oriented development and bicycle and pedestrian master plans

Matching Funds/Leveraging Funds

- Extent to which project, program, or enhanced transit service uses ExpressLanes funds to leverage additional local, state, and/or federal funds

Innovative Transportation Technology

- Extent to which the project, program, or enhanced transit service facilitates the adoption of zero and near-zero emission vehicles
- The degree to which the project, program, or enhanced transit service supports improved transportation systems management strategies

Sustainable Transportation

- Extent to which the project, program, or enhanced transit service increases mobility options to support car-free and/or one-car living
- Extent to which project, program, or enhanced transit service enhances transit coverage, frequency, and reliability within the corridor
- The project, program, or enhanced transit service's connectivity with and ability to complement nearby transit projects
- The degree to which the project, program, or enhanced transit service provides access to regional trip generators, regional activity centers, fixed guideway, and Metrolink, and improves access between jurisdictional or community plan area boundaries
- Extent to which project, program, or enhanced transit service gives priority to transit and active transportation modes
- Extent to which the project, program, or enhanced transit service increases the mode share of transit services operating within the corridor
- The degree to which the project, program, or enhanced transit service provides additional resources for transportation demand management strategies to reduce solo driving
- The degree to which the project, program, or enhanced transit service promote the Metro ExpressLanes.

Cost Effectiveness

- The project, program, or enhanced transit service's cost effectiveness in relationship to the total project cost
- The applicant's demonstrated commitment to covering life-cycle operational and maintenance expenses

Recommended Standard Project Requirements

- Project, program, or enhanced transit service must operate along or within three miles of either the I-110 Corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south) or the I-10 Corridor (between the Alameda Street on the West and the El Monte Transit Center to the east) or provide regionally significant improvements for the 110 or 10 Corridor.
- Project, program, or enhanced transit service must provide direct operational benefits to the operation of the ExpressLanes and/or transit service within the corridors.
- Project, program, or enhanced transit must incorporate, to the extent possible, utilize green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening initiatives.
- Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and Metro. Transportation-related public joint powers authorities must be sponsored by one of the above public agencies. All applicants must be in compliance with Maintenance of Effort requirements.
- **Timely Use of Funds provision: project sponsors must execute their funding agreement within six months of receipt of the agreement from Metro and begin expenditure of funds within one year of executing the agreement to avoid potential lapsing of the funds.**
- If applicant is seeking funding for transit operations or highway maintenance, the service/maintenance must either be new service/maintenance meeting a previously unmet need in the corridor or must increase service for existing lines in the corridor.
- Applicants must maintain their existing commitment of local, discretionary funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Net Toll Revenue funds to be expended for streets and roads.
- Monies cannot be used to supplant, replace, or reduce the project sponsor's previously required match in Metro's Call for Projects.

- Applicants shall ensure that all Communication Materials contain the recognition of Metro's contribution to the project, program, or service. Sponsor shall ensure that at a minimum, all Communication Materials include the phrase "This project/program/service was partially funded by Metro ExpressLanes."

ATTACHMENT E

ExpressLanes I-10 and I-110 Corridor Advisory Groups (CAGs) Summit

December 14, 2015 - Attendee List

<u>Contact</u>	<u>Organization</u>
Jackie Bacharach	SBCCOG
Devon Deming	Los Angeles World Airports
David Diaz	Go Day One
Steve Diels	AAMCOM Call Center
KeAndra Dodds	Office of Supervisor Hilda L. Solis
Bart Doyle	SGVEP
Hank Fung	Southern California Transit Advocates
LaShawn Gillespie	Foothill Transit
Veronica Hahni	LANI
Ifeanyi Ihenacho	Torrance Transit
Naomi Iwasaki	Community Health Councils
Steve Lantz	SBCCOG
James Lee	Torrance Transit
Henry Lo	Office of Assembly member Ed Chau
Jessica Meaney	Investing in Place
Jessica Medina	Council District 8
Jordan Miles	Gardena Transit
Hilary Norton	FAST
Bryce Rosauo	Council District 9
Fernando Rodriguez	City of South Gate
Adam Sapin	Regenerative Design Studios
Kim Turner	Torrance Transit
Paul Van Dyk	City of Long Beach
Roger Yoh	Caltrans
Shahrzad Amiri	LACMTA
Bronwen Keiner	LACMTA
Silva Mardrussian	LACMTA
Kathleen McCune	LACMTA
Cassie Rojas	LACMTA
Philbert Wong	LACMTA

**Board Report**

File #: 2015-1702, **File Type:** Contract**Agenda Number:** 30.

**CONSTRUCTION COMMITTEE
JANUARY 21, 2016****SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT****ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute Change Modification No. 3 to **Contract No. MC071, Westside Extension Support Team (West), to continue providing Construction Management Support Services (CMSS) through Fiscal Year 2017 for the Westside Purple Line Extension Section 1 Project**, in an amount not-to exceed \$23,413,832, increasing the total contract value from \$21,001,079 to \$44,414,911.

ISSUE

On July 25, 2013, the Board approved and awarded to WEST, the Construction Management Support Services contract for this project. Construction management support services are required to oversee and manage the construction and assist in closeout of the Westside Purple Line Extension Section 1 Project. Metro Project Management requires the continuation of construction management support services to provide the expertise to oversee the construction of the advanced utility relocations, Division 20 Maintenance-of-Way/Non-Revenue Vehicle Maintenance Building and the Design/Builder's construction operations and assist Metro with the management of the Project. On July 23, 2015, the Board authorized six-month funding for WEST to continue to provide construction management support services through December 2015, for a total contract value in an amount not-to-exceed \$6,487,628.

The recommended Board action will provide sufficient contract authorization through June 2017.

DISCUSSION

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with the construction management of the Project by becoming part of a fully-integrated construction management team residing in the construction field office, under the oversight of Metro Project Management. The CMSS consultant will provide administration, maintenance, inspection services

and technical support during the construction, pre-revenue operations and closeout phases of the Project. Additional Construction activities that are ramping up in this 18-month period include: demolition, site clearing, sound-wall installation, construction staging yard establishment and utility relocations at the Wilshire/Western Retrieval Shaft, Wilshire/Fairfax Station and Wilshire/LaCienega Station. Piling, decking and excavation at the Wilshire/LaBrea Station as well as the three previously mentioned locations will also be starting during this 18-month period.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects. The CMSS contract will provide services that support Metro's internal safety staff on the Westside Purple Line Extension Section 1 Project. The scope of services for the CMSS contract includes provisions for staff members to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

Funds for FY16 portion are included in the FY16 budget for this action under Project 865518- Westside Purple Line Extension Section 1 Project in Cost Center 8510 (Construction Project Management), and Account Number 50316 (Professional and Technical Services). Funding for the CMSS Contract is within the Life-of-Project Budget that was approved by the Board in July 2014. Since this is a multi-year project, the Executive Director of Program Management and the Westside Purple Line Extension Section 1 Project Manager will be responsible for budgeting in future years.

Impact to Budget

The sources of funds for the recommended action are Federal 5309 New Starts, Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan proceeds and Measure R 35%. These funds are designated for Westside Purple Line Extension Section 1 Project and does not have an impact to operations. These funds were assumed in the Long Range Transportation Plan (LRTP) for the Westside Purple Line Extension Section 1 Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the project. No other funds were considered.

ALTERNATIVES CONSIDERED

The Metro Board may reject the recommended action and direct staff to perform all construction management tasks with in-house resources. Under this situation, Metro would have to hire additional staff with expertise in many different fields, including construction managers, resident engineers and inspectors in the disciplines of systems, tunnels, stations, cut and cover work, trackwork, civil engineering , architecture, geology, mechanical and electrical engineering, safety, environmental, rail activation, systems integration, survey, claims analysis and litigation, among many others. The approved July 2015 Board action for CMSS conversion to Metro included three positions. Metro has converted one position from WEST to Metro and has been reflected in value of the Modification (no

costs for this position is included in the Modification). Metro is in the process of converting two additional positions from WEST to Metro and the reduction in the cost of this Modification will start to be realized as soon as the Metro staff arrive on the Project.

NEXT STEPS

After Board approval and execution of the contract modification, staff will direct the consultant to continue providing construction management support services and continue to manage its contract for the Westside Purple Line Extension Section 1 Project through FY17.

ATTACHMENTS

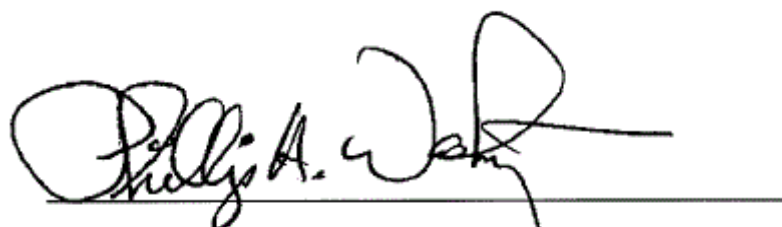
Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

Prepared by:

Dennis Mori, Executive Officer, Project Director (213) 922-7238
James Cohen, Deputy Executive Officer, Project Management (323) 900-2114
Rick Wilson, Director Project Control, Project Management (213) 312-3108
Bryan Pennington, Deputy Executive Director, Program Management (213) 922-7449

Reviewed by:

Ivan Page, Executive Director Vendor Contract Management (Interim) (213) 922-6383
Richard Clarke, Executive Director, Program Management (213) 977-75547



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT
CONTRACT NO. MC071 CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

1.	Contract Number: MC071		
2.	Contractor: Westside Extension Support Team, J.V. (WEST)		
3.	Mod. Work Description: Continue Construction Management Support Services for eighteen months through June 2017.		
4.	Contract Work Description: Construction Management Support Services		
5.	The following data is current as of: December 7, 2015		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	7/26/13	Contract Award Amount: \$4,683,115
	Notice to Proceed (NTP):	8/09/13	Total of Modifications Approved: \$16,317,964
	Original Complete Date:	8/09/24	Pending Modifications (including this action): \$23,413,832
	Current Est. Complete Date:	8/09/24	Current Contract Value (with this action): \$44,414,911
7.	Contract Administrator: Tim Clark		Telephone Number: 213-922-7246
8.	Project Manager: Dennis Mori		Telephone Number: 213-312 3109

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 to continue Construction Management Support Services for Section 1 of the Westside Purple Line Extension Project.

This Contract Modification has been processed and will be issued in accordance with Metro's Acquisition Policy. The contract type is cost-plus fixed fee.

On July 25, 2013, the Metro Board of Directors authorized the Chief Executive Officer to execute a cost-plus fixed fee type contract (Contract No. MC071) for Construction Management Support Services with West Extension Support Team (WEST), for an amount not-to-exceed \$4,683,115, for the first year of the Contract, FY14.

Attachment B shows the modifications issued to date, and this recommended modification currently pending.

B. Cost/Price Analysis

The recommended amount has been determined to be fair and reasonable based upon fact-finding, clarifications, cost analysis, technical evaluation and negotiation. This Contract Modification includes provisional indirect rates subject to adjustment when final year-end audited rates are established.

Proposal Amount	Metro ICE	Negotiated Amount
\$25,072,865	\$23,038,919	\$23,413,832

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE LOG

**WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT
CONTRACT NO. MC071 CONSTRUCTION MANAGEMEN SUPPORT SERVICES**

Mod. no.	Description	Date	Amount
	Original Contract Award	7/26/13	\$4,683,115
1	Continue Construction Management Support Services through FY15	5-22-14	\$9,830,336
2	Continue Construction Management Support Services for six months of FY16	7-23-15	\$6,487,628
3	Continue Construction Management Support Services for eighteen months, through FY17.	Pending	\$23,413,832
		Total:	\$44,414,911

DEOD SUMMARY

**WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT
CONTRACT NO. MC071
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

A. Small Business Participation

Westside Extension Support Team made a 28.26% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment. The contract is 21% complete. The current DBE participation is 31.23%. Westside Extension Support Team is exceeding its DALP commitment.

SMALL BUSINESS COMMITMENT	DBE 28.26%	SMALL BUSINESS PARTICIPATION	DBE 31.23%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Anil Verma Associates, Inc.	Asian Subcontinent American	0.39%	0.00%
2.	Cabrinha Hearn & Associates	Hispanic American	10.37%	5.43%
3.	Cogstone Resource Management	Caucasian Female	2.15%	1.59%
4.	D'Leon Consulting Engineers	Hispanic American	0.00%	0.96%
5.	Diana Ho Consulting Group	Asian Pacific American	0.00%	0.04%
7.	Kal Krishnan Consulting Services, Inc.	Asian Subcontinent American	0.00%	1.44%
8.	Lenax Construction Services, Inc.	Caucasian Female	1.72%	0.90%
9.	MARRS Services, Inc.	Asian Subcontinent American	6.85%	8.81%
10	Ramos Consulting Engineers, Inc.	Hispanic American	6.78%	11.16%
11	Safework, Inc.	Caucasian Female	0.00%	0.90%
Total			28.26%	31.23%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection and other support trades.

C. Living Wage Service Contract Worker Retention Policy

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.

**Board Report**

File #: 2015-1594, **File Type:** Contract**Agenda Number:** 31.

**CONSTRUCTION COMMITTEE
JANUARY 21, 2016****SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT****ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 5 to **Contract No. MC070, to Arcadis U.S., Inc., to continue providing Construction Management Support Services (CMSS) through June 30, 2017, for the Regional Connector Transit Corridor Project**, in the amount of \$18,494,981 increasing the total contract value from \$17,135,690 to \$35,630,671.

ISSUE

On March 21, 2013, the Board approved and awarded Contract MC070 to Arcadis U.S., Inc., for Construction Management Support Services in the amount of \$3,499,990 for this project. The executed contract is an eight year (with two one-year options for contract duration extension) cost-plus fixed fee contract with provisions for Board approval of the contract value every fiscal year by Contract Modification. Construction management support services are professional services that are required to assist Metro by providing technical expertise and staff augmentation in the oversight and management of the final design and construction of the Regional Connector Transit Corridor Project.

Subject to the annual authorization requirements of the contract, the Board approved modifications in the amount of \$7,680,700 on April 24, 2014 for FY15 and \$5,955,000 on July 23, 2015 for Construction Management Support Services for 6 months through December FY16, for a total authorized contract amount of \$17,135,690. This authorization requests approval through June 30, 2017 (a total period of 18-months). The recommended Board action will provide contract funding through June 30, 2017. Future work will be funded on a year-to-year basis. This approach will result in more accurate budgeting for each year, while providing better control over consultant services costs.

DISCUSSION

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with the construction management of the Project by becoming part of an integrated construction

management team residing in the project field office, under the oversight of Metro Project Management. The CMSS consultant provides administration, inspection services and technical support during the final design, construction, pre-revenue operations and closeout phases of the Project. Metro Project Management requires this consultant staff with the expertise to oversee the design-builder's construction operations and assist Metro with the management of the Project. As part of this request, Metro's Project Manager identified and evaluated the annual work plan, which was negotiated with Arcadis U.S., Inc., to determine the recommended Contract Modification value.

The CMSS contact work plan for the first half of FY16 has been running at approximately 23 full-time equivalents (FTEs) per month, all of which are providing construction-related field services, technical expertise on ongoing construction work plans, and construction related office operations. In response to the significant increase in construction activity on the project within the next few months, the CMSS work plan level of effort is estimated to increase to approximately 35 FTEs by the end of FY17.

On July 16, 2015, the Board approved the conversion of eight Arcadis positions to non-contract Metro positions. To date, two senior resident engineering positions have been filled by Metro employees and other conversions are planned in upcoming months as positions become necessary to support the construction schedule. This effort has resulted in a cost reduction to the Arcadis contract of over \$426,300 date, with an additional estimated cost reduction of \$1,304,500 through FY17. Further cost reductions in the consultant contract will be realized as additional consultant positions are filled with non-contract Metro personnel.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects. The CMSS contract provides services that support Metro's internal safety staff on the Regional Connector Transit Corridor Project. The scope of services for the CMSS contract includes provisions for staff members to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

Funding for FY16 portion of the CMSS contract is included in the FY16 budget in Cost Center 8510, (Construction Project Management) under Project 860228 (Regional Connector Transit Corridor Project), Account 50316, (Professional Services). Since this is a multi-year contract, the Executive Director of Program Management and the Project Manager will be accountable to budget the cost for future years on an annual basis.

Impact to Budget

The sources of funds for this report's Recommendation are Federal 5309 New Starts, State Prop 1B PTMISEA, State Repayment of Capital Project Loans, and Measure R Transit 35%. These funds are designated for the Regional Connector Transit Corridor Project and do not have an impact to operations.. These funds were assumed in the LRTP for the Regional Connector Transit Corridor Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling

element of the Project. No other funds were considered.

ALTERNATIVES CONSIDERED

The Metro Board could decide not to approve the recommended contract modification. This is not recommended because Metro does not have sufficient staff with expertise in the many different fields, including construction managers, resident engineers and inspectors in the disciplines of systems, tunnels, stations, sequential excavation method work, trackwork, civil, architecture, geology, mechanical, electrical, rail activation and systems integration. The recommendation by staff will provide adequate personnel with expertise through FY17 to successfully manage the project and oversee construction quality.

NEXT STEPS

After Board approval and execution of the contract modification, staff will direct the consultant to continue providing construction management support services for the Regional Connector Transit Corridor project through FY17.

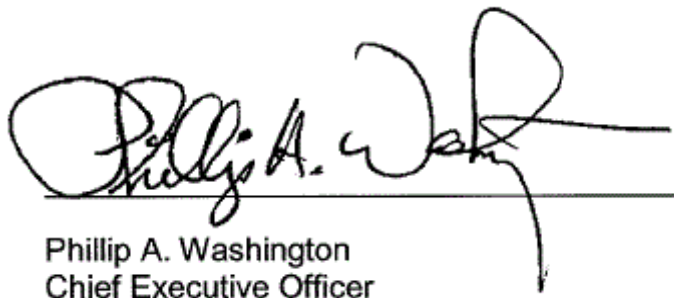
Staff will report back by June 2017 on the actual number of non-contract Metro positions hired and placed on the project and the corresponding reduction in the CMSS contract value.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Contract Modification/Change Order Log

Prepared by: Girish Roy, Deputy Executive Officer, Project Director (213) 893- 7119
Gary Baker, Deputy Executive Officer (213) 893 -7191

Reviewed by: Ivan Page, Executive Director (Interim), Vendor/Contract Management (213) 922-6383
Richard Clarke, Executive Director, Program Management
(213) 922-7557



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
MODIFICATION FOR CONTRACT NO. MC070
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

1.	Contract Number: MC070		
2.	Contractor: ARCADIS, U.S. Inc.		
3.	Mod. Work Description: Provide construction management support services during construction of Design-Build Contract C0980 for the Regional Connector Transit Corridor Project through June 30, 2017.		
4.	Contract Work Description: Construction Management Support Services		
5.	The following data is current as of: 12/07/15		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	05/13/13	Contract Award Amount: \$3,499,990
	Notice to Proceed (NTP):	05/17/13	Total of Modifications Approved: \$13,635,700
	Original Complete Date:	05/2021	Pending Modifications (including this action): \$18,494,981
	Current Est. Complete Date:	05/2021	Current Contract Value (with this action): \$35,630,671
7.	Contract Administrator: Susan Santoro		Telephone Number: 213-893-7144
8.	Project Manager: Girish Roy		Telephone Number: 213-893-7119

A. Procurement Background

This Board Action is to approve Contract Modification No. 5 to continue providing construction management support services through June 30, 2017, for the Regional Connector Transit Corridor Project.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a Cost Plus Fixed Fee type contract.

On May 13, 2013, Metro awarded Contract No. MC070, an eight year, cost plus fixed fee type contract to ARCADIS, U.S., Inc. with a not to exceed amount of \$3,499,990 for the first year FY 14 to provide construction management support services on the Regional Connector Transit Corridor Project.

Attachment C shows four modifications have been issued to date.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon fact-finding, clarifications, cost analysis, independent cost estimate (ICE), technical evaluation, and negotiations. An audit of the consultant's and subconsultants' provisional overhead rates has been requested and is currently in progress. Any audit findings resulting in an increase or decrease to the current contract provisional overhead rates will be incorporated into the contract via a separate Contract Modification.

	Proposal Amount	Metro ICE	Negotiated Amount	Amount to Be Funded
FY 16*	\$13,869,000	\$12,055,606	\$11,910,669	\$5,955,669
FY 17	\$12,569,318	\$12,420,963	\$12,539,312	\$12,539,312
Total Amount to Be Funded				\$18,494,981

* The proposal, ICE and negotiated amounts shown above for FY16 are based on full funding for FY16. In July 2016, ~~Metro the Board elected to fund authorized~~ only the first six months of FY16 at \$5,955,000. This action includes funding of the remainder of the negotiated amount for FY16, ~~as well as the~~ and assumes full funding for all of FY17.

DEOD SUMMARY

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
MODIFICATION FOR CONTRACT NO. MC070
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

A. Small Business Participation

Arcadis made a 26.79% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment. The current participation is 44.56%. The contract is 54.85% complete. DBE subcontractors LKG-CMG, MBI Media, and Safework have not performed to-date. Arcadis indicated that when the DBE services are required, Metro's project team will authorize the referenced firms to be activated for the requested position needs. Arcadis is exceeding their DALP commitment.

Small Business Commitment	26.79% DALP	Small Business Participation	44.56% DALP
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	DHS Consulting	Asian Subcontinent	8.29%	14.87%
2.	EPC Consultants	Asian Pacific	6.59%	11.69%
3.	Ghirardelli Associates	Caucasian Female	3.60%	10.43%
4.	LKG – CMG	Caucasian Female	1.59%	0.00%
5.	MBI Media	Caucasian Female	0.99%	0.00%
6.	Ramos CS	Hispanic American	2.34%	5.25%
7.	Safework	Caucasian Female	1.55%	0.00%
8.	R Industrial & Healthcare	African American	0.59%	1.02%
9.	Allied Protection Services	African American	1.25%	1.30%
Total			26.79%	44.56%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms + Total Actual Amount Paid-to-date to Prime.

B. Project Labor Agreement / Construction Careers Policy (PLA/CCP)

The Project Labor Agreement/Construction Careers Policy is not applicable to this construction management services contract.

C. Living Wage Service Contract Worker Policy

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection and other support trades.

CONTRACT MODIFICATION/CHANGE LOG

**CONTRACT NO. MC070
REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

Mod. No.	Description	Date	Amount
	Original Contract	05-13-13	\$3,499,990
1	FY 2015 Incremental Funding	07-01-14	\$7,680,700
2	Add Junior Staff Engineer Position	07-21-14	\$0.00
3	FY 2016 Incremental Funding (through December 31, 2015 only)	08-04-15	\$5,955,000
4	Extension of CMSS from 01-01-16 thru 02-29-16	11-06-15	\$0.00
5	FY 2016 and FY 2017 Incremental Funding (January 1, 2016 through June 30, 2017)	Pending	\$18,494,981
Total:			\$35,630,671

**Board Report**

File #: 2015-1699, **File Type:** Contract

Agenda Number: 38.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 21, 2016**

SUBJECT: ACCELERATE FEDERAL FUNDING FOR FY16 TO SUPPORT THE 900 FORTY-FOOT BUS ACQUISITION PROJECT

ACTION: APPROVE FY16 BUDGET AMENDMENT OF \$42.9 MILLION

RECOMMENDATION

APPROVE the FY16 budget amendment of \$42,900,000 for the **acceleration of FTA Section 5307 Federal Funding for FY16 to support the 900 Bus Acquisition** (project 201056).

ISSUE

The FY16 Budget for \$5.568B was approved at the May 21, 2015 Board meeting, which included \$97.5M for the 900 Forty Foot Bus Acquisition project. Staff anticipated that bus delivery for the 350 bus option would occur through FY17 and the project would be completed within the adopted Life of Project (LOP) Budget of \$503.4 million.

DISCUSSION

The Contract delivery requirement for the 900 Bus Buy Contract is 8 buses per week for both the 550 Base buy and the 350 Option buy. Due to agency financial constraints in FY16, New Flyer agreed to reduce the weekly delivery rate of the Option buy buses from 8 buses per week to between 5-6 buses per week for the duration of production. At the current rate of production, New Flyer will deliver approximately 257 buses during FY16.

As part of the 900 Bus Buy Contract, New Flyer made a commitment to create new jobs under the U.S. Employment Program. Included in New Flyer's U.S. Employment Program was a commitment to employ approximately 50 new workers to perform final assembly work on Metro buses at its manufacturing facility in Ontario, CA. During negotiations for the 350 Bus Option, New Flyer agreed to reduce the delivery rate from 8 buses per week to 5-6 buses per week without impact to their U.S. Employment Program commitment. If Metro were to reduce the delivery rate to below 5-6 buses per week it will have a negative impact on the U.S. Employment Program that could lead to layoffs at New Flyer's Ontario, CA facility.

On May 21, 2015, the Board adopted the FY16 budget which included a \$97.5 million budget for the 900 Bus Acquisition project. On September 17, 2015 the System Safety, Security and Operations Committee approved item 64 (Attachment A) which requested approval for a safety related retrofit for

operator barriers and live video monitors on remaining New Flyer buses and price escalation for the 350 Bus Option. On September 24, 2015, the Board approved item 64 on consent. This increased the LOP by \$3.7 million from \$503.4 million to \$507.1 million. This approval further increased the FY16 budget from \$97.5 million to \$101.1 million.

In parallel with the September Board report, staff was investigating the opportunity to accelerate FTA Section 5307 Federal Funding to support accelerated delivery of the 350 bus buy option. At this time, staff is prepared to accelerate the federal funding for delivery of the remaining 350 Option buses. There is no impact to the \$507.1 million Life of Project budget with this plan. If this action is approved, the FY16 budget for the 900 Bus Acquisition Project (201056) will be increased by \$42.9 million from the last Board adopted FY16 budget of \$101.1 million to \$144.0 million.

Financial Impact

If this action is approved, the additional FY16 funding would be programmed into Capital Project No. 201056 - 900 Forty-Foot Bus Procurement; Cost Center 3320 - Vehicle Technology; and Account 53105 - Acquisition of Vehicles. This action does not impact the adopted LOP.

Since this a multi-year project, the Project Manager and Chief Operations Officer would be responsible for budgeting project costs in future fiscal years.

Impact to Budget

This project is funded by Federal Funding sources: CMAQ, FTA Sections 5307, 5309 and 5339. It is also funded by Local Funding sources: Prop 1B, Proposition C 40%, Measure 35% Bus Capital and TDA 4. The funding source details are included in this report found in Attachment B. These funding sources are eligible for this project as well as activities supporting Bus and Rail Operations. This action does not impact the project funding sources other than to accelerate a portion of the Federal 5307 Funding from FY17 into FY16. No other funds have been considered.

NEXT STEPS

Upon approval, staff will proceed with the necessary administrative steps to enact an increase to the FY16 Budget to \$144.0 million for this project. Project staff will ensure delivery of the buses in conjunction with this funding acceleration.

ATTACHMENTS

Attachment A - Item #64 Board Report from 9/17/15

Attachment B - Sources and Uses Table

Prepared by: Richard Hunt, General Manager Vehicle Engineering & Acquisitions,
(213) 922-7462

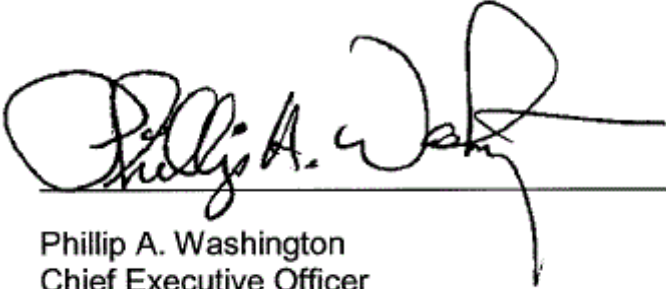
John Drayton, Director of Vehicle Technology Acquisitions
(213) 617-6285

Quintin Sumabat, Deputy Executive Officer (213) 922-2277

Chris Reyes, Transportation Planning Manager III (213) 922-4808

Reviewed by:

James T. Gallagher, Chief Operations Officer



Phillip A. Washington
Chief Executive Officer

..Meeting_Body

REVISED
SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 17, 2015

..Subject/Action

SUBJECT: NEW FLYER BUSES

ACTION: APPROVE RETROFIT OF OPERATOR BARRIERS AND LIVE VIDEO MONITORS ON REMAINING NEW FLYER BUSES AND OPTION 1 PRICE ESCALATION

..Heading

RECOMMENDATION

..Title

AUTHORIZING the Chief Executive Officer to:

- A. Increase the Life of Project (LOP) budget for the **900 bus buy project to include funding for Option 1 price escalation; retrofit of operator safety barriers; and Live Video Monitoring System (LVMS)** in the amount of \$3,617,152 from \$503,442,500 to \$507,059,652; and
- B. Approve Contract Modifications 9 and 10 for Contract OP33202869 to New Flyer of America, in the amount of \$6,043,492, for Option 1 price escalation and for retrofit of operator safety barriers and LVMS, increasing the total Contract value from \$498,652,341 to \$504,695,833.

..Issue

ISSUE

Contract OP33202869 is a firm fixed price contract for the purchase of up to 900 forty-foot CNG transit buses. The Base Order Contract for 550 buses was executed on February 1, 2013. In February 2015, Metro's Board approved Contract Option 1 for 350 additional buses for a total of 900 buses. Base order buses purchased under this contract went into service in December 2013. Option 1 buses are currently being delivered to Metro at a rate of 5 buses per week with a delivery completion date of October 2016.

In response to increased operator assaults, Metro's CEO directed staff to retrofit all of Metro's bus fleet with protective operator barriers in order to provide additional protection to operators.

..Discussion

DISCUSSION

Operator Barriers & Live Video Monitoring System

In September 2014, New Flyer was directed to begin installation of LVMS during production on 618 buses. In February 2015, Metro directed New Flyer to begin installation of protective operator barriers on 473 buses during production.

The first phase of Metro CEO's directed fleet retrofit plan will include installation of operator barriers and LVMS on the base order New Flyer buses purchased under Contract OP33202869 that did not have this equipment installed during production. Currently, there are 427 New Flyer buses that do not have operator safety barriers installed, and there are 282 New Flyer buses that do not have the LVMS installed.

In the last couple years, several major U.S. transit operators are installing operator barriers to help reduce the number of bus operator assaults (Attachment D). The barriers are being installed as part of new bus procurements and continue to be in use. Metro will continue to monitor advancements in operator barriers and protective systems internally and within the transit industry. The information gathered from manufacturers and transit agencies only indicates who is using protective operator barriers, there is no current information available on their effectiveness against operator assaults.

Between April and August 2015 Metro conducted surveys and sent bus operators several pieces of communications to inform them and solicit their feedback regarding protective operator barriers and LVMS. The results of this survey found:

- 62% of operators surveyed expressed that they would use the barriers in the future
- 58% of operators surveyed felt that the barriers made their job easier or did not affect their job in a negative way
- 59% of operators surveyed reported that they felt safe or somewhat safe when operating a bus with a barrier
- 63% of operators surveyed felt safe or somewhat safe when operating a bus with the on-board video monitor

The total retrofit cost of the operator safety barriers is \$2,512,726 and LVMS is \$1,104,426. Once this project begins, it is estimated that barrier installations will be completed in 25 weeks, and video monitor installations will be completed in 15 weeks.

Escalation for 350 Bus Option

Option buses purchased under the Contract are subject to escalation based on the Producer Price Index (PPI) for bus and truck bodies. The Total Contract Value approved by the Board in February was based on projected escalation using the latest PPI figure (Dec '14) available at the time of board approval. Between January and March 2015, the PPI increased 1.33% or \$2,426,340, increasing the Total Contract value for the 350 Option buses from \$498,652,341 to \$501,078,681, inclusive of sales

tax. Staff recommends an increase to the Total Contract Value for Option 1 buses in the amount of \$2,426,340 to cover the cost of escalation accrued between January and March 2015 for the 350 vehicle Option approved by the Board in February 2015.

..Determination_Of_Safety_Impact
DETERMINATION OF SAFETY IMPACT

Operator safety is at the forefront of Metro's priorities. The installation of protective barriers and video monitors on the new fleet is expected to help reduce the rate of Operator assaults.

..Financial_Impact
FINANCIAL IMPACT

Funding for this recommendation will be included in the FY16 capital program by an LOP increase to project 201056 550 40' Foot Bus Buy. Budget will be allocated to cost center 3320 in account 53105 – Vehicle Technology for \$3,617,152 in the FY16 budget. The balance of the project shall be funded in accordance with the cashflow plan found in Attachment C. Should additional funds be identified or become available throughout the life of this action, project management will coordinate with funding staff to accelerate the bus delivery. Since this is a multi-year action, the cost center manager and project manager will be responsible for budgeting in future fiscal years.

Impact to Budget

The recommended action will be funded with Federal 5307, Federal 5339 and Local TDA-4 funds which are eligible for Bus and Rail Operations.

..Alternatives_Considered
ALTERNATIVES CONSIDERED

Operator Barriers & LVMS

Staff considered conducting a new procurement for barriers and monitors for all Metro buses fleet-wide. This option is not recommended for the New Flyer buses because it would delay the installation and will compromise fleet uniformity for the New Flyer fleet and create additional inventory and training costs. If outside vendors (other than New Flyer) were to do this work it may void the warranty coverage on these buses.

Escalation for Option 1

Staff considered purchasing slightly fewer than the full 350 buses to stay within previously approved contracting authority limits. This action is not recommended because funding is already programmed that covers the cost of this increase, and all of these New Flyer buses are needed to replace older CNG buses that are scheduled to be retired.

..Next_Steps

NEXT STEPS

If this action is approved, staff will issue Contract Modification No. 9, and Contract Modification No. 10 to direct New Flyer to immediately begin a retrofit program for all 5600 series buses that do not already have protective operator safety barriers and/or video monitors. New Flyer will begin retrofitting buses within 30 days of the Notice-to-Proceed. The estimated completion timeline is 25 weeks for operator safety barriers and 15 weeks for LVMS.

While the operator barriers meet all Federal Motor Vehicle Safety Standards, Operations understands that the barriers are new to our environment. As concerns are raised, staff will review and work with the equipment suppliers to rectify any operational and safety concerns.

Staff also plans to issue a new competitive solicitation for the installation of operator safety barriers on approximately 1,500 other buses in Metro's fleet that do not already have this equipment.

Staff will continue to evaluate the effectiveness of the operator barriers. Operations will provide the Board with the information gained internally through Metro's usage of the barriers, and through partnerships with our peer agencies that utilize operator barriers.

..Attachments

ATTACHMENTS

Attachment A – Procurement Summary

Attachment B – Contract Modification / Change Order Log

Attachment C – Funding / Expenditure Plan

Attachment D – Transit Agencies Using Operator Barriers

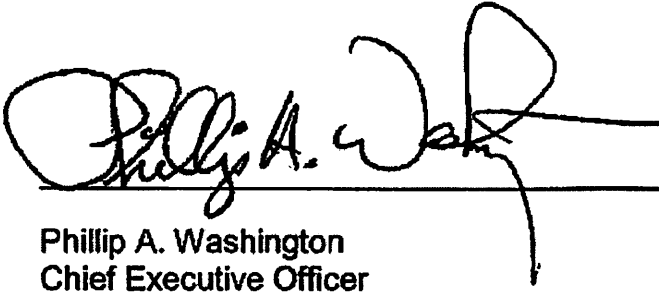
..Prepared_by

Prepared by: John Drayton, Director, Vehicle Technology (213) 617-6285

Questions: Christopher Reyes, Transportation Planning Manager III,
Operations
(213) 922-4808

..Reviewed_By

Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management
James T. Gallagher, Chief Operations Officer



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

NEW FLYER BUSES - UP TO 900 CNG BUS CONTRACT/
MODIFICATION NO. 9 & 10

1.	Contract Number: OP33202869		
2.	Contractor: New Flyer of America, Inc.		
3.	Mod. Work Description: Retrofit installation of Operator Barriers and Live Video Monitors, Option 1 escalation		
4.	Contract Work Description: Up to 900 Bus Buy		
5.	The following data is current as of: 8/7/15		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	2/1/13	Contract Award Amount: \$302,094,178
	Notice to Proceed (NTP):	2/1/13	Total of Modifications Approved: \$196,558,163
	Original Complete Date:	7/31/15	Pending Modifications (including this action): \$6,043,492
	Current Est. Complete Date (with this action):	10/30/16	Current Contract Value (with this action): \$504,695,833
7.	Contract Administrator: Joe Marzano		Telephone Number: (213) 922-7014
8.	Project Manager: John Drayton		Telephone Number: (213) 922-5882

A. Procurement Background

This Board Action is to approve contract modification no. 10 for \$3,617,152 issued to New Flyer in support of a retrofit installation of a Live Video Monitoring System (LVMS) on 282 New Flyer buses and operator barriers on 427 New Flyer buses. This Board Action also includes approval of contract modification no. 9 for escalation accrued between January and March 2015 for Option 1 buses in the amount of \$2,426,340. The total value for contract modification no. 9 and 10 is \$6,043,492.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

On January 24, 2013, Metro's Board of Directors approved board agenda item no. 54, to New Flyer of America, Inc., in the amount of \$302,094,178, for manufacturing and delivery of 550 forty-foot CNG transit buses exclusive of contract options for up to 350 additional buses for a total of 900 buses. On February 26, 2015, Metro's Board of Directors approved board agenda item no. 23 in the amount of \$193,979,571 to exercise Option 1 for 350 additional forty-foot CNG buses. Approval of this Board

recommendation item will increase the total value of the option purchase to \$196,405,911.

On October 23, 2014, Metro's Board of Directors approved board agenda item no. 10 for the installation of a LVMS on the 128 production buses. On January 20, 2015, staff executed contract modification no. 8 for the installation of operator barriers on 123 production buses. The recommended contract modification no. 10 is to retrofit operator barriers and LVMS on the remaining New Flyer fleet that currently does not have this equipment installed. The value of the contract modification is for a firm fixed amount of \$3,617,152 including, tax and delivery.

Attachment B shows that eight modifications have been issued to date for vehicle configuration changes, non-taxable ADA equipment tax adjustments, and corrections to Diagnostic Test Equipment pricing.

B. Cost/Price Analysis

Live Video Monitoring System & Operator Barriers

The recommended price for the LVMS and operator barriers has been determined to be fair and reasonable based upon an independent cost estimate, audit, cost analysis technical evaluation, fact finding and negotiations.

Item	Proposed Amount	Metro Independent Cost Estimate	Negotiated Amount
Live Video Monitoring System	\$1,262,125	\$1,258,961	\$1,104,426
Operator Barriers	\$2,781,358	\$2,902,347	\$2,512,726
Total	\$4,043,483	\$4,161,308	\$3,617,152

Escalation for Option 1

The total contract value for Option 1 approved by the Board in February 2015 was based on projected escalation using the latest PPI figure (Dec '14) available at the time of board approval. The actual escalation costs for Option 1 are based on the March 2015 Producer Price Index for Truck and Bus Bodies, Series No. 1413. Between January and March 2015, the PPI increased 1.33% or \$2,426,340. The firm fixed price for Option 1 is \$196,405,911, including escalation, is determined to be fair and reasonable for the 350 option buses based upon adequate price competition for the base and option quantities, and a price analysis that included both base and option prices, including escalation prior to contract award.

C. Small Business Participation

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this rolling stock procurement. Transit Vehicle Manufacturers (TVM), as a condition of authorization to

bid or propose on FTA-assisted transit vehicle procurements, must certify that it has complied with the requirements of 49 Code of Federal Regulations (CFR) Part 26.49(a). Only those transit vehicle manufacturers listed on FTA's certified list of Transit Vehicle Manufacturers at the time of solicitation are eligible to bid. In compliance with 49 CFR Part 26.49, TVMs report direct to FTA.

D. Living Wage Service Contract Worker Policy

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

E. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

ATTACHMENT A
ATTACHMENT B

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY

NEW FLYER BUSES - UP TO 900 CNG BUS CONTRACT

Request for Change. (RFC) No.	Description	Status	Estimated Cost
N/A	Award Base Contract	Approved	\$302,094,178
1	Updated ADA Equipment and Safety Provisions	Approved	\$2,936,786
1a	Correction to bus unit price for non-taxable ADA Equipment not accounted for in the proposal price	Approved	(\$717,994)
2	Period of Performance extension for the first 275 buses from June 30, 2014 to October 31, 2014	Approved	\$0
3	PLC cover color change and two (2) additional stop request buttons per bus	Approved	\$54,243
4	Change from 3 position bicycle rack to 2 position bicycle rack	Approved	(\$52,924)
5	Additions/reductions in quantities of special tools, diagnostic test equipment, training aids, and AMS server upgrade	Approved	(\$428,920)
5a	Correction to BAFO Pricing Form PF-4 Diagnostic Test Equipment, AMS Server Price	Approved	(\$692,075)
6	Installation of Live Video Monitoring System as a cut-in on remaining 123 production buses	Approved	\$964,877
7	Change from 2 position bicycle rack to 3 position bicycle rack	Approved	\$14,698
8	Installation of operator barriers on 123 production buses	Approved	\$499,901
N/A	Exercise Option No.1 for up to 350 buses	Approved, Pending Execution	\$193,979,571
9	Option 1 escalation	Pending Board Approval	\$2,426,340
10	Retrofit Installation of Operator Barriers and Live Video Monitoring System on remaining New Flyer fleet	Pending Board Approval	\$3,617,152
	Total – Approved Change Orders/Modifications (excluding Options)		\$2,578,592
	Total – Pending Change Orders/Modifications		\$6,043,492
	Total Amount – Option 1 including Escalation		\$196,405,911
	Total Contact Value including Option 1 and Change Orders/Modifications		\$504,695,833
	Increased CMA requested		0
	Total CMA Including this action		\$30,209,418
	Remaining CMA for Future Changes		\$21,587,334

FUNDING/EXPENDITURE PLAN

NEW FLYER BUSES - UP TO 900 CNG BUS CONTRACT

In Thousands	900 CNG Buses (Forecast expenses thru FY15) ¹	FY16	FY17	Total	% of Total
Uses of Funds					
Bus Acquisition ¹	296,009.1	100,617.2	97,000.0	493,626.3	97.4%
Professional Services	855.1			855.1	0.2%
Labor	2,052.4	500	500	3,052.4	0.6%
Travel	940.7			940.7	0.2%
Spare Parts, Training, Service Manuals	5,094.6			5,094.6	1.0%
Contingency	3,490.6			3,490.6	0.7%
Total Project Cost	\$308,442.5	\$101,117.2	\$97,500.0	\$507,059.7	100.0%

In Thousands	900 CNG Buses (Forecast expenses thru FY15)	FY16	FY17	Total	% of Total
Sources of Funds					
BOS	4,000.0			4,000.0	0.8%
Prop C 40%	16,300.0			16,300.0	3.2%
TDA Article 4	63,230.0	16,217.2	12,800.0	92,247.2	18.2%
Measure R 35%	15,272.5			15,272.5	3.0%
Prop 1B PTMISEA	162,470.0			162,470.0	32.0%
CMAQ	22,170.0			22,170.0	4.4%
Federal Bus Capital	25,000.0			25,000.0	4.9%
Fed 5307		50,000.0	50,000.0	100,000.0	19.7%
Fed 5339		34,900.0	34,700.0	69,600.0	13.7%
Total Project Funding	\$308,442.5	\$101,117.2	\$97,500.0	\$507,059.7	100%

¹ Budget approved for New Flyer 900 bus contract in February 2015.

Transit Agencies Using Operator Barriers

ATTACHMENT D

Agency	City	Bus Type	# Buses Equiped	Barrier Type	Length of Service	Notes
CTA	Chicago, IL	Novabus	250	Full enclosure	1 year	Tempered glass fully enclosed operators compartment
CTA	Chicago, IL	New Flyer	1030	1/2 area glass	6 years	Originally designed as "snowball" barriers, now CTA is working to retrofit to full enclosure
CTA	Chicago, IL	New Flyer Xcelsior Electric	2	Full enclosure	1 year	OEM supplied by New Flyer, similar to LACMTA design
Metro	New York, NY	New Flyer		Full enclosure	3 years	First released in 2012
Metro	New York, NY	Orion NG Hybrid	852	Full enclosure	2 years	
Port Authority	Pittsburgh, PA	Gilllig LF Diesel	60	Full enclosure	1 year	
Port Authority	Pittsburgh, PA	Gilllig LF Diesel	90	Full enclosure		Current production
MTA	Baltimore, MD	New Flyer		Full enclosure	3 years	First released in 2012
MUNI	San Francisco, CA	New Flyer		Full enclosure	2 years	First released in 2013
WMATA	Washington DC	New Flyer		Full enclosure	2 years	First released in 2013
WMATA	Washington DC	NABI		Full enclosure		
GCRTA	Cleveland, OH	NABI		Full enclosure		
DART	Dallas, TX	NABI		Full enclosure		
MDTA	Miami, FL	NABI		Full enclosure		



MINUTES

Thursday, September 24, 2015

9:00 AM

Regular Board Meeting

One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room

Directors present:

Mark Ridley-Thomas, Chair

John Fasana, 1st Vice Chair

Eric Garcetti, 2nd Vice Chair

Mike Bonin

James Butts

Diane DuBois

Jacquelyn Dupont-Walker

Don Knabe

Paul Krekorian

Sheila Kuehl

Ara Najarian

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

64. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to: 2015-1228

- A. Increase the Life of Project (LOP) budget for the **900 bus buy project to include funding for Option 1 price escalation; retrofit of operator safety barriers; and Live Video Monitoring System (LVMS)** in the amount of \$3,617,152 from \$503,442,500 to \$507,059,652; and
- B. Approve Contract Modifications 9 and 10 for Contract OP33202869 to New Flyer of America, in the amount of \$6,043,492, for Option 1 price escalation and for retrofit of operator safety barriers and LVMS, increasing the total Contract value from \$498,652,341 to \$504,695,833.

65. AUTHORIZED the Chief Executive Officer to: 2015-1164

- A. Award a firm fixed unit rate Contract under RFP No. PS11654, for Region 1 to **Woods Maintenance Services, Inc., the second lowest responsive and responsible proposer, to provide graffiti abatement, landscape and irrigation maintenance, and trash and vegetation removal services throughout Metro Red Line (MRL), Metro Purple Line, Metro Orange Line (MOL), Inactive rights-of-way (IROWs) and various bus and rail locations within the geographical area specified as Region 1**, for a not-to-exceed amount of \$16,542,520 for the three-year base period, \$5,462,340 for the first option year, and \$5,462,340 for the second option year, for a combined total of \$27,467,200, effective October 1, 2015 through September 30, 2020.
- B. Award a firm fixed unit rate Contract under RFP No. PS11654, for Region 2 to **Parkwood Landscape Maintenance, Inc., the lowest responsive and responsible proposer, to provide graffiti abatement, landscape and irrigation maintenance, and trash and vegetation removal services throughout Pasadena Gold Line (PGL),IROWs and various bus and rail locations within the geographical area specified as Region 2**, for a not-to-exceed amount of \$12,599,235 for the three-year base period, \$4,352,459 for the first option year, and \$4,568,300 for the second option year, for a combined not-to-exceed total of \$21,519,994, effective October 1, 2015 through September 30, 2020.

(Continued on next page)

USES AND SOURCES TABLE

Uses (in 000's):	Est thru FY15	FY16	FY17	Total
Bus Acquisition	296,009.1	143,500.0	54,117.2	493,626.3
Professional Services	855.1			855.1
Metro Labor	2,052.4	500.0	500.0	3,052.4
Travel	940.7			940.7
Spare Parts, Training , Svc Manuals	5,094.6			5,094.6
Contingency	3,490.6			3,490.6
TOTAL USES	308,442.5	144,000.0	54,617.2	507,059.7

Sources (in 000's):	Est thru FY15	FY16	FY17	Total
FTA Section 5307		46,994.5	42,330.0	89,324.5
FTA Section 5309	35,000.0			35,000.0
FTA Section 5339		68,881.2		68,881.2
CMAQ	22,936.9	1,132.0		24,068.9
Federal Sources	57,936.9	117,007.7	42,330.0	217,274.6
Prop 1B PTMISEA	135,468.9			135,468.9
Prop C 40%	25,150.0			25,150.0
Prop 1B SLPP	36,250.0			36,250.0
Measure R 35% Bus Capital	14,600.0			14,600.0
TDA4	39,036.7	26,992.3	12,287.2	78,316.2
Local Sources	250,505.6	26,992.3	12,287.2	289,785.1
TOTAL SOURCES	308,442.5	144,000.0	54,617.2	507,059.7

**Board Report**

File #: 2015-1314, **File Type:** Contract**Agenda Number:** 39.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 21, 2016****SUBJECT: NATURAL GAS FUELED ENGINES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 24 month, firm fixed price **contract under Bid Number SD17491 to Cummins Pacific the lowest responsive and responsible bidder for the procurement of 289 Natural Gas Fueled Heavy Duty Engines** for an amount not to exceed \$13,211,635.

ISSUE

As part of the Central Maintenance Facility (CMF) Bus Midlife/Engine replacement program, the existing Cummins ISL G 280 engines currently installed in our NABI 8100 series 45-foot buses will be replaced with new engines. This procurement is required to ensure the current engine replacement program continuation without delays and with no impact on revenue service.

DISCUSSION

CMF staff has identified a requirement to purchase up to 289 natural gas fueled heavy duty engines to replace currently installed Cummins ISL G 280 engines during the period FY16 through FY18. The Cummins ISL G 280 engines covered under this procurement will be installed as part of the bus midlife overhaul program.

This Cummins ISL G 280 engine is certified for 2012 and compliant to Federal Environmental Protection Agency (EPA) urban bus emission levels and California Air Resources Board (CARB) low Nitrogen Oxides for year 2012. The Cummins ISL G 280 natural gas fueled heavy-duty engines are warranted to be free from defects in design and materials for two-years with unlimited mileage with full parts and labor on all warrantable failures.

DETERMINATION OF SAFETY IMPACT

The award of this contract will result in a positive impact on safety. Installation of these new engines will ensure that buses are maintained in accordance with Metro Maintenance standards and improve on-road performance and reliability, with beneficial impact on system safety.

FINANCIAL IMPACT

Total base contract value is not-to-exceed \$ 13,211,635.00. The funding of \$1,828,600 for these engines is included in the FY16 budget in cost center 3366, under project 203036, Bus Midlife Program and line item 50441, Parts- Revenue Vehicle. Since this is a multi-year contract, the project manager, cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years, including any option exercised.

Impact to Budget

The source of the funds for this procurement is Transportation Development Act (TDA) funds. No other sources of funds were considered for the Cummins ISL G 280 engines because these are the designated funds available for this effort. By proceeding with the purchase of these engines, operating costs will remain neutral.

ALTERNATIVES CONSIDERED

The alternative is not to award this master agreement contract and procure natural gas fueled heavy-duty engines on an as-needed basis, using the traditional "min/max" replenishment system method. The "min/max" replenishment system method calculates minimum and maximum inventory levels. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure availability, timely delivery, continued supply and a guaranteed fixed price for natural gas fueled heavy-duty engines.

NEXT STEPS

Refurbishment of the NABI bus fleet will continue in accordance with Operations Support Services bus mid-life program and engine replacement program. The engine replacement of this NABI bus series is scheduled to be completed by the end of the third quarter, FY18.

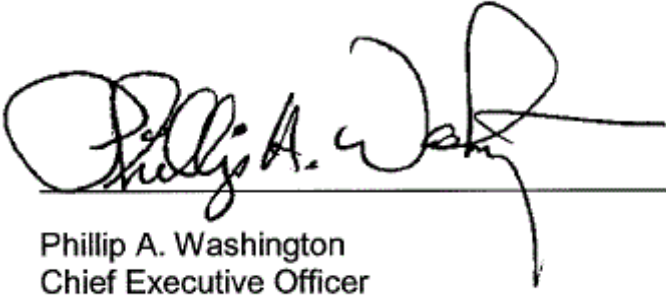
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Amy Romero, Director of CMS, (213) 922-5709
Christopher Reyes, Transportation Planning Manager III, (213) 922-4808

Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management
James T. Gallagher, Chief Operations Officer



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

NATURAL GAS FUELED ENGINES/IFB NO. SD17491

1.	Contract Number: IFB No. SD17491	
2.	Recommended Vendor: Cummins Pacific LLC	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 09/25/15	
	B. Advertised/Publicized: 09/26/15	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 11/17/15	
	E. Pre-Qualification Completed: 12/03/15	
	F. Conflict of Interest Form Submitted to Ethics: 11/19/15	
	G. Protest Period End Date: 1/27/16	
5.	Solicitations Picked up/Downloaded: 15	Bids/Proposals Received: 2
6.	Contract Administrator: Mona Ismail	Telephone Number: 213-922-7376
7.	Project Manager: Amy Romero	Telephone Number: 213-922-5709

A. Procurement Background

This Board Action is to approve a Contract resulting from an IFB no. SD17491 procurement issued in support of natural gas fueled heavy duty engines for bus maintenance and operations.

The IFB was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

One amendment was issued during the solicitation phase of this IFB.

- Amendment No. 1, issued on November 3, 2015, answered vendor questions and changed Section 2.8 of the Technical Specification to allow for an alternate Zero Emission Fuel engine.

Two bids were received and opened November 17, 2015.

B. Evaluation of Proposals/Bids

A total of two bidders, Cummins Pacific, LLC and R-T Welding, responded to this solicitation. Both submitted bids for the Natural Gas Engines and both submitted an alternate bid for Zero Emissions Engines. All submittals including the alternates were found to be fully compliant with the bid requirements. R-T Welding requested

and was allowed to withdraw their bid because of the company's financial concerns regarding maintaining the pricing and warranty submitted with the bid.

Therefore, the firm recommended for award is Cummins Pacific LLC the lowest, responsive, responsible bidder.

	Bidder/Proposer Name	Bid Amount For Natural Gas Engines	Alternate Bid Amount for Zero Emissions Engines
1.	*R-T Welding alternate	\$13,207,300.00	\$16,920,950.00
2.	Cummins Pacific LLC alternate	\$13,211,635.00	\$16,929,620.00

* Bid withdrawn per vendor's request

C. Price Analysis

The recommended price has been determined to be fair and reasonable based on adequate price competition, a price analysis with the previous purchase pricing and the end user's estimate.

Low Bidder Name	Bid Amount For Natural Gas Engines	Metro ICE
Cummins Pacific LLC	\$13,211,635.00	\$12,736,880.00

D. Background on Recommended Contractor

The recommended firm, Cummins Pacific LLC, located in Irvine, CA, has been in business for 24 years, is a leader in the field of manufacturing engines and is an aftermarket distributor of bus parts. Cummins Pacific LLC has provided similar products to other transit agencies including Orange County Transportation Authority, Santa Monica Big Blue Bus, San Diego Metropolitan Transit System, and other agencies. To date, Cummins Pacific LLC has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

NATURAL GAS FUELED ENGINES/IFB NO. SD17491

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Race-Conscious Disadvantaged Business Enterprise (RC DBE) based on limited subcontract opportunities, and as part of an ongoing program, Metro personnel will be responsible for the continuous engine replacement. Although there were no opportunities for subcontracting identified by Metro, Cummins Pacific outreached to DBE shipping firms and made a 0.48% DBE commitment.

Small Business Goal	DBE 0%	Small Business Commitment	DBE 0.48%
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	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express, Inc.	Hispanic American	0.48%
	Total Commitment		0.48%

B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

The Project Labor Agreement/Construction Careers Policy is not applicable to this contract.



Board Report

File #: 2015-1696, File Type: Contract

Agenda Number: 40.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 21, 2016**

SUBJECT: UNIFORM RENTAL SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a three-year firm fixed unit rate **Contract No. OP4086600 for Uniform Rental Services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,108,087.06 effective April 1, 2016 through March 31, 2019.

ISSUE

Per the current ATU and TCU Collective Bargaining Units' agreements, Metro is required to provide each of the units up to 11 uniforms per employee, along with uniform laundry services.

The existing uniform rental services Contract OP30002227 with Prudential Overall Supply will expire on June 30, 2016. A new contract award is required effective April 1, 2016 to avoid uniform rental service interruption and to ensure timely issuance of new uniforms to all employees.

DISCUSSION

Under the existing contract, uniform rental services are provided to over 2,300 Metro represented labor employees supporting the Metro system, as well as providing vehicle seat covers and laundry services for hand towels and floor mats. Several uniform options are provided including but not limited to coveralls, sets of shirts and pants with male or female fit options, as well as Fire Resistant garments.

Metro staff has been actively working with the contractor as well as Metro represented employees to improve service delivery through developing new procedures and improving communications among parties involved. Staff will continue to proactively work with the contractor and encourage them to explore opportunities for small business participation.

Uniform rental and laundry services are necessary to ensure compliance with safety requirements and provide a safe and clean working environment to Metro employees and the public.

Staff will continue to do outreach to the uniform industry during this contract term to attempt to find more viable bidders. This will be done with the intent to include a greater opportunity for small business involvement.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure the supply of uniforms that clearly identify Metro represented labor employees and continue delivering safe, quality, on-time and reliable services system-wide.

FINANCIAL IMPACT

Funding of \$260,000 for this contract is included in the FY16 budget in multiple maintenance cost centers, account - 50215 (F/B Uniforms), projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations), and 300066 (Expo Line).

Since this is a multi-year contract, the cost center manager and Operations will be accountable for budgeting the cost in future fiscal years including any option exercised.

Impact to Budget

The current year funding for this action will come from the Enterprise operating fund. The source of funds for this procurement will come from State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities. This activity is part of Metro's on-going maintenance costs.

ALTERNATIVES CONSIDERED

Staff considered purchasing uniforms, hand towels, mats, and vehicle seat covers, along with providing in-house laundry services. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates this is not a cost-effective option for Metro.

NEXT STEPS

Upon approval by the Board, staff will execute contract PS16407 to Prudential Overall Supply, to provide uniform rental and laundry services effective April 1, 2016.


ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Brady Branstetter, Director, Facilities Maintenance, (213) 922-6767

Lena Babayan, Facilities Maintenance Manager, (213) 922-6765
Christopher Reyes, Transportation Planning Manager III, (213) 922-4808

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424
Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

UNIFORM RENTAL SERVICES/OP4086600

1.	Contract Number: OP4086600	
2.	Recommended Vendor: Prudential Overall Supply	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: August 26, 2015	
	B. Advertised/Publicized: August 26, 2015	
	C. Pre-proposal/Pre-Bid Conference: September 9, 2015	
	D. Proposals/Bids Due: September 30, 2015	
	E. Pre-Qualification Completed: October 7, 2015	
	F. Conflict of Interest Form Submitted to Ethics: October 8, 2015	
	G. Protest Period End Date: January 27, 2016	
5.	Solicitations Picked up/Downloaded: 5	Bids/Proposals Received: 1
6.	Contract Administrator: Rommel Hilario	Telephone Number: (213) 922-4654
7.	Project Manager: Carlos Martinez	Telephone Number: (213) 922-6761

A. Procurement Background

Actions to competitively procure a new contract for Uniform Rental Services began in April 2015 with the release of a Request for Proposals (RFP) as full and open public competition to provide the services. One proposal from Prudential Overall Supply was received. Metro staff determined that the proposal from Prudential Overall Supply did not meet the SBE/DVBE and Living Wage requirements set forth in the RFP. Subsequently, the proposal was deemed non-responsive and the procurement was canceled. Metro staff reprocured the Uniform Rental Services program as an Invitation for Bid (IFB), modifying the solicitation in an effort to increase competition and attract more companies to do business with Metro.

This Board Action is to approve contract award in support of Facility Maintenance to provide uniform rental services to over 2,300 Metro represented labor employees supporting the Metro system, as well as providing vehicle seat covers and laundry services for hand towels and floor mats as outlined in IFB No. PS16407.

The IFB was issued as a competitive procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit price.

One amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on September 21, 2015, provided bidders with pre-bid conference documents including sign in sheets, living wage rate documents, and the Planholder's list.

A pre-bid conference was held on September 9, 2015. A total of one bid was received on September 30, 2015.

Metro staff conducted a market survey to determine why there were no other bid submittals as per the Acquisition Policy and Procedures Manual. Two firms responded with the following reasons:

1. Potential bidder chose to focus on other opportunities.
2. Potential bidder could not provide a competitive bid since they did not have appropriate resources available.

Based on the market survey, it was determined that the solicitation was not restrictive and the decisions not to bid were based on individual business considerations as affirmed by the responses. Adequate competition exists as the solicitation was performed in an environment where all bidders believed that competition was available. Based on the market survey, there is no evidence that a new procurement would result in a different outcome. Therefore, this solicitation can be awarded as a competitive award.

Prudential Overall Supply did not make a Small Business Enterprise commitment. Although, the solicitation originally included two, one year options, staff is only recommending the base three-year award.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with, standard Procurement policies and procedures for a competitive sealed bid. One bid was received from the incumbent, Prudential Overall Supply. The firm was determined to be responsive, responsible and qualified to perform the required services based on the IFB’s minimum requirements and technical evaluation by the Project Manager. Reference checks were conducted which resulted in positive remarks.

C. Cost/Price Analysis

The recommended pricing for the contract is determined to be fair and reasonable based on price analysis, historical comparison with the current contract pricing, and technical evaluation. Prudential’s bid price utilizes the same unit prices as the current contract. Adequate competition existed as the solicitation was conducted in a competitive environment where multiple firms were capable of submitting bids.

BIDDER	BID AMOUNT	METRO ICE*	AWARD AMOUNT
Prudential Overall Supply	\$3,108,087	\$1,858,174\$2,566,853	\$3,108,087

* The ICE amount for this IFB solicitation took into consideration the previous solicitation proposal received for a three year base total of \$1,675,033. That solicitation was cancelled as the proposer did not meet the SBE/DVBE and Living Wage requirements set forth in the RFP. However, staff subsequently learned the proposer made an error in the pricing under the previous solicitation, but staff was not aware of the error at the time the ICE was prepared. The ICE would be adjusted to \$2,566,853.

D. Background on Recommended Contractor

Prudential Overall Supply is an American company with headquarters in Commerce, California. The company was founded in 1932 as a uniform and textile laundry service, serving industrial clients such as automotive production facilities. The company currently serves municipal, industrial and service industry companies. Prudential Overall Supply specializes in offering a variety of uniform programs and is a supplier of facility services and industrial products such as dust control mops, towels, mats, restroom supplies and paper products. Prudential Overall Supply customers' includes more than 300 companies that have been utilizing the company's services for more than 35 years. In addition to currently providing the service to Metro, they also provide uniforms to the Orange County Transportation Authority.

DEOD SUMMARY

UNIFORM RENTAL SERVICES/OP4086600

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for this solicitation. Meeting the goal is neither a condition of award nor an issue of responsiveness. Prudential Overall Supply did not make an SBE commitment and is not eligible for the SBE preference.

According to guidance provided by County Counsel, SBE goals on non-federally funded IFBs cannot be a condition of award because Metro can only award to the lowest bidder in accordance with Section 130232(5) of the California Public Utilities Code. Staff is working with Government Relations to sponsor a draft bill requesting a legislative change to the Public Utilities Code. This change would authorize Metro's ability to require meeting the SBE goal as a condition of award. Bidders recommended for award who did not meet the goal are strongly encouraged to identify opportunities for SBEs throughout the life of the contract.

Small Business Goal	5% SBE	Small Business Commitment	0%
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B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) will be applicable on this contract. Metro staff will monitor and enforce the policy guidelines to ensure that workers are paid at minimum, the current Living Wage rate of \$16.04 per hour (\$11.17 base + \$4.87 health benefits), including yearly increases. In addition, contractors will be responsible for submitting the required reports for the LW/SCWRP and other related documentation to staff to determine overall compliance with the policy.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.

**Board Report**

File #: 2015-1316, **File Type:** Contract**Agenda Number:** 41.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 21, 2016****SUBJECT: COMPRESSED NATURAL GAS FUEL CYLINDERS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AWARD a not-to-exceed **Contract under Bid No. IFB MA17204 to Worthington Cylinder, the lowest responsive and responsible bidder, for the procurement for Indefinite Delivery, Indefinite Quantity for Compressed Natural Gas (CNG) fuel (cylinder) tanks** for an amount not-to-exceed \$1,462,181.00 inclusive of sales tax.

ISSUE

In 1998, Metro initiated an Accelerated Bus Replacement program for its transit bus fleet. Between 1999 and 2002, over 1,200 40' CNG buses were purchased. All of these buses used CNG cylinders that cannot be used after they reach their 15 year expiration limits. CNG cylinders are tested and date stamped for a given lifespan. Federal regulations do not permit the use of CNG cylinders past their expiration dates, and there is no known process to recertify or otherwise extend the life of CNG cylinders.

DISCUSSION

Metro has been purchasing an average of 200 buses annually and continues to receive new buses under the current contract with New Flyer. However due to the Accelerated Bus Replacement program in 1999, there remains a short-term equipment deficit for the next few years. Purchasing cylinders for a replacement program is necessary to bridge this time gap and minimize the impact on bus service.

The first series of buses targeted for CNG fuel cylinder replacement are 2000-01 New Flyer 5300 Series buses with repowered engines. The New Flyer buses have expiring CNG cylinders and have been removed from service. The CNG cylinders being purchased are designed to fit in this particular type of bus. Current inventory and this contract will enable Bus Maintenance to replace CNG fuel cylinders in 150 buses. It is anticipated that additional buses will be required for CNG fuel cylinder replacement depending on future bus service requirements at which point supplemental procurements will be initiated.

DETERMINATION OF SAFETY IMPACT

Award of contract will result in a positive impact on safety. Replacing the CNG cylinders on the bus will help ensure the safe and compliant operation of the vehicle.

FINANCIAL IMPACT

The funding of \$1,462,181.00 for these fuel cylinders is included in the FY16 budget in cost center 3366, under project 306002, Operations Maintenance and line item 50441, Parts- Revenue Vehicle.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

The alternative is not to award this master agreement contract and procure CNG cylinders on an as-needed basis, using the traditional "min/max" replenishment system method. The "min/max" replenishment system method calculates minimum and maximum inventory levels. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure availability, timely delivery, continued supply and guaranteed fixed price CNG cylinders.

Unless additional funding is identified to procure new buses, there are no alternative options available other than replacing CNG cylinders on Metro buses with expiring cylinders. Not pursuing this strategy will impact the quantity of buses available for revenue service and would necessitate service reductions.

NEXT STEPS

Upon receipt of the new CNG cylinders, 5300 series buses will be brought to the Central Maintenance Shops for removal of expired fuel cylinders and installation of new cylinders.

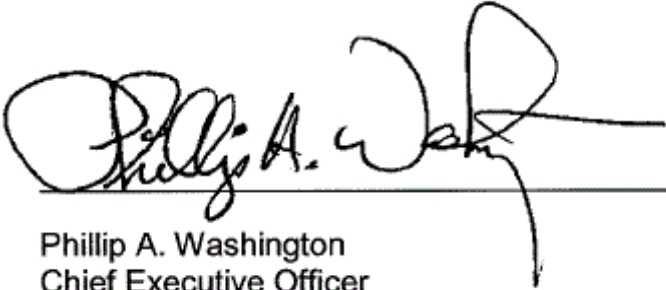
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Amy Romero, Director, (213) 922-5709
Christopher Reyes, Transportation Planning Manager III, Operations (213) 922-4808

Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management
James T. Gallagher, Chief Operations Officer



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CNG FUEL (CYLINDER) TANKS/IFB NO. MA17204

1.	Contract Number: IFB no. MA17204	
2.	Recommended Vendor(s): Worthington Cylinder	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 9/23/15	
	B. Advertised/Publicized: 9/23/15	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 10/8/15	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: 11/30/15	
	G. Protest Period End Date: : 01/27/16	
5.	Solicitations Picked up/Downloaded: 6	Bids/Proposals Received: 3
6.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018
7.	Project Manager: John Roberts	Telephone Number: 213/922-5060

A. Procurement Background

This Board Action is to approve a Contract under IFB no. MA17204 issued in support of replacement campaign of CNG fuel (cylinder) tanks.

IFB no. MA17204 was issued in accordance with Metro's Acquisition Policy and the contract type is a Not-to-Exceed, Indefinite Delivery, Indefinite Quantity (IDIQ).

Two amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on October 1, 2015 clarified potential bidder's questions;
- Amendment No. 2, issued on October 2, 2015 clarified potential bidder's questions.

A total of three bids were received on October 8, 2015.

B. Evaluation of Bids

The firm recommended for award, Worthington Cylinder, was found to be in full compliance with the bid requirements.

No.	Bidder Name	Bid Amount
1.	Worthington Cylinder	\$1,462,181
2.	Hexagon Lincoln	\$1,741,275
3.	New Flyer	\$2,640,177

C. Price Analysis

The recommended bid price has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

Low Bidder Name	Bid Amount	Metro ICE
Worthington Cylinder	\$1,462,181	\$3,465,000

D. Background on Recommended Contractor

The recommended firm, Worthington Cylinder, located in Pomona, CA, has been in business for 60 years and is a leader in the field of manufacturing of CNG cylinder assemblies, aircraft, space craft, rail cars, and natural gas vehicles. Worthington Cylinder has provided similar products to other transit agencies including New York Metro, Sacramento Transit, Riverside Transit, MARTA, Cleveland Transit and other agencies that operate CNG buses. To date, Worthington Cylinder has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

COMPRESSED NATURAL GAS FUEL CYLINDERS/MA17204

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal because of the lack of available DBE distributors. According to Operations and Contract Administration, Tank Assembly is an item specified as Original Equipment Manufacturer (OEM), which designates the particular part or sub-assembly used by the manufacturer to assemble the final end product. The replacement parts can only be provided by an approved distributor or the original manufacturer of the OEM part.

B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

The Project Labor Agreement/Construction Careers Policy is not applicable to this contract.



Board Report

File #: 2015-1776, File Type: Plan

Agenda Number: 47

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2016

SUBJECT: RISK ALLOCATION MATRIX (RAM) AND INTERNAL SAVINGS ACCOUNT**ACTION: APPROVE ADOPTION OF RISK ALLOCATION MATRIX (RAM) AND INTERNAL SAVINGS ACCOUNT****RECOMMENDATION**

- A. **ESTABLISHING Internal Savings Account to capture cost savings and revenues generated from RAM**, including deposits from FY15 budget-to-actual savings and FY16 mid-year budget assessments;
- B. **DIRECTING the CEO to implement all RAM new initiatives and deposit all cost savings and new revenues generated into the Internal Savings Account**, as identified in Attachment B;
- C. **DIRECTING the CEO to return to the Board on those initiatives requiring policy changes or Board action before implementing each initiative**, as identified in Attachment B; and
- D. **APPROVING Internal Savings Account eligible priority uses and withdrawal criteria guidelines**, as identified in Attachment C. Quarterly updates and monitoring of the activities of the account will be provided to the Board.

AMENDMENT: CEO will have authority to withdraw funds for eligible uses in the priority order specified. Withdrawal of funds by the CEO will be allowed if within current Board-approved budget authority and in accordance with agency policies. Use of funds not specified as eligible will require unanimous 3/4 majority Board approval.

ISSUE

Based on the most recent 10-year financial forecast (Attachment A), Metro is projecting a financial deficit of \$272.6M in FY19. In order to mitigate this projected budget shortfall, we must take small steps now in order to avoid the need for drastic measures in the future. By establishing an internal savings account, implementing new initiatives for cost savings and revenue generation, and depositing the resulting funds into the internal savings account, Metro can achieve financial stability.

DISCUSSION

In June 2015, the CEO introduced the Risk Allocation Matrix (RAM), a concept for fostering a culture of financial discipline throughout the agency. The RAM concept offers a strategic mix of cost saving and revenue generating opportunities to implement in order to mitigate the projected financial deficit. All savings and revenues generated will be deposited into an internal savings account with specified guidelines to ensure long-term financial stability.

Risk Allocation Matrix (RAM)

Ensuring financial stability is an agency wide responsibility. Accordingly, in an effort to mitigate the projected deficit, each department throughout the agency identified new and innovative ways to increase revenues or decrease expenses. The result of these efforts is the Risk Allocation Matrix (RAM), a list of new initiatives for cost savings and revenue generation (Attachment B). Each item in the RAM listing has been assigned a risk level, an estimated dollar impact, and an estimated timeline for implementation. In addition, the list of initiatives has been sorted by authority for implementation: some of the items listed can be implemented immediately under CEO authority, while others require separate Board action. Each initiative requiring additional approvals will be brought to the Board separately prior to implementation.

If all items in the list of RAM New Initiatives (Attachment B) are implemented, staff estimates a \$171 million total deposit to the internal savings account expected to be realized in FY17, with an additional \$89 million estimated deposit to be realized in FY18.

Risk Level

Each RAM new initiative has been assigned a risk level of low, medium, or high. Since the initiatives submitted vary greatly in nature and cover nearly all Metro functions, risk was assessed on a case-by-case basis using many factors:

- Does implementation of the idea fall under Metro's jurisdiction, oversight, or control?
- How would the initiative impact the safety of passengers and employees?
- What is the overall impact to transit riders?
- Are other ongoing Metro projects or daily operations likely to be affected?
- Would implementation conflict with Metro's current objectives and goals?
- Are there political, financial, or legal risks?
- What is the likelihood of success in implementation, adoption, and realization of savings or revenues?
- What is the estimated timeline for implementation?

Based on assessment of these areas, each idea submitted was assigned a risk level. Low risk items have minimal upfront costs and minimal impact to current operations. Medium risk initiatives have some risks, with mitigation efforts available, and uncertain financial impacts. Staff recommends

implementation of all low and medium risk initiatives in Attachment B.

High risk items are more complex and risky changes for which financial and legal risks are high. In addition, for many of the high risk submissions, there is a significant impact to riders and the public. Due to these factors, high risk items are not being recommended at this time.

RAM Initiatives under CEO Authority

Staff recommends immediate implementation of all low and medium risk new initiatives with authority for implementation falling under the CEO. These items have been grouped by category and estimated fiscal year in which the projected savings or revenues are expected to be realized.

An overall description of the items in each category is summarized in the table below. Details on the specific initiatives included in each category can be found in Attachment B.

RAM Initiatives Under CEO Authority			
Category	Description	Estimated Impact FY17	Estimated Impact FY18
Administrative Efficiency	Measures to reduce expenses related to administrative functions such as payroll and revenue collections	\$80,000	\$400,000
Advertisement	Initiatives for new and expanded advertising efforts for which implementation has already begun	\$321,100	\$583,100
Inventory Reduction	Reduction of obsolete inventory as well as reduction of annual inventory costs based on historical consumption and return rates		\$16,500,000
Reallocation of Funds	Methods for reallocating funds or identifying new funding sources in order to free up funding eligible for transit operations	\$35,700,000	\$28,000,000
Repurposing Metro Property	Innovative ideas for using Metro owned property to generate revenues Planning & Development is currently assessing potential impacts; projections for additional revenues are TBD	TBD	TBD
Staffing	Investigate potential cost savings related to achieving the optimum ratio of employees to consultants, and pursue the revenue opportunity of outsourcing Metro functions Due to the detailed assessment required, potential revenue impacts are TBD	TBD	TBD
Transit Operations	Various operational efficiency measures and service rationalizations resulting in minimal customer impacts, such as load factor revisions already approved and efficiency improvements for vehicle fueling	\$23,618,590	\$1,228,000
Transit Security Improvements	Increase fare inspections	\$8,000,000	\$8,000,000
Total New Initiatives Under CEO Authority		\$67,719,690	\$54,711,100

RAM Initiatives Requiring Board Action

Staff recommends pursuing implementation for those items requiring Board action. These initiatives will be separately presented to the Board for the necessary approvals prior to implementation. These items have been grouped by category with the estimated fiscal year in which the projected savings or revenues are expected to be realized.

An overall description of each category is summarized in the table below. Details on the specific initiatives included in each category, as well as the policy changes and approvals required for implementation can be found in Attachment B.

RAM Initiatives Requiring Board Action			
Category	Description	Estimated Impact FY17	Estimated Impact FY18
Advertisement	Initiatives for new and expanded advertising efforts, including increased ads at transit stations, onboard audio advertising, and a Metro sponsorship policy	\$700,000	\$2,260,000
Enforcement of Contract Terms	Establish a special retention account to hold contractors liable for meeting SBE commitments		\$1,000,000
Parking	Strategies for increasing parking revenues, including a pilot paid parking program at high occupancy Metro parking facilities and increased parking enforcement		\$3,500,000
Reallocation of Funds	Potential bond savings as a result of sale of current Metro property		\$1,083,333
Repurposing Metro Property	Innovative ideas for using Metro owned property to generate revenues Planning & Development is currently assessing potential impacts; additional projections for revenues are TBD		\$250,000
Reserves	Evaluate reserve amounts while maintaining acceptable, appropriate, and legally mandated reserves	\$100,000,000	
Station Amenities	Installation of new revenue generating amenities at transit stations, such as ATMs and vending machines Planning & Development is assessing potential impacts; additional projections are TBD		\$1,000,000
Toll Revenues & Fares	Consideration of adjustments to ExpressLanes policies and tolls, as well as reassessment of pricing on all programs offering a reduced or group rate pricing for transit passes Additional impacts are TBD		\$5,000,000
Transit Operations	Operational efficiency measures and service rationalizations resulting in moderate customer impacts	\$3,422,800	\$2,580,000
Transit Security Improvements	Modify terms of insurance requirements in new law enforcement contract		\$18,000,000
Total New Initiatives Requiring Board Action		\$104,122,800	\$34,673,333

Internal Savings Account

Staff recommends establishing an internal savings account. The goal is to establish an account with guidelines that ensure prudent use of the new revenues and savings achieved through implementation of RAM initiatives. The first priority for the internal savings account will be to mitigate the projected financial deficit. As with all Metro funding, the internal savings account will be segregated by eligible use.

The Internal Savings Account will be established with the following three deposits:

1. FY15 Budget-to-Actual variances (\$25.7M)
This represents the difference between FY15 budget to actual revenues and expenditures.

2. FY16 Mid-year budget assessment (\$4.5M)
The agency reviewed and evaluated their FY16 budgets. Savings were generated through improved and realistic cashflow projections.
3. RAM New Initiatives (Est. \$67M - \$171M)
This represents all the initiatives presented in this report, contingent upon required Board action and actual implementation/realization of initiatives.

Projections show that \$201 million could be deposited into the Internal Savings Account in FY17.

Eligible Uses and Withdrawal Criteria

Most of Metro's funding has specific guidelines for how the monies can be used. Accordingly, the funds in the internal savings account must be identified and separated by eligible use. The eligible priority uses are as follows.

1. Transit operations deficit
2. State of good repair
3. Transit capital projects

Staff recommends adopting guidelines for withdrawal of funds from the internal savings account. The guidelines will ensure that savings and revenues generated will be applied to the eligible priority uses established. Attachment C provides the recommended guidelines for the Internal Savings Account.

Additionally, the Chief Executive Officer will have authority to withdraw funds from this account for eligible uses as defined in the Internal Savings Account guidelines and in accordance with color of money, annual budget limit authority, and agency policies.

Withdrawing funds outside the uses specified in the guidelines will require Board authorization and unanimous approval by the Board.

DETERMINATION OF SAFETY IMPACT

This will have no impact on safety standards for Metro.

FINANCIAL IMPACT

Based on current projections, successful implementation of all low and medium risk initiatives could result in an estimated \$171 million in deposits by FY17. An additional deposit of \$30.2 million will be made from FY15 budget-to-actual variances and mid-year budget assessments, resulting in a total of \$201 million deposited to the internal savings account by FY17. Assuming all funds in the internal savings account are used to mitigate the projected operating deficit, the resulting revised 10-year financial forecast (Attachment A) estimates that the deficit would be delayed from FY18 to FY20. In addition, the projected FY20 deficit of \$360.5 million would be reduced by 54% to a total of \$165.8 million.

Impact to Budget

Staff will include the approved options falling under CEO authority in the FY17 budget. Budget impacts of items in the listing of RAM new initiatives requiring Board action will be separately presented to the Board for approval prior to implementation.

ALTERNATIVES CONSIDERED

If implementation of the RAM new initiatives is not approved by the Board, forecasts show an estimated \$51 million deficit in FY18, which will increase drastically to \$272 million by FY19. To avoid the consequences of this projected budget shortfall, other cost savings or revenue generation strategies must be explored immediately.

NEXT STEPS

If approved, staff will immediately begin implementation of the adopted low and medium risk options under CEO authority. In addition, staff will continue to pursue implementation of items requiring separate Board approval.

Staff will provide the Board with a quarterly statement of activities for the internal savings account to include detailed information on all deposits and withdrawals.

RAM will be an ongoing process; staff will establish procedures for continued collection of new initiatives and monitor the progress and achievement of savings and revenues generated.

ATTACHMENTS

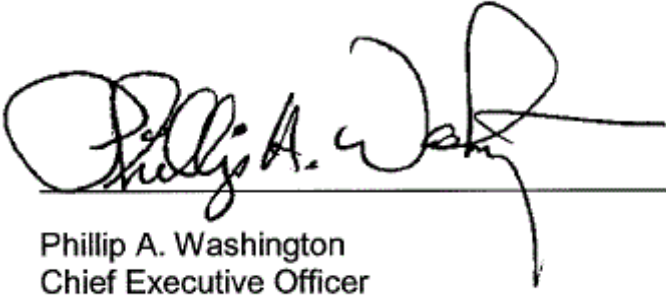
- Attachment A - Ten-Year Financial Forecast and RAM impact
- Attachment B - RAM New Initiatives
- Attachment C - Internal Savings Account Guidelines

Prepared by:

Michelle Navarro, Director, Countywide Planning & Development, (213) 922-3056
Koreyne Clarke, Budget Management Analyst IV, (213) 922-2801

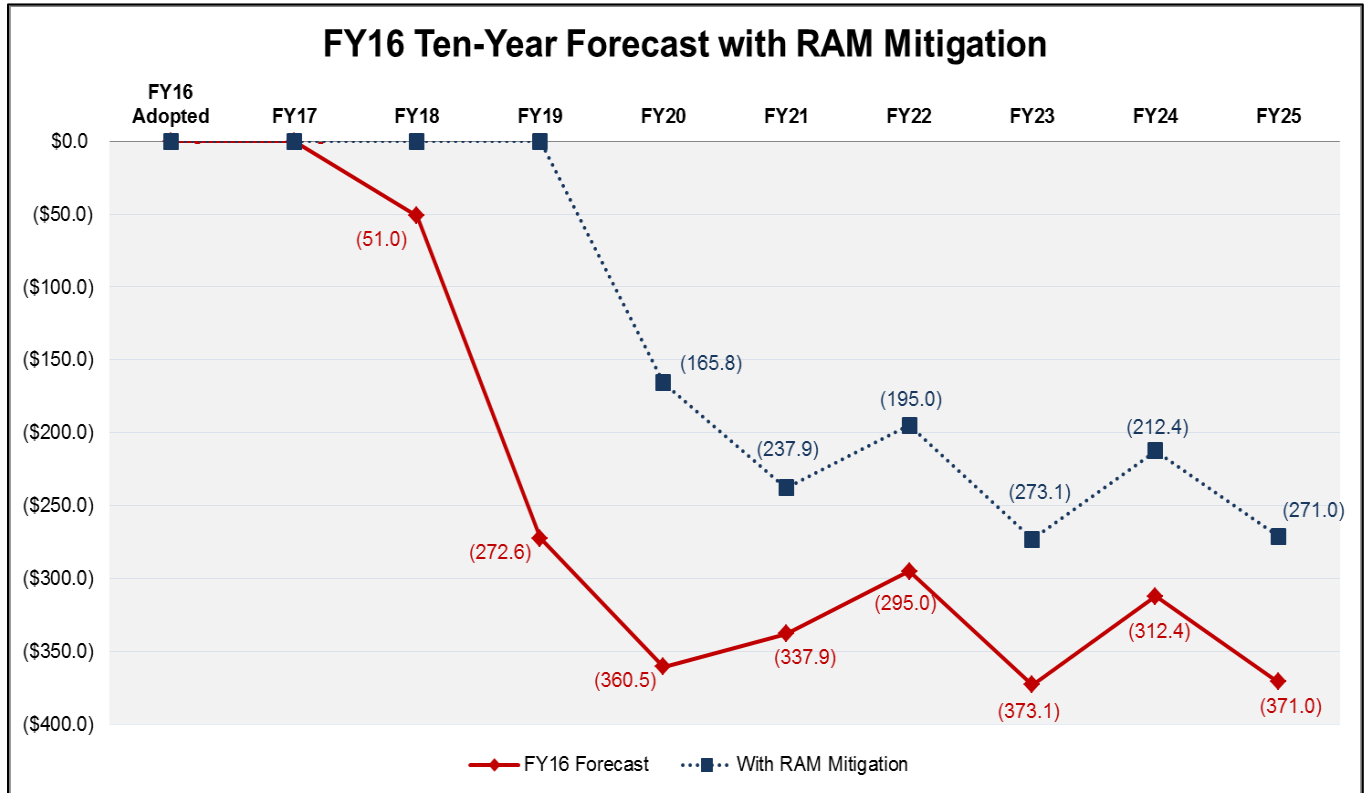
Reviewed by:

Nalini Ahuja, Executive Director, Finance & Budget, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Ten-Year Financial Forecast and RAM Impact



FY16 Forecast:

- Operating costs grow an average of +4.32% per year which is significantly more than the growth rate for on-going, operating eligible funding at only +2.59% per year

With RAM Mitigation:

- Assumes that all funds in the Internal Savings Account will be used to mitigate deficit
- Assumes that all RAM initiatives (low and medium risks) included in this report, are implemented and estimates are realized

**Risk Allocation Matrix (RAM) New Initiatives
Cost Savings and Revenue Generation**

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
CEO AUTHORITY						
Administrative Efficiency						
Payroll System Enhancement	New payroll module allows Metro to complete payroll transactions internally, including printing checks, direct deposit, and processing payroll tax payments	L	Savings from termination of the prior ADP contract	None		\$400,000
Automation of LATAP Sweeps	Automation and in-house electronic files and processing via Oracle FIS	L	Savings equal to the average cost of transmittal fees times the average number of transactions	None	\$20,000	
TVM collections GPS badge tracking	Asset tracking system for revenue collection components, which will facilitate improvements in dispatching practices for TVM collections and servicing	L	Potential savings estimated based on more efficient allocation of resources	None	\$60,000	
Advertisement						
Bike racks on buses	Bike rack advertisements on Metro buses	L	Revenue estimate from advertising contractor, Outfront Media, and accounts for installation costs of \$500K; profit sharing will be recouped at a 75%/25% basis	None	\$200,000	\$462,000
Online advertising	Online ad sales on Metro website	L	Revenue estimate based on current monthly online ad sales	None	\$121,100	\$121,100
Inventory Reduction						
Obsolete Inventory Reduction	Reduce obsolete inventory based on historical annual rate of reduction	L	Estimate based on historical annual rate of reduction in inventory	None		\$1,500,000
Inventory Reduction	Perform comprehensive analysis of inventory to achieve a reduction based on turnover rate	M	Estimate is based on an aggressive target for inventory reduction; actual reduction would depend on results of comprehensive analysis	None		\$15,000,000
Reallocation of Funds						
Cap & Trade - Willowbrook/ Rosa	Use a portion of the Cap and Trade funding in place of existing Prop A and Prop C funding for Blue Line Improvement Projects	L	Assumption that 2/3 of Cap and Trade funds be substituted for Prop A and Prop C funding in the Blue Line Improvement Projects	None	\$25,700,000	
Cap & Trade	Use future Cap and Trade funding to replace Prop A and Prop C funds for projects to be determined	L	Estimate for annual Cap and Trade funds for Metro region	None		\$18,000,000
Evaluate/reduce Prop A Admin	Reevaluate the use of the administration share of all local sales taxes	L	Conservative estimate - currently assessing all departments charging to Operations to determine which can be shifted to Prop A admin funding to free up Operations funds	None	\$10,000,000	\$10,000,000
Realize Expo 2 Savings (Underruns)	Realize ~60% Expo 2 savings this year and increasing % year after year as closeouts are completed	L	TBD - actual amount dependent on Expo completion and closeout	None	TBD	
Repurposing Metro Property						
Host Farmer's Market	Promote business events and other short-term leasing of Metro property	M	TBD - Planning will conduct a study effort to identify properties and evaluate impact and demand	None	TBD	TBD
Performance and Community events at Union Station	Increase paid events at Union Station	L	TBD - Planning will conduct a study effort to identify properties and evaluate impact and demand	None		TBD

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
Staffing						
Evaluate consultant use	Perform an agencywide evaluation of consultants vs FTEs to achieve optimum ratio of FTEs to consultants	L	TBD - Include in annual audit plan for detailed investigation of potential savings	None		TBD
Outsource Metro functions to muni operators	Outsource DBE/SBE certification function to other agencies, such as munis and cities	L	TBD - Outreach to municipal operators is needed to determine whether there is interest in this service	None		TBD
Transit Operations						
Adjust bus load standard	Adjust load standard up to 1.4 based on headways and time periods	L	Based on Metro Transit Service Policy suggestion to utilize a sliding load standard between 0.75 and 1.4	None	\$1,290,000	
Consider reducing night rail service	Consider reducing headways from 10 to 20 minutes from 8pm to 12am and replacing with bus service after 12am	M	Estimate is based on reduction in RSH resulting from assumptions in the summary description column	None	\$4,437,000	
Reduce non-revenue vehicles	Terminate leases for underutilized non-revenue vehicles with low usage	L	One-time savings is a result of reduction of 30 vehicles as specified in current replacement plan; ongoing savings based on current budget	None	\$1,021,590	
Line 901 Service Management	Create a shortline terminal of Orange Line buses at Reseda station	L	Estimate is based on reduction of 2 buses, 16 weekday and 8 weekend hours (approximately 5K RSH); would require \$1.2M for paving and striping turnaround zone	None	\$750,000	
Real Time Signal Management	Real time signal management for Orange Line	L	Savings of 1 bus as a result of improved efficiency, plus annual operating costs; would require \$1.2M for software development and testing	None	\$820,000	
Optimization of CNG Facilities	Stop unnecessary usage of 3 (as opposed to 2) compressors at Metro CNG facilities	L	Based on actual energy costs at Division 9	None	\$100,000	
Daytime fueling	Stop unnecessary daytime fueling of buses	L	Based on difference between peak vs off-peak electricity rates per SCE bills paid by Divisions	None	\$200,000	
CNG Tank Replacement	Current process of replacing CNG tanks has potential to normalize bus purchases over a longer period	L	Estimated savings of \$41K per bus times 300 buses	None		\$1,228,000
1% reduction in operating costs	Reduce operating costs by 1% through efficiency measures	L	1% of Operating budget	None	\$14,000,000	
Realign D6 Services	Optimize facility utilization by realigning services for D6 (closing in FY16) to other Divisions	L	Estimated savings based on realigning Division 6 services in FY16	None	\$1,000,000	
Transit Security Improvements						
Increase Fare Inspections	Increase fare inspections	L	Target for increase in fare revenues based on actual systemwide fare per boarding	None	\$8,000,000	\$8,000,000
TOTAL CEO AUTHORITY					\$67,719,690	\$54,711,100
LOW					\$63,282,690	\$39,711,100
MED					\$4,437,000	\$15,000,000

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
BOARD ACTION						
Advertisement						
Vehicle wraps	Wrap advertising on light rail and commuter rail vehicles	L	Revenue estimate from advertising contractor, Outfront Media	Advertising Contract	\$200,000	\$200,000
Rail station poster coverage	Increase advertisements in Metro Rail stations systemwide	L	Revenue estimate from advertising contractor, Outfront Media	Advertising Contract		\$300,000
Parking & Metro property wraps	Expand advertisements to all Metro property (potentially separate from current advertising contract)	L	Based on actual MBTA revenues for a similar program, as well as Metro Parking Management Director estimate	Advertising Contract	\$500,000	\$1,000,000
Onboard audio advertising	Onboard audio advertising	L	Actual revenues collected by smaller transit agencies in Kansas, Dayton, and Jacksonville	Operations Policy, Advertising Contract		\$100,000
Digital Ads-system wide	Install digital ad space within transit stations at street level and underground	L	Revenue is an estimate based on amount collected for digital ads by Chicago Transit Authority (CTA)	Advertising Contract		\$660,000
Art space sponsorship/promo	Allow businesses to sponsor art installations within rail stations	L	TBD - Sponsorship policy currently in development	Operations Policy, Sponsorship Policy		TBD
Station & line name sponsorship	Sell naming rights to BRT lines, stations and vehicles	L	TBD - Sponsorship policy currently in development	Operations Policy, Sponsorship Policy		TBD
TAP Card Sponsorship	Allow custom branded TAP cards for long term or short term sponsorship	L	TBD - Sponsorship policy currently in development	Advertising Policy		TBD
Enforcement of Contract Terms						
Special Retention Account	Develop a 5% contract retention for SBE commitment to be released at close-out only if commitment is met	L	Amount is based on an assessment of selected contracts	V/CM Contract Clause		\$1,000,000
Parking						
Paid Pkg Pilot Program	Implement a paid parking program at 5 high occupancy Metro parking facilities	L	Projected revenue increase is based on an estimated 5,000 spaces at \$1.20 per space per day	Parking Program Policy		\$1,500,000
Parking Enforcement Service	Separate parking enforcement from current Metro security program	L	Revenue increase is based on expected number of citations to be issued as a result of the actual number of parking spaces offered	New Contract		\$2,000,000
Reallocation of Funds						
CRA Bond Savings	Retirement of Metro-supporting bonds tied to the Grand Central Square project as a result of the sale of that project	M	Projections from Real Estate based on assumptions about timing of the sale of the Grand Central Square project; amount is over 12 years	Board Adoption to Sell Property		\$1,083,333
Repurposing Metro Property						
Filming on Metro property	Restructure rates for filming on Metro property	L	TBD - Rates are currently being restructured; current revenue is \$275K annually	Contract Modification	TBD	TBD
TOC Asset Map/Strategic Plan	Identify Metro owned property that can be repurposed for revenue generation	L	TBD - Planning conducting assessment of all properties	Board Approval		TBD
Interim Lse Excess Prpty -Pkg	Lease unused Metro owned properties to private parking operators to establish a source of new revenues	L	TBD - Planning is investigating potential impacts	Board Approval		TBD

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
Merchant Kiosk	Allow merchants to rent kiosk/cart space at Metro stations and property	L	TBD - Planning conducting assessment of a potential concession program	Board Approval		TBD
Repurpose Division 6	Potential revenues in transit joint development	L	TBD - Dependent on confidential estimates and future developer negotiations	Board Approval		TBD
Sale of unused property	Sell unused Metro property to generate new revenues	L	TBD - Planning conducting assessment of all properties	Board Adoption to Sell Property		TBD
Community Solar Program	Launch a community solar program using the Business Interruption Fund as a model	M	Estimated revenue as a result of energy credits to Metro	Establish Program Policy		\$250,000
Reserves						
Reduce required reserves	Reduce amounts currently kept as reserves while maintaining acceptable, appropriate, and legally mandated levels	M	Total reserves are \$1.5B; proposed reduction includes: - Reducing Workers' Comp & PL/PD Reserves to standard audit-required level of 50% - Reinterpretation of Operating Reserve to exclude Capital Projects - Union Station East reserves	Financial Stability Policy	\$100,000,000	
Station Amenities						
Vending machines	Vending machines throughout Metro system (i.e. Redbox)	M	TBD - Planning conducting assessment of a potential concession program	Operations Policy		TBD
ATMs on Metro System	ATMs throughout Metro system	M	Estimate based on TCRP report; Metro estimate TBD - Planning conducting assessment of a potential concession program	Operations Policy		\$1,000,000
Toll Revenues & Fares						
Group Rate Sales of Transit Passes	Reassess pricing of all programs offering a reduced or group rate for transit passes (RRTP, BTAP, ITAP, and new residential passes requested by Board motions) to determine and establish a pricing policy common to all programs that is equitable & financially sustainable	M	Estimated increase in fare revenues based on current BTAP revenues and ridership data	Public Hearing, Title VI Analysis		\$5,000,000
ExpressLanes Pricing and Guidelines	Consider changes to ExpressLanes program, such as expanding HOV requirement to 3+ passengers, changing guidelines for use of toll revenues, or changing pricing	M	TBD - revenue impacts would be dependent on specific terms of changes	ExpressLanes Policy		TBD
Transit Operations						
Adjust bus load standard	Continue to adjust all headways and time periods to 1.4 load standard based on APTA recommendation	L	Implementation of an "across the board" bus load standard from 1.3 to 1.4	Transit Service Policy		\$2,580,000
Consider reducing duplication between regular bus service and rail/BRT	Consider reducing duplication between bus and rail/BRT by reducing unproductive services and consolidating rapid and local on certain corridors	M	Estimate is based on a reduction of about 40K RSH as a result of consolidation of duplicative service	Public Hearing, Title VI Analysis	\$3,422,800	

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
Consolidating and Realigning Divisions	Optimize facility utilization by consolidating Divisions, such as 1, 2, 10, or 13	M	TBD - full potential savings would require extensive assessment of service for each Division; preliminary savings estimated at \$5M per Division	Operations Policy		TBD
Transit Security Improvements						
Modify terms of insurance requirements	Modify insurance requirements in new Transit Security law enforcement contract	L	Estimate based on current surplus for insurance paid on LASD contract	Transit Security Contract		\$18,000,000
TOTAL BOARD ACTION					\$104,122,800	\$34,673,333
LOW					\$700,000	\$27,340,000
MED					\$103,422,800	\$7,333,333
TOTAL ESTIMATED RAM NEW INITIATIVES					\$171,842,490	\$89,384,433

Risk Allocation Matrix (RAM) INTERNAL SAVINGS ACCOUNT GUIDELINES

The Risk Allocation Matrix (RAM) is a concept to develop a strategic mix of cost cutting and revenue generating initiatives. The savings and revenues resulting from implementation of these initiatives would be deposited into an Internal Savings Account. The objective of the RAM and the Internal Savings Account is to ensure that we prudently manage our scarce operating eligible funds and maintain financial stability. The Internal Savings Account is being established to mitigate the projected financial deficit.

The RAM Internal Savings Account is divided into three sections: Eligible Priority Uses, Withdrawal Guidelines, and Monitoring.

Eligible Priority Uses

Listed below is the list of eligible uses in order of priority:

1. Operating Deficit
 - Fund core transportation system
 - Efficiency and performance criteria will determine if funding is necessary

2. State of Good Repair
 - Fund critical need projects that is absolutely necessary to keep system safe and operational
 - Baseline for state of good repair should be established using minimum and maximum thresholds based on performance, life span defined by FTA guidelines and manufacturer recommended guidelines.

3. Transit Capital Projects
 - Fund the acceleration of project completions, with no impact to project sequence.
 - Fund project shortfalls

Withdrawal Guidelines

CEO will have authority to withdraw funds for eligible uses in the priority order specified. Withdrawal of funds by the CEO will be allowed if within current Board-approved budget authority and in accordance with agency policies.

Use of funds not specified as eligible will require ~~unanimous~~ a 3/4 majority Board approval.

Monitoring

A Statement of Activities of the Internal Savings Account will be provided to the Board periodically, detailing all deposits, withdrawals and uses of funds in the account.

ATTACHMENT C

All withdrawals and uses will comply with the governing “color of money” requirements and will be carefully monitored to ensure compliance with these guidelines.

Risk Allocation Matrix (RAM) and Internal Savings Account

Executive Management Committee
January 21, 2016

Overview & Goals

Goals

- Foster a culture of financial discipline throughout Metro
- Aiming to secure Metro's financial stability by mitigating the projected deficit beginning in FY18

RAM and the **Internal Savings Account** is the strategy to achieve these goals

► **RAM** is an agency wide collaborative process to identify a strategic mix of cost saving and revenue generating new initiatives, and to evaluate the risk of such implementation

► **Internal Savings Account** will capture the RAM savings and revenues and ensure prudent use of these monies

- Monitor account activities and provide quarterly updates
- Establish guidelines on use of funds from the account

RAM New Initiatives (Under CEO Authority)

	Realization	Realization
CEO Authority	\$ 67,719,690	\$ 54,711,100
Board Action	104,122,800	34,673,333
Est. Revenues/Savings	\$ 171,842,490	\$ 89,384,433

Proposed new initiatives under **CEO Authority** can be implemented immediately

- ▶ Administrative and transit operations efficiency improvements
- ▶ Expanded advertising efforts recently approved and implemented
- ▶ Right-sizing of inventory levels based on historical data and actual demand
- ▶ Reallocation of funds to free up operations-eligible dollars
- ▶ Repurposing Metro property for revenue generation
- ▶ Detailed assessment of consultant use



RAM New Initiatives (Board Action Required)

	Realization	Realization
CEO Authority	\$ 67,719,690	\$ 54,711,100
Board Action	104,122,800	34,673,333
Est. Revenues/Savings	\$ 171,842,490	\$ 89,384,433

New initiatives requiring **Board Action** will be separately presented for necessary approvals prior to implementation

- ▶ Changes to existing policies or creation of new policies
 - Pilot paid parking program at high-use transit stations
 - Increased concessions programs and sale/lease of unused Metro property
 - Reassessment of required level of reserves
- ▶ Approval of contract awards
 - Expanded advertising efforts requiring modifications or new contract awards
 - Consideration of adjustments to agreements for group rate transit passes



Internal Savings Account

Established with regular reporting as a separate funding source

- ▶ Establish account with 3 initial deposits:

		Est. FY17 (\$ in millions)
1 st	FY15 Budget-to-Actual	\$ 25.7
2 nd	FY16 Mid-year Budget Assessment	4.5
3 rd	RAM New Initiatives	171.8
Total Estimated Deposits		\$ 202.0

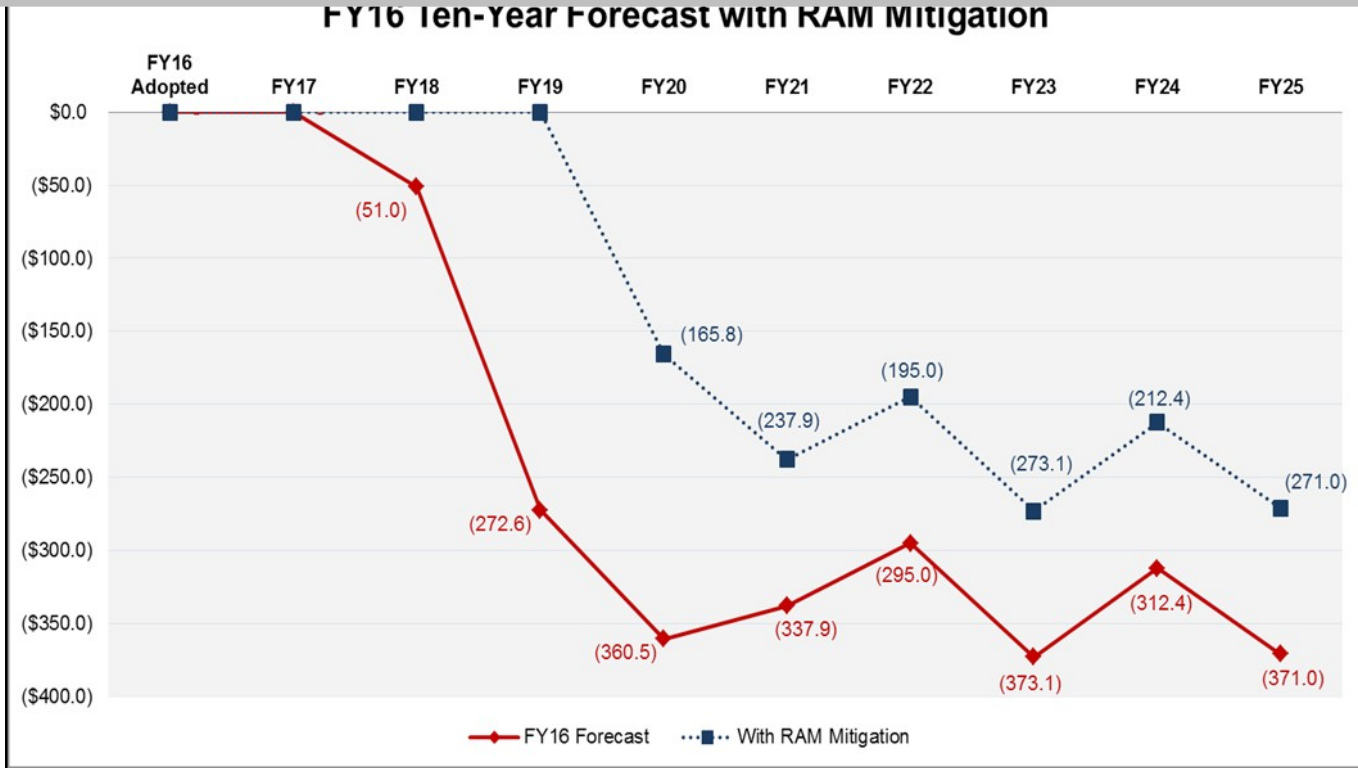
- ▶ Monitor account and activities
- ▶ Quarterly updates to the Board
 - Statement of Activities - detailing all deposits and withdrawals

Internal Savings Account Guidelines

- ▶ Explicitly defined **Eligible Priority Uses** encourage prudent use of the Internal Savings Account; recommended uses listed in *priority order* are:
 1. **Operating Deficit** – funding the core transportation system
 2. **State of Good Repair** – critical need to keep system safe and operational
 3. **Transit Capital Projects** – acceleration of projects, funding shortfalls

- ▶ Recommended **Withdrawal Criteria** establishes guidelines for use of the Internal Savings Account in order to mitigate the operating deficit:
 - CEO will have authority to withdraw funds for approved eligible uses
 - › in order of specified priority
 - › within current Board-approved budget authority
 - › in accordance with Board-approved agency policies
 - Use of funds not specified as eligible priority use: 1) operating deficit, 2) state of good repair, and 3) transit capital projects will require unanimous Board approval

RAM Impact to Forecast



- ▶ Assumes that all funds in the Internal Savings Account will be used to mitigate deficit
- ▶ With implementation of all RAM initiatives:
 - Deficit is delayed from FY18 to FY20
 - FY20 projected deficit is reduced by 54%



Recommendations

- ▶ Establish Internal Savings Account to capture cost savings and revenues generated from RAM
- ▶ Direct the CEO to implement all RAM initiatives and deposit all cost savings and revenues generated into the Internal Savings Account
- ▶ Direct the CEO to return to the Board on those initiatives requiring policy changes or Board Action before implementing each initiative
- ▶ Approve Internal Savings Account eligible priority uses and withdrawal criteria guidelines



Board Report

File #: 2015-1796, File Type: Policy

Agenda Number: 48.

**REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2016**

SUBJECT: PERSONNEL MATTER

ACTION: AUTHORIZE CHIEF EXECUTIVE OFFICER TO NEGOTIATE SALARIES AND APPROVE INTERIM PAY

RECOMMENDATION

- A. AUTHORIZING the Chief Executive Officer to **negotiate salaries** within the pay range for the following positions:
 - 1. **Chief Planning Officer**, pay grade CC (\$222,476 - \$273,894 - \$325,353)
 - 2. **Executive Director, Vendor/Contract Management**, pay grade BB (\$166,462 - \$208,083 - \$249,704)
 - 3. **Deputy Executive Officer, Goods Movement**, pay grade H1T (\$147,388 - \$184,288 - \$221,166)
 - 4. **Executive Officer, Diversity and Economic Opportunity**, pay grade AA (\$156,832 - \$196,060 - \$235,227)
- B. APPROVING interim pay for the **Interim Chief Planning Officer**, retroactive to December 24, 2015.
- C. AUTHORIZE the CEO to **negotiate salaries** within the pay range for all executive level positions that have been previously approved by the Board as amended to require Board notification.

DISCUSSION

RATIONALE

- 1. Negotiate Four Salaries

These key executive positions are responsible for major functional areas of the agency and need to be filled with personnel whose salaries are competitive and reflect the level of their responsibilities and qualifications.

Executive-level recruiting is extremely sensitive and sometimes difficult if the potential candidate is considering leaving current employment. The pay ranges for the executive positions are reviewed by the Metro Board as part of the annual fiscal year budget approval. Delegating authority for salary negotiation to the CEO for these positions, within the Board approved pay ranges, will speed up the process and ameliorate any concerns the potential candidates may have regarding confidentiality.

Chief Planning Officer

The Chief Planning Officer (CPO) leads Metro's planning & programming for all modes of transportation and Real Estate & Joint Development. Under direction of the Chief Executive Officer, the CPO works closely with program and project managers, Board members, elected officials, business, labor and community leaders, environmental advocacy groups and others to develop and direct visionary programs and solutions to meet the mobility needs of Los Angeles County.

Executive Director, Vendor/Contract Management

The Executive Director, Vendor/Contract Management, leads Metro's Procurement department including Procurement, Supply Chain Management, and Client Services.

Deputy Executive Officer, Goods Movement

Last month, the CEO announced the formation of a new Federal Freight Program to be housed within the Countywide Planning Department. The Deputy Executive Officer provides direction in the development of the multimodal freight program and works closely with regional agencies, the State, and federal policy makers to ensure that Metro obtains a fair share of the federal freight funds.

Executive Officer, Diversity and Economic Opportunity

The Executive Officer, Diversity and Economic Opportunity provides executive direction to the overall performance of Metro's Diversity & Economic Opportunity Department in the implementation and administration of the Construction Careers Policy, Project Labor Agreements, Labor Wage Compliance, Contract Compliance, and Small and Disadvantaged Business Programs including Outreach, Certification, and Goal Attainment.

2. Approve Interim Chief Planning Officer Pay

The CPO resigned from Metro effective December 23, 2015. The Chief Executive Officer appointed an interim CPO, effective December 24, 2015, to act in this capacity until a permanent replacement is selected.

In accordance with Metro's compensation policy, temporary pay for an interim appointment in a higher level position is at least 5% above the employee's current salary or the pay range minimum, the greater of the two. The pay range for the CPO position is \$222,476 - \$273,894 -

\$325,353. The Interim CPO's pay would be increased to the pay range minimum. The temporary pay rate would be effective retroactive to December 24, the effective date of the Interim CPO's appointment.

3. Authorize the CEO to Negotiate Salaries within the Pay Range for Executive-Level Positions Previously Approved by the Board

Board approval is required for salaries that exceed \$200,000. The Board has previously approved existing executive level positions for which the salaries exceed \$200,000 as the positions were created. Each time one of these positions is vacated, the CEO returns to the Board to obtain negotiation authority to fill the vacancy. This lengthens the time to fill vacancies and adds redundant activity to the Board agenda, since these positions and the salary ranges for them have previously been approved by the Board. Authorizing the CEO to negotiate salaries for positions with salaries that exceed \$200,000 will enable the CEO to fill vacancies quickly and will help streamline the process by eliminating redundant activity. New job classifications that have not been previously approved by the Board would continue to require Board approval.

FINANCIAL IMPACT

No additional FTEs are being added to the FY16 Budget. All positions are budgeted. All pay ranges are already approved. The Chief Planning Officer is budgeted in cost center 4010 - Countywide Planning and Development in various Planning Projects, as well as one Measure R project. The Executive Director, Vendor/Contract Management is budgeted in cost center 6915 - Chief Administrative Services Officer in project 100001 - General Overhead. The Deputy Executive Officer, Goods Movement is budgeted in cost center 4010 - Countywide Planning and Development in project 405522 - Highway Planning. The Executive Officer, Diversity and Economic Opportunity is budgeted in cost center 2130 - Diversity and Economic Opportunity in project 100001 - General Overhead.

Impact to Budget

The funding sources earmarked for the Chief Planning Officer and Deputy Executive Officer, Goods Movement are Prop A, Prop C, and TDA Administration, State Transportation Improvement Program (STIP), Measure R Administration, and Prop C 25% Streets and Highways. The Executive Director, Vendor/Contract Management and Executive officer, Diversity and Economic Opportunity are both allocated to our General Overhead project. These expenses will be allocated across overhead projects per the overhead allocation provisions set forth in the Federal Cost Allocation Plan approved by the FTA. These funding sources are not allocated to Bus and Rail Operating projects.

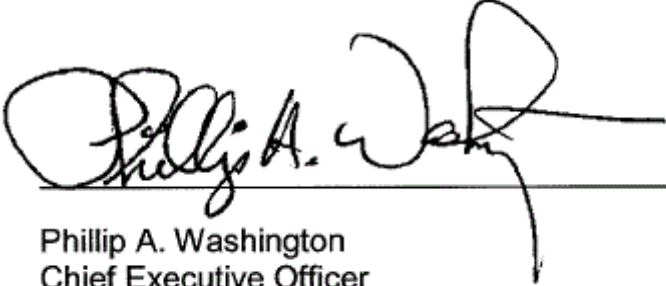
ATTACHMENTS

- Attachment A - Job Description Chief Planning Officer
- Attachment B - Job Description Executive Director Vendor Contract Management
- Attachment D - Job Description Deputy Executive Officer Goods Movement
- Attachment C - Job Description Executive Officer Diversity Economic Opportunity

Prepared by: Don Ott, Executive Director, Employee and Labor Relations

(213) 922-8864

Reviewed by: Stephanie Wiggins, Deputy Chief Executive Officer
(213) 922-1023



Phillip A. Washington
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority

Job Class Specification

CHIEF PLANNING OFFICER

Pay Grade HCC

(\$222,476.80 - \$273,894.40 - \$325,353.60)

Basic Function

To lead Metro's planning & programming for all modes of transportation and Real Estate & Joint Development. Under direction of the Chief Executive Officer, works closely with program and project managers, Board members, elected officials, business, labor and community leaders, environmental advocacy groups and others to develop and direct visionary programs and solutions to meet the mobility needs of Los Angeles County.

Classification Characteristics

This classification is exempt/at-will and the incumbent serves at the pleasure of the hiring authority.

Supervised by: Chief Executive Officer

Supervises: Managing Executive Officer, Countywide Planning & Development;
Director, Financial & Administrative Management Services;
Executive Secretary

FLSA: Exempt

Work Environment

In order to achieve the Agency's goals in support of its mission, potential candidates are required to commit and continuously practice and demonstrate the following work values:

- **Safety** – To ensure that our employees, passengers and the general public's safety is always our first consideration.
- **Services Excellence** – To provide safe, clean, reliable, on-time, courteous service for our clients and customers.
- **Workforce Development** – To make Metro a learning organization that attracts, develops, motivates and retains a world-class workforce.
- **Fiscal Responsibility** – To manage every taxpayer and customer-generated dollar as if it were coming from our own pocket.
- **Innovation and Technology** – To actively participate in identifying best practices for continuous improvement.
- **Sustainability** – To reduce, reuse and recycle all internal resources and reduce green house gas emissions.
- **Integrity** – To rely on the professional ethics and honesty of every Metro employee.

CHIEF PLANNING OFFICER

(Continued)

- **Teamwork** – To actively blend our individual talents to achieve world-class performance and service.
- **Civil Rights** – To actively promote compliance with all civil rights statutes, regulations and policies.
- **Community** - To actively engage with the Community as it relates to Metro interest/services.

Examples of Duties

- Directs transportation planning & programming in support of Metro's focus on customer service, value to taxpayers, delivery of programs and projects and innovation.
- Develops strategies to improve mobility and air quality and resolve major transportation issues.
- Directs community oriented joint development projects and new business opportunities, and provides high-level direction on all Metro real estate activity.
- Establishes goals and major priorities for planning & programming and real estate & joint development.
- Implements programs to train and prepare all planning and programming staff to advance professionally.
- Leads staff in inter-departmental and inter-agency collaboration and cooperation.
- Analyzes policies and formulates and presents policy recommendations to the Chief Executive Officer and Metro Board of Directors.
- Manages agenda for Board action on planning, programming, real estate and joint development matters.
- Leads preparation and updating of a long-range transportation plan addressing public transit and paratransit; highways, streets and roads; bicycle and pedestrian facilities; traveler information; traffic management and goods movement.
- Provides for analysis and documentation required to assess environmental impacts and meet requirements of California and federal environmental laws and regulations for all of Metro's programs and projects.
- Works with outside agencies and policy makers to create partnerships and secure support for programs and projects.
- Prepares and maintains forecasts of sources of funding for transportation projects and services.
- Analyses and develops innovative means of financing transportation projects and services.
- Solicits, reviews and recommends actions on funding applications from outside agencies for various programs.
- Manages departments including developing, monitoring and adhering to budget and achieving unit's goals and objectives.
- Contributes to ensuring that the EEO policies and programs of Metro are carried out.

4203

Date Prepared: 8/10/1995

Date Revised: 1/7/2016

CHIEF PLANNING OFFICER
(Continued)

Essential Knowledge and Abilities

Knowledge of:

- Theories, principles, and practices of transportation planning, urban planning, programming, real estate, joint development, and construction.
- Applicable local, state, and federal laws, rules, and regulations.
- Administrative principles and methods, including goal setting, program and budget development and implementation.
- Capital and operating budgets.
- Social, political, and environmental issues influencing transportation programs.
- Public administration.
- Modern management theory.

Ability to:

- Plan, organize, and control the integrated work of a multi-tiered organizational unit in providing transit planning and programming services.
- Develop and implement objectives, policies, procedures, work standards, and internal controls.
- Determine strategies to achieve goals.
- Understand, interpret, and apply laws, rules, regulations, policies, procedures, budgets, and contracts.
- Represent Metro before elected officials and the public.
- Analyze situations, identify problems, implement solutions, and evaluate outcome.
- Prepare comprehensive reports and correspondence.
- Establish and maintain cooperative working relationships.
- Exercise judgment and creativity in making decisions.
- Communicate effectively orally and in writing.
- Interact professionally with various levels of Metro employees, outside representatives, and public officials.
- Read, write, speak, and understand English.

Minimum Qualifications

Potential candidates interested in the CHIEF PLANNING OFFICER position SHOULD meet the following requirements:

- Bachelor's degree - Business, Public Administration, Urban Planning, Transportation Planning, or other related field.
- 8 years' senior management-level experience at the department-head level or above in transportation planning, programming, and project development.
- Valid California Class C driver's license.
- Master's degree in related field desirable.

CHIEF PLANNING OFFICER

(Continued)

Special Conditions

- None.

Disclaimer

This job specification is not to be construed as an exhaustive statement of duties, responsibilities, or requirements. Employees may be required to perform any other job-related instructions as requested by their supervisor.

Los Angeles County Metropolitan Transportation Authority

Job Class Specification

EXECUTIVE DIRECTOR, VENDOR/CONTRACT MANAGEMENT

Pay Grade HBB

(\$ 166,462.40 - \$ 208,083.20 - \$ 249,704.00)

Basic Function

Leads Metro's Procurement department including Procurement, Supply Chain Management, and Client Services.

Classification Characteristics

This classification is exempt/at-will and the incumbent serves at the pleasure of the hiring authority.

Supervised by: Chief Executive Officer

Supervises: Executive Staff

FLSA: Exempt

Work Environment

In order to achieve Metro's goals in support of its mission, potential candidates are required to commit and continuously practice and demonstrate the following work values:

- **Safety** – To ensure that our employees, passengers and the general public's safety is always our first consideration.
- **Service Excellence** – To provide safe, clean, reliable, on-time, courteous service for our clients and customers.
- **Workforce Development** – To make Metro a learning organization that attracts, develops, motivates and retains a world-class workforce.
- **Accountability for Performance and Fiscal Responsibility** – To manage every taxpayer and customer-generated dollar as if it were coming from our own pocket and ensure the highest possible return on investment.
- **Innovation and Technology** – To actively participate in identifying best practices for continuous improvement.
- **Sustainability** – To reduce, reuse and recycle all internal resources and reduce green-house gas emissions.
- **Integrity** – To rely on the professional ethics and honesty of every Metro employee.
- **Teamwork** – To actively blend our individual talents to achieve world-class performance and service.
- **Civil Rights** – To actively promote compliance with all civil rights statutes, regulations and policies.
- **Community** – To actively engage with the Community as it relates to Metro interest/services.

EXECUTIVE DIRECTOR, VENDOR/CONTRACT MANAGEMENT

(Continued)

Examples of Duties

- Leads Metro's Procurement Department including Procurement, Supply Chain Management and Client Services functions
- Establishes goals and major priorities, facilitates and monitors progress, and directs the development of strategies and resolutions to major issues related to Procurement, Supply Chain Management, and Client Services programs
- Provides policy direction to assigned major functional areas, directing the establishment of goals, major priorities, and advising in the development of strategies and resolution of major problems
- Provides advice to the CEO on significant matters and undertakes special projects as directed
- Manages departments including developing, monitoring and adhering to Metro's policies, budget and achieving goals and objectives of reporting units Ensures compliance with outside regulatory agencies and internal programs
- Ensures adequate funding to meet ongoing and project commitments
- Formulates policy recommendations for Metro's Board of Directors, attends Board meetings, presents reports to the Board
- Maintains and updates long-range staffing plans, resource needs, and contingencies to support Metro projects
- Executes agency-wide contracting authority as delegated by the CEO
- Exercises full breadth of authority through contract formation, partnering, administration, resolution of disputes and claims
- Represents Metro at meetings and conferences with public agencies, the private sector, public and corporate officials, and the general public
- Ensures that employees can effectively contribute to the accomplishments of the department's and Authority's goals and objectives
- Directs and manages department's response to annual and ad hoc audit requests; implements audit recommendations, as appropriate
- Recommends cost avoidance procurement methodologies to Project Managers and the CEO when appropriate
- Directs preparation and administration of the department's budget
- Provides for continuous professional development training for all employees
- Consults and advises management staff and the Board of Directors in procurement activities and issues
- Directs the creation and maintenance of an atmosphere which promotes positive human relations and open communications between employees and supervisors
- Leads the development of agency-wide business continuity and emergency management programs and plans
- Contributes to ensuring that the EEO policies and programs of Metro are carried out

EXECUTIVE DIRECTOR, VENDOR/CONTRACT MANAGEMENT
(Continued)

Essential Knowledge and Abilities

Knowledge of:

- Theories, principles, and practices of public procurement processes and supply chain management techniques, concepts, and processes
- Applicable local, state, and federal laws, rules and regulations pertaining to public procurement
- Business computer user applications as applied to contract administration activities
- Effective Project Management skills and techniques

Ability to:

- Ensure key organizational goals, priorities, values and other issues are considered in making program decisions
- Exercise leadership to implement and to ensure that Metro's mission and strategic vision are reflected in the management of its people
- Establish program/policy goals and the structure and processes necessary to implement Metro's mission and strategic vision
- Ensure that programs and policies are being implemented and adjusted as necessary, that the appropriate results are being achieved, and that a process for continually examining the quality of program activities is in place
- Interact professionally, effectively and sensitively with various levels of Metro/PTSC employees and outside representatives
- Acquire and administer financial, material, and information resources to accomplish Metro's mission, support program policy objectives, and promote strategic vision
- Explain, advocate, and negotiate with individuals and groups internally and externally to develop an expansive professional network with other organizations and organizational units
- Read, write, speak, and understand English

Minimum Qualifications

Potential candidates interested in the EXECUTIVE DIRECTOR, VENDOR/CONTRACT MANAGEMENT position SHOULD meet the following requirements:

- Bachelor's degree - Business, Public Administration or other related field
- 8 years' senior management-level experience in transit industry public procurement, supply chain management, or diversity & economic opportunity
- Master's degree in Business Administration, Public Administration or other related field desirable

Special Conditions

- None.

4176

Date Originally Created: 11/13/2013

Date Revised: 1/7/2016

EXECUTIVE DIRECTOR, VENDOR/CONTRACT MANAGEMENT
(Continued)

Disclaimer

This job specification is not to be construed as an exhaustive statement of duties, responsibilities, or requirements. Employees may be required to perform any other job-related instructions as requested by their supervisor.

Los Angeles County Metropolitan Transportation Authority

Job Class Specification

DEPUTY EXECUTIVE OFFICER, GOODS MOVEMENT

Pay Grade H1T

(\$ 147,388.80 - \$ 184,288.00 - \$ 221,166.40)

Basic Function

To direct Metro's mission, goals, and objectives of goods movement including planning, programming, policy and legislative analysis, and capital planning in support of furthering Los Angeles County's strategies and programs. The position is located in Metro's Countywide Planning and Development Strategic Business Unit.

Classification Characteristics

This classification is exempt/at-will and the incumbent serves at the pleasure of the hiring authority.

Supervised by: Chief Planning Officer; Managing Executive Officer, Executive Officer, Countywide Planning & Development

Supervises: Director, Countywide Planning and Development; Transportation Planning Manager I-V; Administrative Aide

FLSA: Exempt

Work Environment

In order to achieve Metro's goals in support of its mission, potential candidates are required to commit and continuously practice and demonstrate the following work values:

- **Safety** – To ensure that our employees, passengers and the general public's safety is always our first consideration.
- **Service Excellence** – To provide safe, clean, reliable, on-time, courteous service for our clients and customers.
- **Workforce Development** – To make Metro a learning organization that attracts, develops, motivates and retains a world-class workforce.
- **Accountability for Performance and Fiscal Responsibility** – To manage every taxpayer and customer-generated dollar as if it were coming from our own pocket and ensure the highest possible return on investment.
- **Innovation and Technology** – To actively participate in identifying best practices for continuous improvement.
- **Sustainability** – To reduce, reuse and recycle all internal resources and reduce green-house gas emissions.
- **Integrity** – To rely on the professional ethics and honesty of every Metro employee.
- **Teamwork** – To actively blend our individual talents to achieve world-class performance and service.

DEPUTY EXECUTIVE OFFICER, GOODS MOVEMENT

(Continued)

- **Civil Rights** – To actively promote compliance with all civil rights statutes, regulations and policies.
- **Community** – To actively engage with the Community as it relates to Metro interest/services.

Examples of Duties

- Assists the Chief Planning Officer/Managing Executive Officer/Executive Officer in directing Metro's multi-modal freight planning and programming; activities establishing goals, priorities, and developing strategies and resolutions; Advises the Chief Planning Officer/Managing Executive Officer/Executive Officer by formulates policy recommendations for consideration by the Metro Board of Directors; implements Board adopted goods movement policies
- Ensure that Metro Board adopted high priority goods movement corridors within Los Angeles County are included in State and Federal Freight Planning documents
- Keeps abreast of Federal and State Goods Movement Policies and funding programs to ensure maximum funding for Los Angeles County
- Works with outside agencies and policy makers to secure support for goods movement programs and projects and create partnerships; chairs and serves as a member of inter-departmental and inter-agency committees
- Reviews unit performance against goals and takes necessary management actions to address deviations
- Coordinates, manages and reviews project applications for goods movement funding programs
- Reviews and comments on Federal, State and Regional legislation and programs impacting or relating to Goods Movement
- Develops goods movement programs, projects, and plans in coordination with other Metro departments and outside agencies
- Monitors capital and operating budgets and adherence to policies and procedures
- Represents Metro at meetings and conferences with public agencies, the private sector, elected officials, and the general public
- Conducts studies, investigations, and analyses; presents oral and written reports of findings and recommendations
- Maintains and updates long-range staffing plans, resource needs, and contingencies to support Metro projects
- Supervises subordinate staff
- Prepares next generation staff
- Develops scopes of work, evaluates consultant proposals and works with procurement on the award of contracts; manages contracts including review and approval of invoices, deliverables, presentation materials, etc.
- Communicates Metro's safety vision and goals; oversees the implementation of agency and departmental safety rules, policies, and procedures; and

Non-Contract: 9928B

Date Originally Created: 1/4/16

Date Revised: 1/4/16

DEPUTY EXECUTIVE OFFICER, GOODS MOVEMENT

(Continued)

- maintains accountability for the safety performance of all subordinate employees
- Contributes to ensuring that the EEO policies and programs of Metro are carried out

Essential Knowledge and Abilities

Knowledge of:

- Theories, principles, and practices of transportation planning, goods movement/freight programs and policies, public administration urban planning, programming
- Applicable local, state, and federal laws, rules, regulations, policies and programs
- Administrative principles and methods, including goal setting, program and budget development and implementation
- Capital and operating budgets
- Social, political, and environmental issues influencing transportation and goods movement/freight programs, modern management theory
- Los Angeles County freight and goods movement industry

Ability to:

- Plan, organize, and manage the integrated work of a major departmental division providing freight multi modal planning, countywide planning, integration of system elements, grants management
- Develop and implement objectives, policies, procedures, work standards, and internal controls
- Determine strategies to achieve goals
- Understand, interpret, and apply laws, rules, regulations, policies, procedures, budgets, contracts, and labor/management agreements
- Represent Metro before elected officials, external partners and the public
- Analyze situations, identify problems, implement solutions, and evaluate outcome
- Prepare comprehensive reports and correspondence
- Establish and maintain cooperative working relationships
- Exercise judgment and creativity in making decisions
- Communicate effectively orally and in writing
- Interact professionally with various levels of Metro employees, outside representatives, and public officials
- Read, write, speak, and understand English

Minimum Qualifications

Potential candidates interested in the DEPUTY EXECUTIVE OFFICER, GOODS MOVEMENT position SHOULD meet the following requirements:

- Bachelor's degree - Business, Public Administration, Urban Planning, Transportation Planning, or other related field

Non-Contract: 9928B

Date Originally Created: 1/4/16

Date Revised: 1/4/16

DEPUTY EXECUTIVE OFFICER, GOODS MOVEMENT

(Continued)

- 8 years' senior management-level experience in transportation planning, programming, public administration or project development
- Valid California Class C driver's license
- Master's degree in related field desirable

Special Conditions

- None.

Disclaimer

This job specification is not to be construed as an exhaustive statement of duties, responsibilities, or requirements. Employees may be required to perform any other job-related instructions as requested by their supervisor.

Non-Contract: 9928B

Date Originally Created: 1/4/16

Date Revised: 1/4/16

Los Angeles County Metropolitan Transportation Authority

Job Class Specification

EXECUTIVE OFFICER, DIVERSITY AND ECONOMIC OPPORTUNITY

Pay Grade HAA

(\$156,832.00 - \$196,060.80 - \$235,227.20)

Basic Function

To provide executive direction to the overall performance of Metro's Diversity & Economic Opportunity Department in the implementation and administration of the Construction Careers Policy, Project Labor Agreements, and Labor Wage Compliance, Contract Compliance, and Small and Disadvantaged Business Programs including Outreach, Certification, and Goal Attainment.

Classification Characteristics

This classification is exempt/at-will and the incumbent serves at the pleasure of the hiring authority.

Supervised by: Executive Director, Vendor/Contract Management

Supervises: DEO, Diversity & Economic Opportunity; Director Of Diversity And Economic Opportunity

FLSA: Exempt

Work Environment

In order to achieve the Agency's goals in support of its mission, potential candidates are required to commit and continuously practice and demonstrate the following work values:

- **Safety** – To ensure that our employees, passengers and the general public's safety is always our first consideration.
- **Services Excellence** – To provide safe, clean, reliable, on-time, courteous service for our clients and customers.
- **Workforce Development** – To make Metro a learning organization that attracts, develops, motivates and retains a world-class workforce.
- **Fiscal Responsibility** – To manage every taxpayer and customer-generated dollar as if it were coming from our own pocket.
- **Innovation and Technology** – To actively participate in identifying best practices for continuous improvement.
- **Sustainability** – To reduce, reuse and recycle all internal resources and reduce green house gas emissions.
- **Integrity** – To rely on the professional ethics and honesty of every Metro employee.
- **Teamwork** – To actively blend our individual talents to achieve world-class performance and service.

EXECUTIVE OFFICER, DIVERSITY AND ECONOMIC OPPORTUNITY

(Continued)

- **Civil Rights** – To actively promote compliance with all civil rights statutes, regulations and policies.
- **Community** - To actively engage with the Community as it relates to Metro interest/services.

Examples of Duties

- Provides overall direction and management in the establishment and development of policies, goals and strategies for Metro's Diversity & Economic Opportunity Department.
- Directs, oversees and manages the implementation and administration of activities for Metro's Diversity & Economic Opportunity, Disadvantaged Business Enterprise, Small Business Enterprise, and Minority and Women Business Enterprise Programs.
- Implements and oversees the Construction Careers Policy and the Construction Project Labor Agreement.
- Oversees the enforcement of Metro's Labor Wage Compliance Program to ensure workers performing on construction projects are paid the appropriate predetermined prevailing wage rate.
- Oversees the implementation of an aggressive Small Business Outreach Program which communicates contracting opportunities and develops methods to facilitate small business participation in all contracting areas.
- Directs the establishment and monitoring of long-range goals, budgets, schedules, and strategies.
- Oversees and reviews all funding for various projects to determine the appropriate application of small business program requirements.
- Provides direction in the oversight of activities of Metro's Transportation Business Advisory Council (TBAC).
- Represents Metro at meetings, conferences, and public events.
- Prepares and presents reports to the CEO, Board of Directors, and management.
- Directs studies, investigations and analyses; presents oral and written reports of findings and recommendations to the CEO/CASO.
- Supervises subordinate staff and fosters an open, professional, team working environment.
- Develops and maintains liaison with federal, state, and local transportation regulatory agencies.
- Communicates Metro's safety vision and goals; oversees the implementation of agency and departmental safety rules, policies, and procedures; and maintains accountability for the safety performance of all subordinate employees.
- Contributes to ensuring that the EEO policies and programs of Metro are carried out.

EXECUTIVE OFFICER, DIVERSITY AND ECONOMIC OPPORTUNITY
(Continued)

Essential Knowledge and Abilities

Knowledge of:

- Theories, principles, and practices of Small Business, Labor Wage Compliance, Outreach, Certification Programs, and Project Labor Agreements.
- Applicable local, state, and federal laws, rules, and regulations governing Small Business, Labor Wage Compliance, Outreach, Certification, and Targeted Hiring Programs.
- Administrative methods, including goal setting, program and budget development and implementation, capital and operating budgets, and funding sources.
- Modern management theory.

Ability to:

- Direct the overall operations of all Diversity and Economic Opportunity Programs.
- Communicate effectively orally and in writing.
- Interact professionally with various levels of Metro employees and outside representatives.
- Represent Metro before the public.
- Prepare comprehensive reports and correspondence.
- Analyze situations, identify problems, recommend solutions, and evaluate outcome.
- Exercise judgment and creativity in making decisions.
- Determine strategies to achieve goals.
- Plan financial and staffing needs.
- Make financial decisions within a budget.
- Establish and implement policies and procedures.
- Compile, analyze, and interpret complex data.
- Understand, interpret, and apply laws, rules, regulations, policies, procedures, contracts, budgets, and labor/management agreements.
- Supervise subordinate staff.
- Read, write, speak, and understand English.

Minimum Qualifications

Potential candidates interested in the EXECUTIVE OFFICER, DIVERSITY AND ECONOMIC OPPORTUNITY position SHOULD meet the following requirements:

- Bachelor's degree - Business, Law, Public Administration, or other related field.
- 8 years' senior management-level experience developing and implementing equal opportunity/small business/labor wage compliance programs.
- Master's degree in related field desirable.

EXECUTIVE OFFICER, DIVERSITY AND ECONOMIC OPPORTUNITY
(Continued)

Special Conditions

- None.

Disclaimer

This job specification is not to be construed as an exhaustive statement of duties, responsibilities, or requirements. Employees may be required to perform any other job-related instructions as requested by their supervisor.

**Board Report**

File #: 2015-1799, **File Type:** Informational Report**Agenda Number:** 57.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2016****SUBJECT: UPDATE ON ADVERTISING CONTRACTS AND EXERCISING FINAL CONTRACT
OPTION YEAR WITH OUTFRONT MEDIA****ACTION: EXERCISE OPTION****RECOMMENDATION**

AWARD the third, and final, **one-year option for year 2017 with Outfront Media's revenue-generating bus and rail advertising contracts**; a \$24,000,000 fixed, guaranteed amount of revenue to be received from these agreements by Metro for calendar year 2017.

ISSUE

In January 2015, Metro's Board approved Director Antonovich's Substitute to Director Fasana's Motion 79.1 (Attachment A), directing the CEO to exercise the next one-year option (for Calendar Year 2016) with Outfront Media. And that the Metro Board direct the CEO to provide quarterly updates to the Board on the contract performance of Outfront Media, specifically regarding the contractor's timely implementation of new opportunities (e.g. bike rack advertising space) as described in its January 2015 presentation to the Metro Executive Management Committee.

DISCUSSION

Outfront Media was awarded two related 5-year revenue contracts (PS12714022 License to sell and display advertising on Metro buses, and PS12714023 License to sell and display advertising on Metro Rail system), each inclusive of three 1-year options. The period of performance for the initial term started January 1, 2013, and ends December 31, 2014. In January 2015, Metro's Board approved to exercise the next one-year option, which extends the term of this contract to December 31, 2016.

Metro receives a fixed, guaranteed amount of revenue from these agreements (\$22 million in calendar year 2015 and \$23 million in calendar year 2016) rather than a percentage of actual sales. This method shields Metro's revenue from fluctuations in the advertising industry, and relieves the agency of having a financial stake in the acceptance or rejection of any particular ad. Advertising acceptability is governed by the Content Guidelines in Metro's Board-approved Advertising Policy.

Per direction of the Board, in January 2015, Metro staff and Outfront Media presented their

recommendations for increasing the advertising revenue generated on the Metro system and moved forward with the installation of bike racks on all Metro buses. In 2015 Outfront Media bike rack ad sales have generated \$80,000 in gross sales with Metro receiving \$56,000, which is 70% of revenue generated. Once fully implemented, this program is expected to generate roughly \$400,000 in additional revenue for Metro over and above the current contract.

Option one currently being pursued is the installation of bike rack ad displays

Outfront Media will manufacture and install bike rack ad display panels on all Metro buses. Outfront Media will front the cost of the torsion springs, and the manufacture and installation of the display ad panels. Outfront Media will recover those costs by selling ads on the bike rack displays. Once Outfront Media has been reimbursed for the initial investment, the revenue generated from selling ad space will go to Metro as per the terms of the current contract; and the bike rack ad display installations will become the property of Metro.

In 2015 Outfront Media bike rack sales have generated \$80,000 in gross sales with Metro receiving \$56,000 which is 70% of revenue.

Second recommended option is the installation of 2- sheet ad panels on the Expo, Gold, Blue, and Green Line stations

Currently Outfront Media sells 2- sheet (46" X 60") ad panels that are only installed on the Red / Purple Line. In order to generate additional revenue for Metro, we would like to propose the expansion of up to an additional 200 2- sheet posters to be built on the Expo, Gold, Green, and Blue line stations.

Plan overview:

Select high profile Expo, Gold, Green, and Blue stations to install 200 - 2- sheet ad panels.

All manufacturing and installation costs will be paid by Outfront Media to get the program up and running. Outfront Media will be reimbursed from first revenues generated by the advertising sales of the 2- sheet panels. Once Outfront Media has been reimbursed for the manufacturing and installation of the new ad panels, Metro will own this new asset.

Projected Fabrication and Installation Costs: \$150,000.00

Projected Annual Net Revenues paid to Metro: \$100,000.00

This project will be part of the Innovative Approach clause of the contract with a revenue share of 70% being paid to Metro and is contingent upon Metro approval of the fifth and final option year of the contracts between Metro and Outfront Media.

DETERMINATION OF SAFETY IMPACT

This Board action will have no impact on safety standards for Metro.

FINANCIAL IMPACT

Adoption of third, and final, one-year option would have a net-positive impact on the agency, generating \$24,000,000 in revenue for calendar year 2017, while concurrently providing additional revenue from the Bike Rack program, as well as from sales of the additional 2-sheet ad panels Outfront Media is proposing to install on Metro's expanding rail lines.

Impact to Budget

Adoption of Metro's final one-year option with Outfront Media would generate \$24,000,000 in revenue for the agency, along with additional revenue provided by the Bike Rack program and the 2-sheet ad panels installed on Metro's rail lines.

ALTERNATIVES CONSIDERED

If Outfront Media's final one-year option is not approved, the contract would go out as an RFP in February. Outfront would then be given a 6-month notice in June informing them of the contract's conclusion on December 31st, 2016, and a new vendor would be in place to take over the new contract on January 1, 2017. The Communications/Marketing staff does not recommend this approach, but instead supports executing the third and final option to take advantage of the \$1,000,000 increase (\$23,000,000 in 2016 to \$24,000,000 in 2017) in the contract for 2017 and allow for the build-out of the 2-sheet advertising program on our rail system before we release an RFP in January of 2017, creating more value for Metro's advertising infrastructure. Also, when comparing other, like-size transportation systems (Washington DC, Chicago, Boston), our advertising revenue, comparatively, is in-line with these systems.

NEXT STEPS

Metro staff will continue to monitor trends, projections and other relevant developments in the outdoor advertising industry. Metro staff and Outfront Media will continue to install bike rack ad displays as part of the five phase installation project and Outfront Media will install up to 200 2- sheet posters.

Bike Rack Ad Display Project Update

Phase One - Install Displays on 648 buses will complete December 31, 2015

1. May 18, 2015: Outfront Media orders display panels and mounting hardware for 648 45-foot vehicles; in hand by July 1, 2015. Estimated cost for fabrication and installation borne by Outfront Media: \$97,200 (\$150 x 648)
2. September 1, 2015: Metro installd torsion springs and relocate license plates on 648 buses. Cost for torsion springs and heavy duty bolt kits borne by Outfront Media: \$84,240 (\$130 x 648)

-
3. September 1, 2015: Outfront Media installed displays on 648 buses during the months of September through December 2015 , after installation of springs were completed. Installations were done.
 4. December 31, 2015: 648 bike rack displays available for ad posting.

Phase Two - Install Displays on 500 buses

1. November 1, 2015: Metro identifies the next 500 buses for bike rack ads.
2. December 3, 2015: Outfront Media orders display panels and mounting hardware for 500 vehicles; in hand by January 10, 2016. Cost for fabrication and installation borne by Outfront Media: \$82,500 (\$165 x 500)
3. November 1, 2015: Metro relocates license plates on the next 500 buses identified.
4. January 10, 2016 : Outfront Media installs displays on the next 500 buses identified during the month of November. Installations are done at the rate of 25 per night, five nights per week, 125 per week.
5. February 10, 2016: 1,148 bike rack displays now available for ad posting.

Phase Three - Install Displays on 500 buses

1. January 1, 2016: Metro identifies the next 500 buses for bike rack ads.
2. January 15, 2015: Outfront Media orders display panels and mounting hardware for 500 vehicles; in hand by February 15, 2016. Cost for fabrication and installation borne by Outfront Media: \$82,500 (\$165 x 500)
3. January 15, 2015: Metro installs torsion springs and relocate license plates on the next 500 buses identified. Cost for torsion springs and heavy duty bolts borne by Outfront Media: \$67,500 (\$135 x 500) Note we may not need to install torsion springs on all 500 so the cost may be less.
4. February 15, 2016: Outfront Media installs displays on the next 500 buses identified during the month of February. Installations are done at the rate of 25 per night, five nights per week, 125 per week.
5. March 15, 2016: 1,648 bike rack displays now available for ad posting.

Phase Four - Install Displays on 500 buses

1. February 10, 2016: Metro identifies the next 500 buses for bike rack ads.
2. February 15, 2016: Outfront Media orders display panels and mounting hardware for 500 vehicles; in hand by March 15, 2016. Cost for fabrication and installation borne by Outfront Media: \$82,500 (\$165 x 500)
3. February 15, 2016: Metro installs torsion springs and heavy duty bolts, and relocate license plates on the next 500 buses identified. Cost for torsion springs, and bolts borne by Outfront Media: \$67,500 (\$135 x 500)
4. March 15, 2016: Outfront Media installs displays on the next 500 buses identified during the month of January. Installations are done at the rate of 25 per night, five nights per week, 125 per week.
5. April 15, 2016: 2,148 bike rack displays now available for ad posting.

Phase Five - Install Displays on 52 buses

1. March 10, 2016: Metro identifies the next 52 buses for bike rack ads.
2. March 15, 2016: Outfront Media orders display panels and mounting hardware for 52 vehicles; in hand by April 15, 2016. Cost for fabrication and installation borne by Outfront Media: \$8,580 (\$165 x 52)
3. March 15, 2016: Metro installs torsion springs heavy duty bolts, and relocate license plates on the next 52 buses identified. Cost for torsion springs borne by Outfront Media: \$7,020 (\$135 x 52)
4. April 15, 2016: Outfront Media installs displays on the next 52 buses identified during the month of March. Installations are done at the rate of 25 per night, five nights per week, 125 per week.
5. May 10, 2016: 2,200 bike rack displays now available for ad posting.

2-Sheet Ad Panel Expansion Plan for Rail

1. Once Metro exercises the final contract option year staff will report a timeline and implementation schedule.
2. All manufacturing and installation costs will be paid by Outfront Media, and Outfront Media will be reimbursed from first revenues generated by the advertising sales of the 2-sheet panels. Once Outfront Media has been reimbursed then Metro will own the ad panel structures.
3. Projected Fabrication and Installation Costs: \$150,000.00

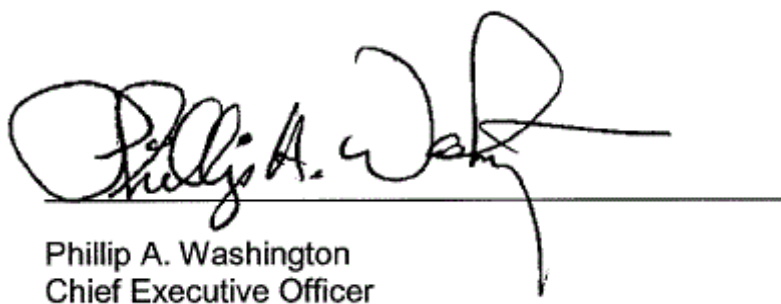
4. Projected Net Revenues paid to Metro: \$100,000.00
5. This will be part of the Innovative Approach clause of the contract with a revenue share of 70% being paid to Metro and contingent upon Metro approval of the fifth option year of the contracts between Metro and Outfront Media.
6. Timeline for implementation
 - a. Lead time planning each station One Month
 - b. Metro approval of each station plan three to four months
 - c. Fabrication time six weeks
 - d. Installation time six weeks

ATTACHMENTS

Attachment A - Motion 79.1

Prepared by: Glen Becerra, Deputy Executive Officer, Communications,
(213) 922-5661

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer

FASANA MOTION January 15, 2015

Since MTA rebid its advertising contract in early 2012 there have been three large transit authorities that have also rebid their contracts with significant increases in revenue to those agencies.

Unlike MTA, all of the three transit authorities have revenue sharing agreements rather than a flat fee contract. They have a "minimum annual guarantee" against a percentage share of the gross revenue. Twenty-three of the twenty-five larger transit properties have revenue sharing agreements.

SEPTA's previous contract had a total minimum guarantee of \$84.5 million for the term of the contract of 9 years. The new contract beginning in May of 2014 has a total guarantee of \$150 million, on a 5-year, with 2-2 year extensions (a total of 9 years). A 77% increase.

SEMTA's previous contract had a guarantee of \$22.1 million on a 5 year contract. Their new contract beginning in July of 2014 has a guarantee of \$28.5 million on a 5 year contract. A 29% increase.

WMATA's previous guarantee was \$40 million over 5 years. Its new guarantee beginning in January 2014 is \$103 million over 5 years. A 157% increase.

The MTA RFP requested both a minimum annual guarantee and a flat fee contract. MTA chose a flat fee contract for the five year term. CBS had proposed \$110 million. Titan had proposed \$117.25 million. MTA selected CBS and left more than \$7 million on the table.

MTA has completed the first two years of the contract which began in January of 2013 and is began the first of three option years January 1, 2015. The contract calls for the next option year decision to be made in June of 2015.

The advertising market has recovered quite well from the recession. There is still time to test the market by releasing the RFP to determine if there is more revenue to be realized from transit advertising. Based on the healthier economy and the results of four recent bids, it would appear that there is more money to be realized from this contract and MTA should test the market by releasing the RFP with sufficient time for a decision before the next option year determination.

In an effort to ensure that Metro is receiving the maximum revenues from advertising, the Board needs issue an RFP to test the market and determine whether or not to award a new contract in June 2015 or exercise the next option.

I THEREFORE MOVE THAT in an effort to generate the maximum amount of revenue from advertising, staff is directed issue a Request for Proposals for advertising revenues from bus and rail. Staff needs to include information related to potential revenue from a fixed guaranteed revenue option and a revenue sharing option and any other revenue generating opportunities.

Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA



Metro

Board Report

File #: 2015-1663, **File Type:** Oral Report / Presentation

Agenda Number: 60

**REGULAR BOARD MEETING
FEBRUARY 25, 2016**

RECEIVE oral report on **Los Angeles World Airports** from Executive Director, Deborah Flint.



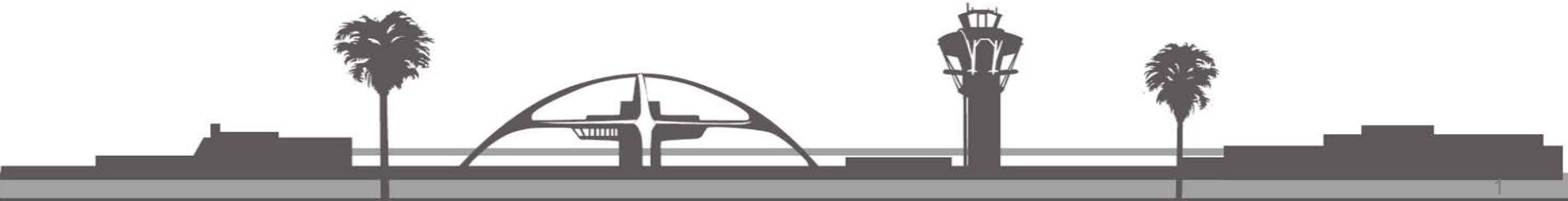
Los Angeles World Airports



LAX Landside Access Modernization Program

METRO Board of Directors

February 25, 2016





Landside Access Modernization Program



LAMP Procurement Framework

Procurement Objectives

- Control capital costs
- Expedite delivery (Goal: no later than 2023)
- Capture life cycle cost efficiencies
- Capture economies of scale
- Minimize construction impacts on existing LAX operations

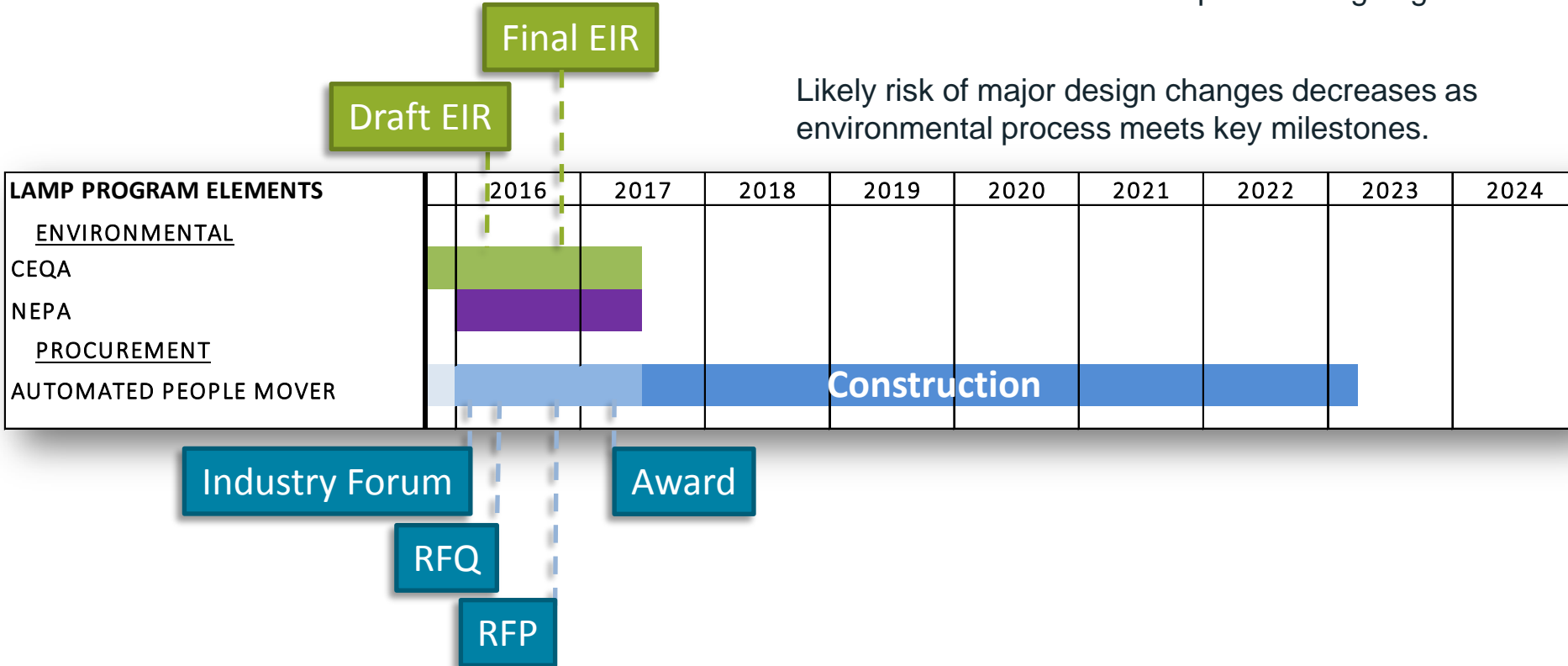
- Staff recommends Design-Build-Finance-Operate and Maintain (**DBFOM**) for the **APM** and **CONRAC** Projects.
- Other Projects may use other delivery/procurement approaches.

Program Element	APM	CONRAC	Transit	ITFs	Roads
Proposed Delivery Methods	DBFOM	DBFOM	Metro	DB or 3 rd Party	TBD

Procurement Timeline

To maintain schedule goals, procurement must be initiated while environmental process ongoing.

Likely risk of major design changes decreases as environmental process meets key milestones.







Board Report

File #: 2015-1306, File Type: Resolution

Agenda Number: 13.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2016**

SUBJECT: PROPOSITION A REFUNDING BONDS

ACTION: AUTHORIZE SALE OF REFUNDING BONDS

RECOMMENDATION

ADOPT a resolution, Attachment A, that:

- A. AUTHORIZES the issuance of bonds by competitive sale to refund the **Prop A Series 2008-A1, Series 2008-A2, Series 2008-A3 and Series 2008-A4 Bonds** ("the 2008-A Bonds") in one or more transactions through August 31, 2016, consistent with the Debt Policy;
- B. APPROVES the **forms of Notice of Intention to Sell Bonds, Notice Inviting Bids, Supplemental Trust Agreement, Bonds, and Preliminary Official Statement**, all subject to modification as set forth in the resolution; and
- C. AUTHORIZES taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE.)

ISSUE

Lower interest rates offer an opportunity for Metro to lock in low long term rates by refunding the outstanding variable rate 2008-A Bonds and eliminate short term interest rate risk. The 2008-A Bonds refunded the 2005-C bonds, which were issued in combination with interest rate swaps that were intended to produce a synthetic fixed rate of approximately 3.37%. Because the fixed rate based on the interest rate swaps was higher than the current market, we terminated the swaps on July 1, 2015 at no cost to Metro. Metro has entered into agreements with two banks for the 2008-A bonds where we pay a variable interest rate that resets monthly and is tied to one-month London Interbank Offered Rate ("LIBOR") index. A refunding with fixed rate bonds will allow us to lock-in the interest cost over the remaining term of the bonds at currently low interest rates and remove the risk of rising short term rates. We are requesting the authority to sell Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds (the "Refunding Bonds") in one or more transactions through August 31, 2016, to allow flexibility should significant market volatility occur. It is our expectation that the \$238.4 million

outstanding principal of the 2008-A Bonds will be refunded through a competitive sale by spring 2016, depending on market conditions.

DISCUSSION

The 2008-A Bonds bear an interest rate that resets monthly based on one-month LIBOR. The variable interest rate, including a spread that Metro has agreed to pay to the two banks that purchased the bonds, is currently about 0.50% (half of one percent). Although current short-term interest rates are very low, the cost to Metro is expected to increase as interest rates rise due to the fact that the 2008-A bonds bear interest at a variable rate. Issuing fixed rate bonds will mitigate that risk.

The Debt Policy establishes criteria to evaluate refunding opportunities. The Refunding Bonds are recommended to change the debt from variable rate to fixed rate and the Debt Policy provides for refundings that change the type of debt instrument being used. The refunding is not being undertaken solely to achieve cost savings or meet target savings amounts. At the current variable interest rate of 0.50%, including the bank spread, a fixed rate refunding will result in a higher interest cost. However, should the LIBOR index increase to the 10 year average for one-month LIBOR of 1.495% for the remaining 16 year term of the 2008-A Bonds, the refunding will result in about \$4 million in present value total debt service savings to Metro.

As part of this issuance of Refunding Bonds, the Trust Agreement will be amended to conditionally eliminate the Debt Service Reserve Fund ("DSRF") requirement. The Refunding Bonds and any future Prop A bonds will be issued under supplemental trust agreements that allow for the elimination of the DSRF requirement once 60% of all outstanding First Tier Senior Lien bonds are issued under this revised DSRF provision, which is estimated to occur in July 2021. During the period between this Refunding Bond issue and when the amendment actually takes place, Metro may have to contribute funds to satisfy the DSRF requirement. Once the amendment takes effect, Metro will have the option to issue any new or refunding bonds without a debt service reserve fund, can also elect to have the new bonds establish a new debt service reserve requirement or participate in the existing reserve fund.

Currently, Metro is required to set-aside \$140 million in a debt service reserve fund to secure all Prop A First Tier Senior Lien Bonds, which is equal to the maximum amount of future debt service paid in a fiscal year. Metro meets this requirement with approximately \$54 million in cash and investments, and an \$85.5 million surety, or insurance policy. The cash and investments were funded from prior Prop A First Tier Senior Lien bonds, and currently earn a relatively low investment rate. The surety policy was purchased in 2008 and expires in July 2021.

Based on current projections of refundings, we anticipate meeting the 60% consent requirement in 2021, enabling us to reduce the DSRF requirement and initiate the reduction of cash and investments held in the DSRF. The lower DSRF requirement will also eliminate the need to replace the surety policy. Factoring in principal paydowns, we project that the DSRF requirement will only be approximately \$11 million by fiscal 2022, securing the remaining bonds (Prop A 2014A and 2015A bonds) that have not been issued under the amended trust agreement. At that level, we estimate \$43 million of the \$54 million cash in the DSRF will be available to pay Prop A debt service, thereby

freeing up funds for other Prop A projects.

The Reserve Requirement was created in 1986 when the Trust Agreement was originally executed. Purchasers of Metro bonds and the rating agencies no longer place a significant amount of value on a debt service reserve fund for an issuer with the AAA credit strength of our Prop A bonds. We have received confirmation from Standard & Poor's and Moody's Investors Service that removing the debt service reserve fund for future bond issues will not have an impact on the bond ratings for the First Tier Senior Lien Bonds, keeping our ratings at the current levels of AAA and Aa1, respectively.

DETERMINATION OF SAFETY IMPACT

Approval of this report will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The costs of issuance for the bonds will be paid from proceeds of the financing and will be budget neutral. Bond principal and bond interest expense for the Prop A 2008-A Bonds are included in the FY16 budget in project 610306, account 51101 for principal and account 51121 for interest.

ALTERNATIVES CONSIDERED

The Board could defer the refunding to a later time or indefinitely. This is not recommended because recent market conditions have been favorable for the refunding. Also short-term rates have risen since the Federal Reserve increased the Fed Funds rate on December 16, 2015, and the Federal Reserve is signaling more short-term interest rate increases will occur during 2016. Strength in the domestic economy could also cause short-term interest rates to rise. A refunding at a later time may result in the payment of higher interest costs over the term of the bonds. In addition, the current agreements with the two banks providing the short term liquidity expire in August 2016 and if we do not issue Refunding Bonds we will have to replace the existing bank facilities.

NEXT STEPS

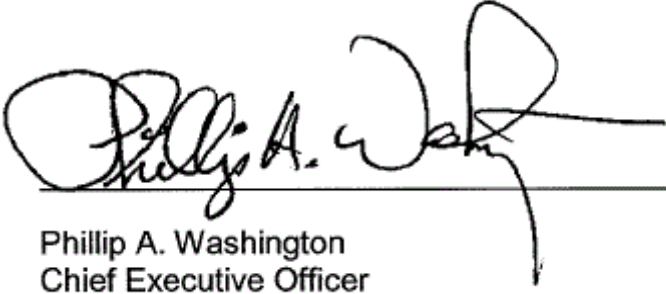
- Further develop bond issuance documentation and publish the sales notices
- Obtain credit ratings
- Distribute the preliminary official statement to prospective underwriters and potential investors
- Initiate pre-marketing effort
- Receive electronic bids from underwriters
- Finalize bond documentation and deliver the bonds

ATTACHMENTS

Attachment A - Authorizing Resolution

Prepared by: Donna R. Mills, Treasurer, (213) 922-4047
LuAnne Edwards Schurtz, Assistant Treasurer, (213) 922-2554

Reviewed by: Nalini Ahuja, Executive Director, Finance and Budget,
(213) 922-3088



Phillip A. Washington
Chief Executive Officer

Authorizing Resolution

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE
AND SALE OF ONE OR MORE SERIES OF ITS PROPOSITION A FIRST
TIER SENIOR SALES TAX REVENUE REFUNDING BONDS AND
APPROVING OTHER RELATED MATTERS**

(PROPOSITION A SALES TAX)

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue bonds to finance and refinance the acquisition, construction or rehabilitation of facilities to be used as part of a countywide transportation system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission was authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval by the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 16 adopted August 20, 1980 ("Ordinance No. 16"), imposed a 1/2 of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition A Tax"), and such tax was approved by the electors of the County on November 4, 1980; and

WHEREAS, the revenues received by the LACMTA from the imposition of the Proposition A Tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any bonds issued pursuant to the Act and include the payments or provision for the payment of the principal of the bonds and any premium, interest on the bonds and the costs of issuance of the bonds; and

WHEREAS, the LACMTA, on an on-going basis, is planning and engineering a County-wide public transportation system (the "Public Transportation System") to serve the County and on an on-going basis is constructing portions of the Public Transportation System; and

WHEREAS, to facilitate the development and construction of the Public Transportation System, as authorized by the Act, pursuant to the terms of a Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the "Trust Agreement") between the Commission, as predecessor to the LACMTA, and First Interstate Bank of California, the predecessor trustee to The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the LACMTA has issued several series of bonds, including its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2007-A (the "Series 2007-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2008-A1, Series 2008-A2, Series 2008-A3 and Series 2008-A4 (collectively, the "Series 2008-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2008-B (the "Series 2008-B Bonds"), its Proposition

A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2009-A (the “Series 2009-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-A (the “Series 2011-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-B (the “Series 2011-B Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2012-A (the “Series 2012-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2013-A (the “Series 2013-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2014-A (the “Series 2014-A Bonds”), and its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2015-A (the “Series 2015-A Bonds,” and collectively with the Series 2007-A Bonds, the Series 2008-A Bonds, the Series 2008-B Bonds, the Series 2009-A Bonds, the Series 2011-A Bonds, the Series 2011-B Bonds, the Series 2012-A Bonds, the Series 2013-A Bonds and the Series 2014-A Bonds, the “Prior Senior Lien Bonds”); and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds (the “Refunding Bonds”) to: (a) refund all or a portion of the outstanding Series 2008-A Bonds (the Series 2008-A Bonds so refunded shall be collectively referred to herein as the “Refunded Bonds”), provided that the refunding of the Refunded Bonds is consistent with the LACMTA’s Debt Policy as in effect at the time of pricing of the Refunding Bonds; (b) fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds; and (c) pay certain costs related thereto; and

WHEREAS, the LACMTA desires to sell the Refunding Bonds on a competitive basis in accordance with the LACMTA’s Debt Policy; and

WHEREAS, the LACMTA has determined that it is in its best interest to amend certain provisions of the Trust Agreement, including, but not limited to, the provisions related to the establishment and funding of debt service reserve fund (s) for the Bonds (as defined in the Trust Agreement); and

WHEREAS, forms of the following documents are on file with the Secretary of the Board of Directors of the LACMTA and have been made available to the members of the Board of Directors of the LACMTA (the “Board”):

(a) a Supplemental Trust Agreement (the “Supplemental Trust Agreement”) by and between the LACMTA and the Trustee, which will be used in connection with the issuance of the Refunding Bonds and amending certain provisions of the Trust Agreement;

(b) an Escrow Agreement (the “Escrow Agreement”) among the LACMTA, the Trustee and The Bank of New York Mellon Trust Company, N.A., as escrow agent, which will be used in connection with the refunding and defeasance of the Refunded Bonds;

(c) a Preliminary Official Statement (the “Preliminary Official Statement”), which will be used, from time to time, in connection with the offer and sale of the Refunding Bonds;

(d) a Notice of Intention to Sell Bonds (the “Notice of Intention to Sell Bonds”), which will be published in *The Bond Buyer* (or such other publication as may be selected by a Designated Officer (as hereinafter defined));

(e) a Notice Inviting Bids (the “Notice Inviting Bids”), which will be used to set forth the terms and the manner in which proposals from qualified bidders for the purchase of the Refunding Bonds shall be received; and

(f) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to be executed by the LACMTA, which will used in order to assist the underwriters of the Refunding Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5); and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the Refunding Bonds and said documents are subject to completion to reflect the results of the sale of the Refunding Bonds; and

WHEREAS, the LACMTA has pledged the Proposition A Tax, less the 25% allocated to local jurisdictions and less the State Board of Equalization’s costs of administering the Proposition A Tax (as further defined in the Trust Agreement, the “Pledged Revenues”) pursuant to the terms of the Trust Agreement to secure the Prior Senior Lien Bonds and certain other obligations of the LACMTA, and once issued, the Refunding Bonds will be “Bonds” as defined in the Trust Agreement and will be secured by the pledge of the Pledged Revenues under the Trust Agreement; and

WHEREAS, the LACMTA desires to designate the Chief Executive Officer of the LACMTA, the Executive Director, Finance and Budget of the LACMTA, the Treasurer of the LACMTA, and each Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity, as an “Authorized Commission Representative” and an “Authorized Authority Representative” for all purposes under the Trust Agreement and the Supplemental Trust Agreement; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement and the Supplemental Trust Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

Section 1. Findings. The LACMTA hereby finds and determines that the issuance of one or more series of its Refunding Bonds under the Trust Agreement to refund all or a portion of the Series 2008-A Bonds (provided that the refunding of the Refunded Bonds is consistent with the LACMTA's Debt Policy as in effect at the time of pricing of the Refunding Bonds), to fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds and to pay certain costs related to the issuance of the Refunding Bonds thereto is in the public interest.

Section 2. Issuance of Refunding Bonds. The Board of the LACMTA hereby authorizes the issuance by the LACMTA of one or more series of Refunding Bonds in a total aggregate principal amount not to exceed \$250,000,000 to refund all or a portion of the Series 2008-A Bonds (provided that the refunding of the Series 2008-A Bonds is consistent with the LACMTA's Debt Policy as in effect at the time of pricing of the Refunding Bonds as determined and calculated at the discretion of the Treasurer of the LACMTA, which shall be conclusive for all purposes of this Resolution), to fund or make provision for one or more reserve funds or accounts, if necessary, and to pay certain costs related to the issuance of the Refunding Bonds. The LACMTA hereby specifies that each series of Refunding Bonds shall not mature later than July 1, 2031 and the True Interest Cost (as defined below) of each series of the Refunding Bonds shall not exceed 4.00%, as such shall be calculated by the LACMTA's financial advisor as of the date of delivery of each series of the Refunding Bonds. The Refunding Bonds shall be issued in a manner by which the interest thereon is excludable from gross income under the Internal Revenue Code of 1986, as amended. The Chief Executive Officer ("CEO") of the LACMTA, any Executive Director, Finance and Budget of the LACMTA, any Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity, and any written designee of any of them (each a "Designated Officer"), acting in accordance with this Section 2, are each hereby severally authorized to determine the actual aggregate principal amount of each series of Refunding Bonds to be issued (not in excess of the maximum amount set forth above), and to direct the execution and authentication of the Refunding Bonds in such amount. Such direction shall be conclusive as to the principal amounts hereby authorized. The Refunding Bonds shall be in fully registered form and shall be issued as Book-Entry Bonds as provided in the Supplemental Trust Agreement. Payment of the principal of, interest on and premium, if any, on the Refunding Bonds shall be made at the place or places and in the manner provided in the Supplemental Trust Agreement.

As used herein, the term "True Interest Cost" shall be the interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the dated date of the applicable series of Refunding Bonds and to the principal amount, and premium or discount if any, of the applicable series of Refunding Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the applicable series of Refunding Bonds scheduled for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity for such year. The calculation of the True Interest Cost shall include such other reasonable assumptions and methods as determined by the LACMTA's financial advisor.

Section 3. Terms of Refunding Bonds. The Refunding Bonds shall be issued as current interest bonds and shall be available in denominations of \$5,000 and integral multiples thereof. The Refunding Bonds shall, when issued, be in the aggregate principal amounts and shall be dated as shall be provided in the final form of the Supplemental Trust Agreement. The

Refunding Bonds may be issued as serial bonds or as term bonds or as both serial bonds and term bonds, all as set forth in the Supplemental Trust Agreement. Interest on the Refunding Bonds shall be paid at the rates and on the dates set forth in the Supplemental Trust Agreement. No Refunding Bond shall bear interest at a rate in excess of 6.00% per annum. The Refunding Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the Supplemental Trust Agreement. The Refunding Bonds issued as term bonds also shall be subject to mandatory sinking fund redemption as shall be set forth in the Supplemental Trust Agreement.

Execution and delivery of Supplemental Trust Agreement, which document will contain the maturities, interest rates and the fixed interest payment obligations of the LACMTA within parameters set forth in this Resolution, shall constitute conclusive evidence of the LACMTA's approval of such maturities, interest rates and payment obligations.

Section 4. Special Obligations. The Refunding Bonds shall be special obligations of the LACMTA secured by and payable from the Pledged Revenues and from the funds and accounts held by the Trustee under the Trust Agreement.

Section 5. Form of Refunding Bonds. The Refunding Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the form set forth in Exhibit A to the Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or the Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such Refunding Bonds and the obligation represented thereby.

Section 6. Execution of Refunding Bonds. Each of the Refunding Bonds shall be executed on behalf of the LACMTA by any Designated Officer and any such execution may be by manual or facsimile signature, and each bond shall be authenticated by the endorsement of the Trustee or an agent of the Trustee. Any facsimile signature of such Designated Officer(s) shall have the same force and effect as if such officer(s) had manually signed each of such Refunding Bonds.

Section 7. Approval of Documents, Authorization for Execution. The form, terms and provisions of the Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate on file with the Secretary of the Board and made available to the Board within the parameters set forth in this Resolution are in all respects approved, and each of the Designated Officers is hereby severally authorized, empowered and directed to execute, acknowledge and deliver in the name of and on behalf of the LACMTA the Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate, including counterparts thereof. The Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate, as executed and delivered, shall be in substantially the forms now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all

changes or revisions therein from the form of the Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate, now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Supplemental Trust Agreement, the Escrow Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds and the Continuing Disclosure Certificate.

Section 8. Sale of Refunding Bonds.

(a) Each Designated Officer is hereby authorized, from time to time, to choose such times and dates as such Designated Officer shall, in his or her discretion, deem to be necessary or desirable to provide for the sale of the Refunding Bonds, to receive proposals from qualified bidders for the purchase of the Refunding Bonds (through the receipt of sealed written bids and/or the receipt of bids through the use of computerized bidding systems) upon the terms and in the manner set forth in the Notice Inviting Bids.

(b) Each Designated Officer is hereby authorized and directed to execute the Notices Inviting Bids, from time to time, in such form as the Designated Officer executing the same shall approve, and call for bids for the sale of the Refunding Bonds from qualified bidders in accordance with the Notice Inviting Bids.

(c) Each Designated Officer is hereby authorized and directed to cause the Notice of Intention to Sell Bonds to be published from time to time (after completion, modification or correction thereof reflecting the terms of the Refunding Bonds, as approved by said Designated Officer, such approval to be conclusively evidenced by such publication) in *The Bond Buyer* (or such other publication as may be selected by a Designated Officer), a financial publication generally circulated throughout the State of California, at least five days prior to the sale of the Refunding Bonds in accordance with Section 53692 of the Government Code of the State of California and any such action previously taken is hereby confirmed, ratified and approved.

(d) Each Designated Officer is authorized and directed to cause any Notice Inviting Bids to be published at least once in *The Los Angeles Daily Journal* (or such other publication as may be selected by a Designated Officer) not less than five days prior to the sale of the Refunding Bonds and to print and distribute (including via electronic methods) any Notice Inviting Bids to such municipal broker-dealers, banking and financial institutions and other persons as the Designated Officer deems necessary or desirable, and any such action previously taken is hereby confirmed, ratified and approved.

(e) Each Designated Officer is hereby authorized and directed for and on behalf of the LACMTA to accept the best bid for the Refunding Bonds received from

qualified bidders pursuant to and subject to the terms and conditions set forth in this Resolution and the Notice Inviting Bids herein approved and to award the Refunding Bonds, from time to time, to such best bidder(s).

(f) Each Designated Officer is hereby authorized and directed to take any other action such Designated Officer determines is necessary or desirable to cause any such competitive sale to comply with the LACMTA's Debt Policy and applicable law.

Section 9. Preliminary Official Statement and Official Statement. The form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board is hereby approved. The Preliminary Official Statement shall be substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as a Designated Officer approves (such approval to be conclusively evidenced by the execution and delivery of the certificate referenced in the following sentence). The Preliminary Official Statement shall be circulated for use in selling the Refunding Bonds at such time or times as a Designated Officer shall deem such Preliminary Official Statement to be final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, said determination to be conclusively evidenced by a certificate signed by said Designated Officer to said effect. The Preliminary Official Statement shall contain a description of the finances and operations of the LACMTA, a description of the Proposition A Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. The Preliminary Official Statement shall also contain a description of the applicable Refunding Bonds and the terms and conditions of the Supplemental Trust Agreement together with such information and description as a Designated Officer determines is appropriate or necessary.

Upon the sale of the Refunding Bonds, any Designated Officer shall provide for the preparation, publication, execution and delivery in electronic and/or printed form of a final Official Statement in substantially the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Any Designated Officer is hereby authorized and directed to execute and deliver the final Official Statement in the name and on behalf of the LACMTA. One or more supplements to the final Official Statement may be prepared and delivered reflecting updated and revised information as any Designated Officer deems appropriate or necessary. The Official Statement shall be circulated for use in selling the Refunding Bonds at such time or times as any Designated Officer deems appropriate.

Section 10. Trustee, Paying Agent and Registrar. The LACMTA hereby appoints The Bank of New York Mellon Trust Company, N.A. as Trustee, Paying Agent and Registrar for the Refunding Bonds. Such appointments shall be effective upon the issuance of the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 11. Escrow Agent. The LACMTA hereby appoints The Bank of New York Mellon Trust Company, N.A. as Escrow Agent under the Escrow Agreement. Such appointment

shall be effective upon the issuance of the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 12. Bond Insurance and Reserve Fund Surety Bond. In connection with the sale of all or a portion of the Refunding Bonds, the Designated Officers are hereby authorized on behalf of the LACMTA to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Designated Officer determines acceptable), one or more policies of municipal bond insurance to support the timely payment of principal of and interest on all or a portion of the Refunding Bonds and/or one or more reserve fund surety bonds, said municipal bond insurance and/or reserve fund surety bond to contain such terms and conditions as such Designated Officer(s) shall determine is appropriate or necessary for the issuance of the Refunding Bonds. Notwithstanding the Debt Policy of the LACMTA, each of the Designated Officers is hereby authorized and directed to determine the process of procuring the provider of municipal bond insurance or reserve fund surety and such process may be, at the determination of such Designated Officer, either a competitive bidding process or a privately negotiated process, even if such process does not comply with the Debt Policy of the LACMTA.

Section 13. Authorized Commission Representative/Authorized Authority Representative. The Board hereby designates the CEO, the Executive Director, Finance and Budget of the LACMTA, the Treasurer of the LACMTA, and each Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity, as an Authorized Commission Representative and an Authorized Authority Representative for all purposes under the Trust Agreement and with respect to all bonds outstanding under the Trust Agreement. Such appointment shall remain in effect until modified by resolution.

Section 14. Additional Authorization. The Designated Officers, for and on behalf of the LACMTA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Refunding Bonds, the Supplemental Trust Agreement, the Escrow Agreement, the Notice of Intention to Sell Bonds, the Notice Inviting Bids and the Continuing Disclosure Certificate and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments and take all other actions that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Trust Agreement, the Supplemental Trust Agreement, the Escrow Agreement, the Notice of Intention to Sell Bonds, the Notice Inviting Bids and the Continuing Disclosure Certificate or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by a Designated Officer of the investment of the proceeds of the Refunding Bonds and of the Pledged Revenues including the execution and delivery of investment agreements or purchase agreements related thereto, the execution by a Designated Officer and the delivery of one or more tax certificates as required by the Supplemental Trust Agreement for the purpose of complying with the rebate requirements of the Internal Revenue Code of 1986, as amended; the execution by a Designated Officer of any documents necessary in connection with obtaining bond insurance on all or a portion of the Refunding Bonds, and the execution and delivery of documents required by The Depository Trust Company in connection with the Book-Entry

Bonds. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

Any Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause written notice(s) to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the Refunding Bonds, said notice(s) to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice(s) of final sale with CDIAC, to file the rebates and notices required under section 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, if necessary, and to file such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the Refunding Bonds, and any such notices are hereby ratified, confirmed and approved.

Section 15. Continuing Authority of Designated Officers. The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by the CEO of the LACMTA, any Executive Director, Finance and Budget of the LACMTA, any Treasurer of the LACMTA, or any Assistant Treasurer of the LACMTA shall remain valid notwithstanding the fact that the individual officer of the LACMTA signing such designation ceases to be an officer of the LACMTA, unless such designation specifically provides otherwise.

Section 16. Further Actions. From and after the delivery of the Refunding Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify the Supplemental Trust Agreement, the Escrow Agreement and the Continuing Disclosure Certificate at any time and from time to time and in any manner determined to be necessary or desirable by the Designated Officer executing such amendment, supplement, or modification, upon consultation with the LACMTA’s financial advisor and Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA’s approval thereof. Further, the Designated Officers and each of them are hereby authorized and directed to terminate any municipal bond insurance policy, reserve fund surety or investment agreement and enter into one or more municipal bond insurance policies, reserve fund sureties or investment agreements as any such Designated Officer shall determine is appropriate or necessary.

Section 17. Costs of Issuance. The LACMTA authorizes funds of the LACMTA, together with the proceeds of the Refunding Bonds, to be used to pay costs of issuance of the Refunding Bonds, including, but not limited to, costs of attorneys, accountants, verification agents, financial advisors, trustees, escrow agents, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

Section 18. Investment Agreements. In connection with the issuance of the Refunding Bonds, each of the Designated Officers is hereby authorized and directed to terminate, amend, assign or otherwise dispose of any investment agreement relating to any of the Refunded Bonds in such manner and on such terms and provisions as any such Designated Officer shall determine is appropriate or necessary.

Section 19. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 20. Effective Date. This Resolution shall be effective upon adoption.

Authorizing Resolution

CERTIFICATION

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on _____, 2016.

[SEAL]

By _____
Board Secretary, Los Angeles County
Metropolitan Transportation Authority

Dated: _____, 2016



Board Report

File #: 2015-1626, File Type: Agreement

Agenda Number: 18.

PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2016

SUBJECT: BILLBOARD LICENSE AGREEMENT

ACTION: AUTHORIZE EXECUTION OF A BILLBOARD LICENSE AGREEMENT WITH CLEAR CHANNEL OUTDOOR

RECOMMENDATION

CONSIDER authorizing the Chief Executive Officer to execute a **thirty year (30-year) License Agreement with Clear Channel Outdoor (“CCO”) for the installation and operation of a digital outdoor advertising structure at Division 11** located at 1011 Carson Street in Long Beach at a minimum annual lease rate of \$120,000.

ISSUE

Allvision LLC (Allvision) and Metro staffs have negotiated a License Agreement with CCO to provide for the construction and operation of a digital billboard on Metro property at Division 11.

Approval of the License Agreement requires board approval.

DISCUSSION

On March 31, 1980, the Los Angeles County Transportation Commission, predecessor in interest to Metro, entered into a lease agreement with Patrick Media, Group, Inc., predecessor in interest to Clear Channel Outdoor (CCO), to provide for the construction, maintenance and operation of eight (8) billboard structures at Division 11 in Long Beach as shown on Attachment “A”. Because of the existence of high voltage catenary lines in the area where the billboards are physically located, CCO is only permitted access to the billboards to change ad copies and perform maintenance of the structures when power to the maintenance yard is turned off. This has resulted in disruptions to on-going rail operations at the maintenance facility.

The construction and operation of the proposed digital billboard will resolve the operational issues once the digital billboard has been installed and the eight existing structures are removed. Access to service the digital billboard area will be needed infrequently for maintenance and repairs since changes to ad copy are performed remotely. The new License provides for removal of the eight billboard structures within sixty days (60) of final execution of the License.

The proposed digital sign will be installed on a structure in the northern area of the 20-acre Project site adjacent to Interstate 710 as shown on Attachment "B". The proposed sign includes two 48 feet wide by 14 feet tall displays mounted on a 48 foot tall pole with the overall height being 55 feet-above the adjacent grade. Operations staff has approved the location.

The City of Long Beach (City) has granted CCO a Conditional Use Permit for the billboard on the Project site in return for CCO agreeing to remove eleven (11) billboard structures throughout the City of Long Beach, containing 5,376 square feet of billboard panels. This includes the removal of six (6) of the eight (8) structures on Metro property containing 3,288 sq. ft. of billboard area and five (5) structures on private properties that were designated by the City containing 2,088 sq. ft. of billboard faces. The two remaining static panels will be converted into a two-sided digital structure.

Revenue Proposal

The term of the proposed License is thirty years. CCO will pay Metro twenty-two percent (22%) of the gross revenue that it receives from the sale of media on the digital billboard for the first year of the License term graduating to thirty-percent (30%) of the gross revenues by the beginning of the eleventh (11th) year. CCO will pay a minimum annual rental of One Hundred Twenty Thousand (\$120,000) Dollars, payable at \$10,000 per month. Under the existing license agreement, CCO pays Metro a fixed annual rent of Seventy-One Thousand Two Hundred Sixty-Eight (\$71,268) Dollars.

CCO has agreed to remove existing signs from both Metro and private property as part of their entitlement with the City and will be giving up existing revenue in order to make this program achievable. The proposed 30-year term is an industry standard and the proposed 22% revenue share for this transaction, which grows to 30% by the eleventh year, is considered market rent for similar digital billboard transactions on public property.

The License Agreement is expected to generate a minimum of \$4 million in new general fund revenue to Metro over the thirty-year term of the License Agreement. A summary of the proposed terms of the License Agreement is included in Attachment "C."

DETERMINATION OF SAFETY IMPACT

This Project will improve safety because after the digital billboard has been installed, access to the area will only be needed infrequently for maintenance and repairs. The Billboard will be used to enhance safety by displaying Metro transit messages and emergency alerts.

FINANCIAL IMPACT

The License Agreement is expected to generate a minimum of \$4 million in new general fund revenue over the thirty-year term of the License Agreement.

Metro Board approved Board Motion 48.1 on September 26, 2013 (Attachment D), directing the CEO to preserve all revenues generated by digital billboard contracts for use by Metro Operations. As a first priority, this revenue is to be used for service improvements and enhancements within the corridor (sub region) where the billboard is located.

ALTERNATIVES CONSIDERED

The alternative is to not approve the License Agreement. This alternative is not recommended because the placement of the digital billboard will improve safety and eliminate disruptions to operations at the maintenance yard. The digital sign will be used to display Metro transit messages and safety alerts in addition to commercial advertising. The digital sign is also expected to produce a minimum of \$4 million in additional revenues over the term of the License Agreement.

NEXT STEPS

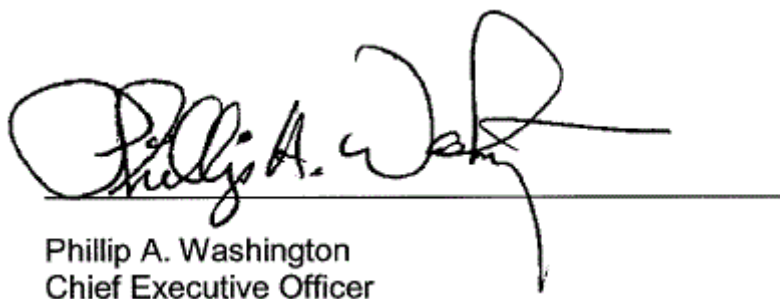
Finalize and execute a License with CCO, subject to County Counsel approval as to form. CCO constructs the billboards and begins advertising sales. The remaining process is expected to take approximately six (6) months.

ATTACHMENTS

- Attachment A - Location of Existing Clear Channel Billboards
- Attachment B - Location of New Digital Billboard Structure
- Attachment C - Summary of License Agreement Key Terms
- Attachment D - Board Motion 48.1

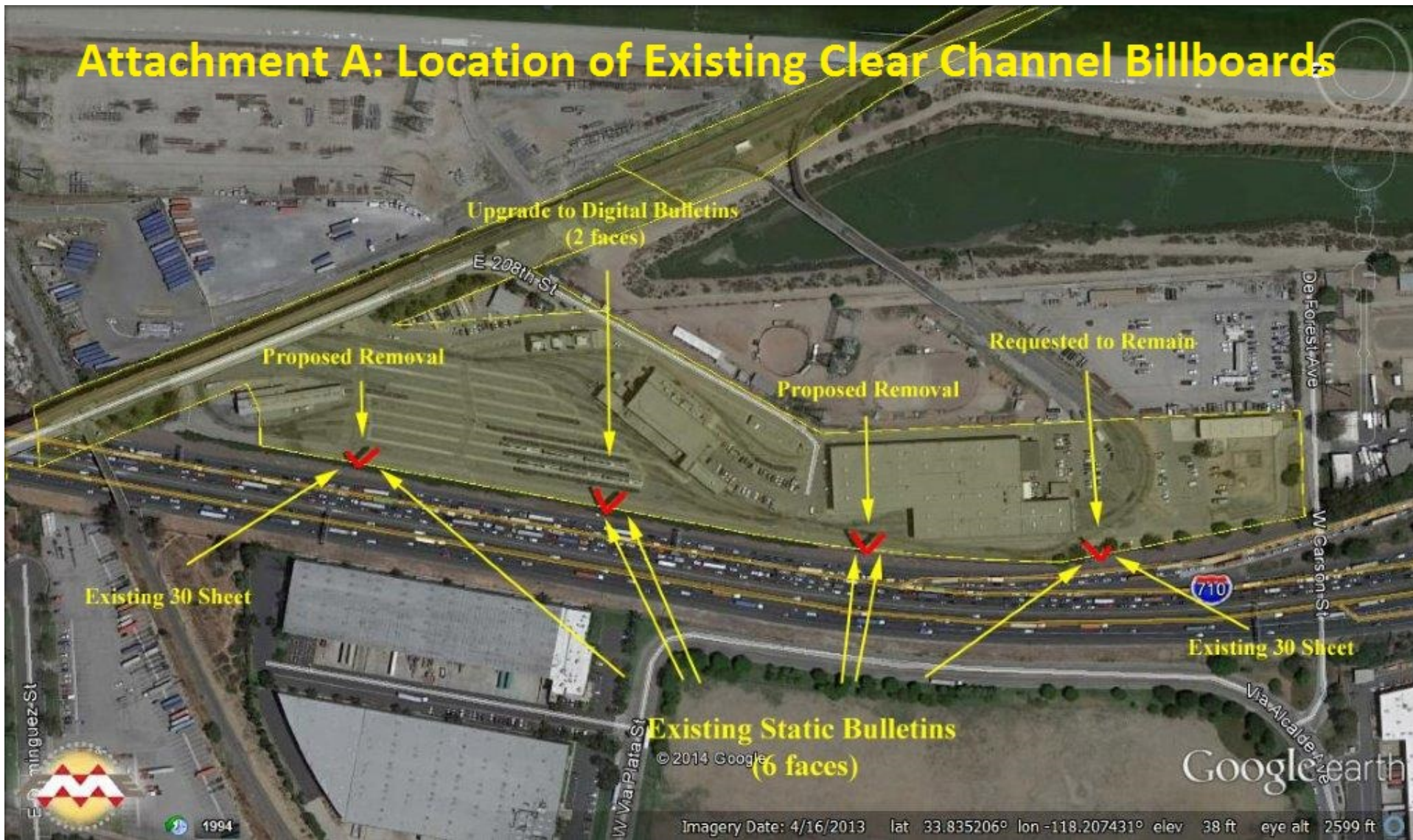
Prepared by: Thurman Hodges, Director, Real Property Management (213) 922-2435
Velma C. Marshall, Deputy Executive Officer Real Estate, (213) 922-2415

Reviewed by: Calvin E. Hollis, Interim Chief Planning Officer, (213) 922-7319

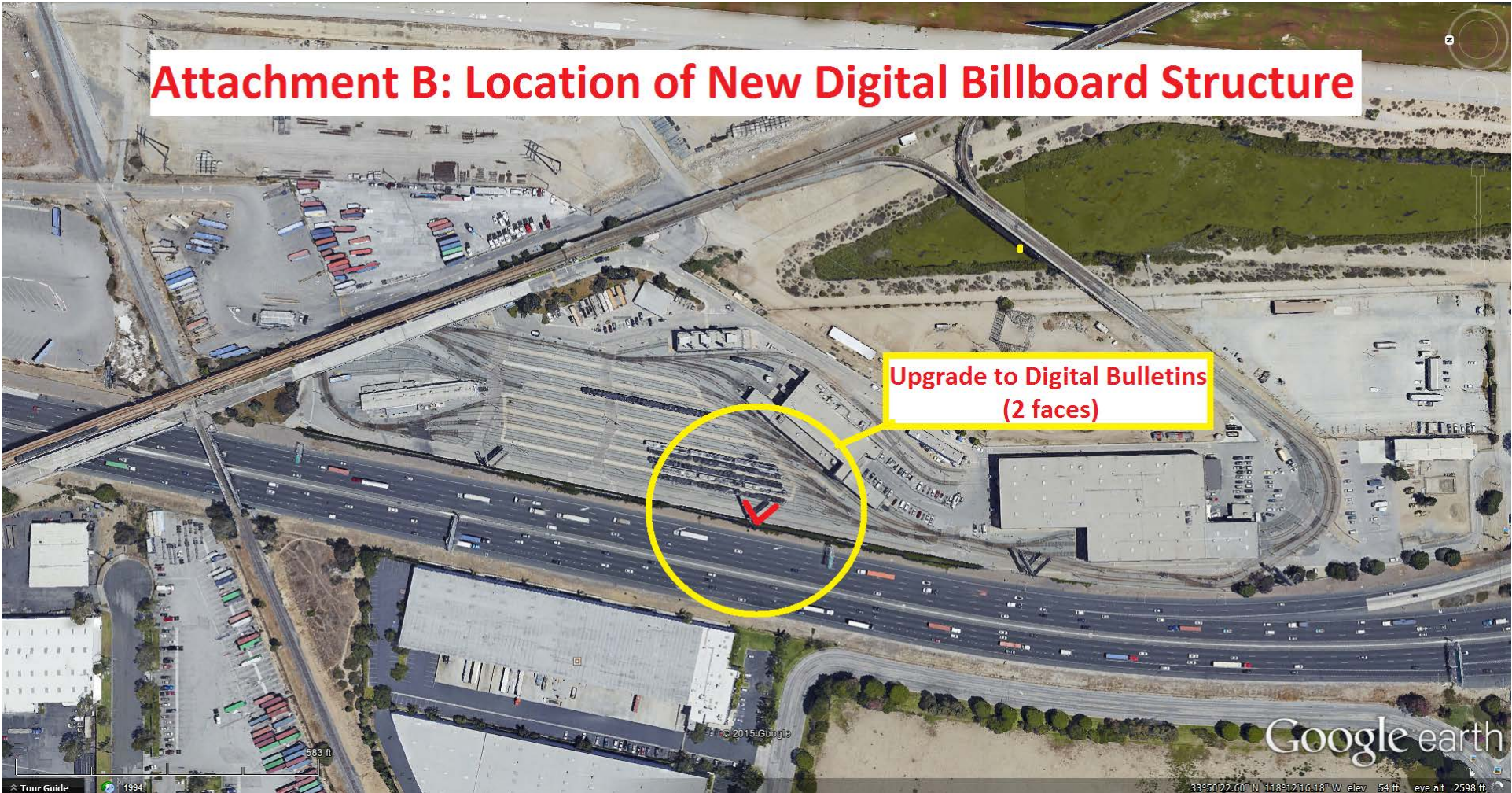


Phillip A. Washington
Chief Executive Officer

Attachment A: Location of Existing Clear Channel Billboards



Attachment B: Location of New Digital Billboard Structure



Upgrade to Digital Bulletins
(2 faces)

Google earth

ATTACHMENT C

SUMMARY OF LICENSE AGREEMENT KEY TERMS

Project	The Project is the development, installation, management and operation of the digital display billboards on MTA property located at 1011 Carson Street, Long Beach, California.
Term	The term of the License Agreement is thirty (30) years commencing on the date that the billboard structure is constructed and ready for operation.
Rent	CCO shall pay Metro a fixed annual rental in the amount of One Hundred Twenty Thousand (\$120,000) Dollars for the first five years of the License term.
Metro Revenue Share	CCO shall pay Metro an amount equal to Twenty-two Percent (22%) of total annual advertising revenue received by CCO during the first year graduating to Thirty Percent (30%) by the beginning of the eleventh year.
Indemnification	CCO agrees to indemnify and hold the LACMTA harmless from all claims, liabilities and damages resulting from its use of the digital billboard.
Metro Advertising	CCO shall provide to Metro with one regular ad on one billboard face for transit messages based on space availability. If any ad space remains unsold, CCO shall display Metro Ads on request.

AMENDING MOTION TO ITEM #48:

MOTION

DIRECTORS ANTONOVICH AND DUBOIS

AS AMENDED BY KNABE

The revenue stream to be generated by the contract with Allvision LLC for digital advertising billboards has been recommended by staff to go into the general fund. Given the nexus between this contract and Metro Operations and the need for expanded and enhanced bus and rail operations, it is vital that the revenue generated by digital billboards be dedicated for use by Metro Operations, with a priority to be provided to service improvements and enhancements for the more than 41 million bus and rail riders that use the Metro system monthly.

WE THEREFORE MOVE that the Board direct the CEO to preserve all revenues generated by this digital billboard contract for use by Metro Operations. As a first priority, this revenue is to be used for service improvements and enhancements ~~throughout the system~~ within the corridor (subregion) where the billboard is located.



Board Report

File #: 2015-1783, File Type: Informational Report

Agenda Number: 44.

EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2016

SUBJECT: CUSTOMER EXPERIENCE TECHNOLOGY IMPROVEMENTS

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the status report on efforts underway to use technology and innovation to transform the customer experience on Metro’s Bus and Rail system, and mobility in the region in general.

RECEIVE AND FILE report of the **Customer Experience Technology Improvements**.

ISSUE

This report provides key accomplishments and technological activities since the last update in September 2015 to further the goal of improving the customer experience as well as a look-ahead to the next update in April 2016.

DISCUSSION

The following is a summary of progress on customer focused activities for the referenced period.

1. *Formation of Coalition for Transportation Technology - Completed*

The Metro Highway Program and Information Technology Services have been meeting with the County of Los Angeles Department of Public Works, Caltrans District 7, Southern California Association of Governments, City of Los Angeles and others to discuss the potential challenges and opportunities tied to the rapid advancement of transportation technology. These discussions have culminated in the formation of the "Coalition for Transportation Technology", a group focused on researching, planning, demonstrating, and validating emerging transportation technology concepts to increase mobility, relieve congestion, enhance safety, and improve quality of life. The Metro Highway Program has been identified by the partner stakeholders to serve as the Coalition lead, and the group is working on the development of a project charter to formalize the Coalition structure.

Some of the preliminary Coalition goals include the following:

- A. Provide guidance and support for regional transportation technology deployments.

B. Identify and evaluate transportation technology demonstration opportunities.

C. Outreach to industry partners including but not limited to local agencies, private industry, academia and USDOT.

D. Pursue funding opportunities and strategic partnerships to support Coalition activities.

Among the technology applications of particular interest to the coalition are autonomous and connected vehicles, integrated corridor management, active traffic management, and local arterial transportation technology solutions.

2. *Bus / Rail Fleet Technology Strategic Plan Tasks 1&2 - Completed*

The Bus / Rail Fleet Systems Strategic Plan is being developed by Eiger Tech / IBI under the direction of the Transit Operations Applications group of Metro ITS.

When completed, the plan will provide the future strategic direction for all Metro bus / rail systems and will serve as the replacement blueprint for the current Advanced Transportation Management System (ATMS). The newly identified systems for passenger counting, fare payment, accident avoidance, security cameras etc., when combined with Wi-Fi communications, will transform the fleet into a fully connected transportation system to allow for true real-time monitoring, control and management to provide Angelenos with a cost efficient, environmentally friendly, reliable, and secure transportation experience.

Task 1 (Needs Assessment) and Task 2 (Communications Assessment) are now complete. Key individuals from all impacted departments were interviewed to determine existing functionality, shortfalls in the current system and both required and desired functionality for all replacement systems. A complete market review of the latest transit technologies in use and on the horizon was performed to provide a new state-of-the-art baseline.

The alternative and SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) portion of the study is currently underway. The final Strategic Plan is targeted for completion by August 2016.

3. *Nextrip E-Signage RFP released - Completed*

An RFP for Nextrip E-Signage (real-time bus arrival information) was released the week of 12/17. The RFP calls for up to 300 new real-time digital displays to be located at bus stop locations throughout the service area. The displays will continuously broadcast bus arrival times and alert information to keep passengers informed of potential delays which could impact their trip.

The signage locations chosen were based on the number of daily boardings and available facilities (bus benches, power etc.). Because of the newly developed real-time application program interface (API) described below (Item 5), locations served by more than a dozen other transit operators in the county will have their bus arrival data displayed as well thus enhancing the customer experience by providing a unified and consistent transit information experience.

4. *Metro.net site security (SSL - HTTPS) Implementation - Completed*

A White House Executive Directive released earlier this year directed all Federal websites to upgrade their communications to the more secure SSL-HTTPS protocol. At the urging of the Mayor's Chief Technology Officer, Metro Communications, along with other city agencies, has upgraded its primary website 'Metro.net' to the verified and more secure communications format.

The change will make the entire site more secure by limiting the potential for cyber breaches such as man-in-the-middle-attacks and unwarranted browsing and data entry surveillance.

5. *Digital Display Software Replacement for Countdown Clocks - Completed*

A new digital display software system has been developed in-house by Information Technology staff to replace the current existing commercial display software. Although the existing software appeared to work well with static display data, our experience with dynamic display data such as countdown clocks for real-time bus arrivals was inconsistent and troublesome. After working with the software vendor for several months, it was still necessary to reboot the entire system twice daily to insure reasonable service levels.

The new software provides continuous updates without the need for rebooting and allows technical staff to monitor using network diagnostics for 24/7 support. A new application program interface (API) communicates with 5 different real-time providers used by the various transit operators in the region. The API consolidates the different data formats into a single generic feed for each display thus greatly simplifying the process and increasing communications reliability.

Metro's intent is to expand the use of the software to other dynamic display projects for a more unified approach to messaging and display maintenance. Because the software is open source, the agency will reap substantial savings in license costs now and in future years.

6. *Metro Vanpool Website Interactive Map upgrade -Completed*

The current Metro vanpool program is the largest in the country and consists of over 800 vanpools and generates up to \$10 million annually. The Metro vanpool site allows users to either search for potential vanpools with unfilled seats or to begin the process of creating a new vanpool.

The site has been upgraded with a new interactive mapping service which makes the entire process more intuitive by providing simple visual point and click functions that streamline the user experience.

Changes in the design will allow for vanpool functionality to be integrated into the high volume Metro Trip Planner application which will dramatically increase exposure to this revenue generating program.

7. *Metro Enterprise Map Server - Completed*

A new enterprise map server has been implemented by Metro Information Technology staff. Similar to Google, Bing, MapQuest and Apple map services; this map server, based on the Open Street Map (OSM) project, will allow Metro to serve millions of maps images annually without the expense of license fees.

The OSM project is a world-wide initiative that provides routinely updated geographic data to most of the major mapping companies today. By using this open source data, Metro will be able to add custom layers for transit that are not available in commercial offerings such as recently acquired digital imagery from the Los Angeles Imagery Acquisition Consortium (LAR-IAC) for use by Metro applications such as Trip Planner, Nextrip, Metro.net website and GoMetro apps.

Other transit operators in the region will also be provided access to the map server so that agencies can pool their development resources while creating a geographically accurate and visually rich online map experience devoted exclusively to public transportation.

8. *Metro Rail System Cellular and Wi-Fi project, *Phase I - In Progress*

This project, when implemented, will provide continuous wireless phone coverage and Internet access to Metro riders from above ground, down onto the subway station platforms and finally onto the subway trains when travelling within the underground tunnels

InSite Wireless Group has completed construction work for Phase One* portions (Union Station to 7th / Metro Station) of the Red and Purple Line stations and tunnels. The Distributed Antenna System (DAS), required for maintaining signal strength within the tunnels, has also been completed.

On December 1, 2015, InSite Wireless Group and Verizon Wireless executed a Communications Master Sub-License Agreement which will allow Verizon customers to access cellular voice and data services by the end of the 1st quarter of 2016. At that time, construction work for Phase Two (7th / Flower to Vermont / Sunset and to Wilshire / Western) will also begin. Negotiations with Sprint, AT&T and T-Mobile are ongoing.

**Phase One stations include Union Station, Civic Center, Pershing Square and 7th Metro.*

9. *USGS Earthquake Early Warning System - In Progress*

Los Angeles Metro is currently a beta tester of the United States Geological Survey (USGS) ShakeAlert Early Earthquake Warning System (EEWS). The pilot project will integrate EEWS automation into various rail systems in an effort to minimize the loss of life and property in the event of a major seismic event. The objective of the pilot is to achieve a maximum benefit in the shortest possible time at a reasonable cost.

During this Quarter, secure high speed, redundant communications between the Regional Operations Control (ROC) and the USGS signal source were established.

Testing will begin by integrating the following rail systems and transit security functions:

- Rail Digital Radio and Public Address system - Automatic emergency broadcast
- Elevator - Automatic recall to safest floor position

- SCADA - Dispatcher alert
- Emergency Generator - Automatically start the generator

Risk Management is leading the pilot assessment, Rail Operations Control is responsible for the actual implementation, and ITS is evaluating the technical options for extending the technology enterprise-wide.

This project represents the crucial first step in creating a comprehensive earthquake early warning system for transit users throughout the county.

10. *ShakeCast 7.2 Earthquake Simulation Test - Completed*

On Tuesday, 12/8/2015, a 7.2 earthquake simulation was successfully created using the USGS ShakeCast system installed at Metro Gateway Headquarters to show the potential damages to Gateway and display the capabilities of the Mobile Operations Command Vehicle (MOC1).

The goal of the test, developed and sponsored by Metro Risk Management, was to introduce the senior leadership team to Metro Emergency Operations Center (EOC) capabilities and to familiarize designated staff with their responsibilities in the event of a major disaster.

ShakeCast compares intensity measures against Metro's facilities, and generates potential damage assessment notifications, facility damage maps, and other Web-based products for emergency managers and responders.

The implementation at Metro allows rapid response by engineers following an earthquake to assess damage to rail stations and other transit facilities and take precautionary measures to ensure public safety and create real-time preliminary cost estimates for inclusion in state / federal financial aid programs.

The test was successful and well received by senior leadership.

NEXT STEPS

Staff will develop and implement customer experience related initiatives as well as continue to evaluate other technology applications that will benefit Metro's customers.

Look-Ahead for Next Period

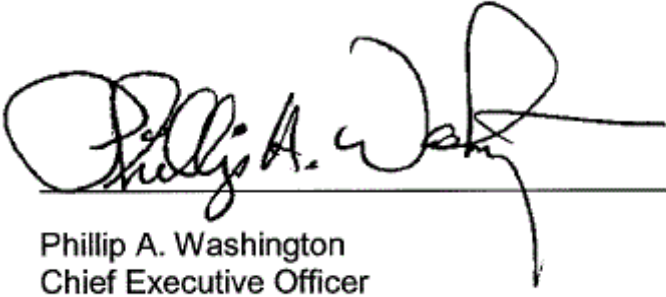
Staff will report back in April 2016 with a progress update on a variety of customer related technology initiatives, including:

- A. Caltrans Freeway Signage project
- B. Technology Innovation Collaboration website
- C. ITS Innovation Lab
- D. TAP Mobile app RFP

E. Expansion of Wi-Fi pilot for buses

Prepared by: Doug Anderson, Director Information Technology - (213) 922-7042

Reviewed by: David C. Edwards, Chief Information Officer - (213) 922-5510



Phillip A. Washington
Chief Executive Officer



Customer Experience Technology Improvements

January 2016 - Quarterly Status

Doug Anderson
Board Meeting
January 28, 2016

Background – Board Motions

Garcetti/Dupont-Walker Motion (*July 2013*)

- *Transit Customer-Oriented, Technology, Enhancements & Innovations*

Knabe Motion (*December 2013*)

- *Innovative Ways to Improve Customer Access to the Metro Bus and Rail System*

Garcetti/Knabe Motion (*March 2014*)

- *Customer Experience Technology, Enhancements & Innovations*

Garcetti Motion (*July 2014*)

- *Customer Service Based Technology Prioritization*

Progress - Customer Focused Activities

Coalition for Transportation Technology

Goals

- Provide guidance and support for regional transportation technology deployments.
- Identify and evaluate transportation technology demonstration opportunities.
- Outreach to industry partners including but not limited to local agencies, private industry, academia and USDOT.
- Pursue funding opportunities and strategic partnerships to support Coalition activities.

Among the technology applications of particular interest to the coalition are autonomous and connected vehicles, integrated corridor management, active traffic management, and local arterial transportation technology solutions











Progress - Customer Focused Activities

Digital Display Software Replacement for Countdown Clocks

Developed In-House
Network Monitoring
Rapid Updates
Targeted Messaging
No License Fees
Integrated Real-time
Multi-Agency Feeds
Unified Experience

* East Portal in beta



Metro Rail			
 Metro	804 N ● PASADENA - SIERRA MADRE VILLA STA	6,12,18 min	Track 2A
 Metro	805 W ● WILSHIRE/WESTERN/METRO PURPLE LINE	4,13,23 min	East Portal Entrance
 Metro	802 W ● NORTH HOLLYWOOD STATION	8,18,28 min	East Portal Entrance
Regional Buses			
	SAN N SAN FRANCISCO	57 min	Bus Bay 8
	LAS N LAS VEGAS	42 min	Cesar Chavez Entrance

Progress - Customer Focused Activities

Metro Rail System Cellular Service in Subway

**Phase I – Union Station to 7th/Metro
Estimated Completion 1st Quarter 2016**

**Phase II – 7th/Flower to Vermont/Sunset & Wilshire/Western
Construction Begins March 2016**



**Verizon Wireless Agreement
December 1, 2015**

**Sprint, AT&T, T-Mobile
negotiations on-going**



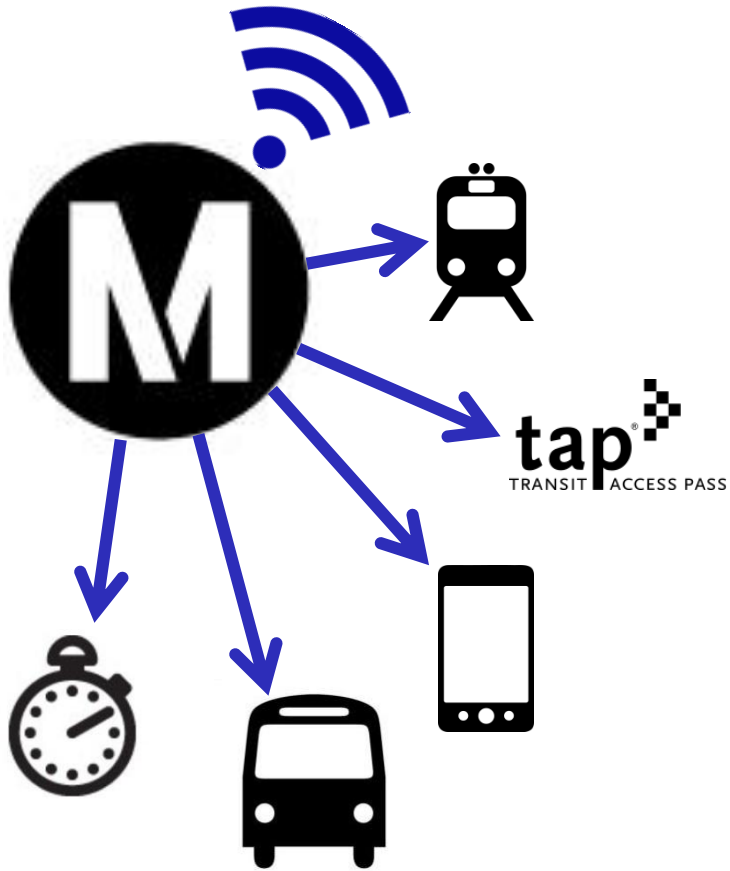
Metro

Progress – Customer Focused Activities

Nextrip E-Signage RFP released

- ✓ Up to 300 High density shelters throughout LA County
- ✓ Multi-agency real-time feed with digital displays
- ✓ ADA compliant
- ✓ 24/7 performance monitoring
- ✓ Advertising Potential for increased revenue generation
- ✓ Emergency Alerts





Thank you



Board Report

File #: 2015-1559, File Type: Public Hearing

Agenda Number: 61.

REVISED
REGULAR BOARD MEETING
JANUARY 28, 2016

SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT

ACTION: RESCIND RESOLUTION OF NECESSITY TO ACQUIRE A SUBSURFACE EASEMENT AND A GROUTING EASEMENT ON PROJECT PARCEL RC-449 AND RC-449-1

RECOMMENDATION

CONSIDER:

- A. ~~HOLDING a public hearing on the proposed rescission of Resolution of Necessity;~~
- B. **RESCINDING Resolution of Necessity** authorizing the commencement of an eminent domain action to **acquire a subsurface easement and a grouting easement in Project Parcels RC-449 and RC-449-1** (Assessor Parcel No. 5161-017-009); consisting of the real property (hereinafter the "Property").

(REQUIRES TWO-THIRDS VOTE)

BACKGROUND

A Resolution of Necessity authorizing the commencement of an eminent domain action to acquire the Property in furtherance of the Regional Connector Transit Corridor Project ("Project") was approved by the Board on February 26, 2015. Following approval of the Resolution of Necessity, and prior to the filing of an eminent domain action, on or about June 19, 2015, it was determined that the Project's updated design and approach eliminated the need for permeation grouting and grouting easements at the Property. Further, it was determined that the Project will be able to construct the Project tunnel without the need to take a 51 square foot subsurface easement under the Property that was originally contemplated.

As acquisition of the Property is no longer required for the construction and operation of the Project, the Resolution of Necessity associated with the Property should be rescinded. Rescission of the Resolution of Necessity will allow the Los Angeles County Metropolitan Transportation Authority ("METRO") to revoke all pending offers of compensation associated with the acquisition of the Property.

Project staff provided information supporting the rescission of the Resolution of Necessity

(Attachment "B"). After all of the testimony and other evidence has been received from all interested parties, the Board may adopt the proposed Resolution to Rescind the Resolution of Necessity (Attachment "C").

METRO has mailed notice of this hearing to the Owners informing them of their right to appear at this hearing and be heard.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on METRO's safety standards.

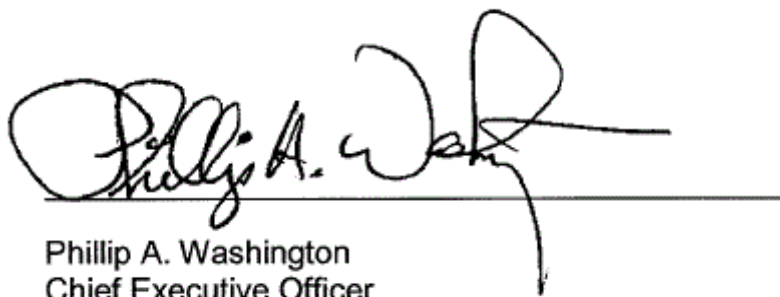
FINANCIAL IMPACT

Funds allocated for acquisition of the Property will remain in the right of way budget for the Project.

ATTACHMENTS

- Attachment A - Site Plan
- Attachment B - Staff Report
- Attachment C - Resolution of Necessity

Prepared by: Velma Marshall, Deputy Executive Officer- Real Estate, (213) 922-2415
Calvin E. Hollis, Managing Executive Officer, (213) 922-7319



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A



Owners: Birnbaum 321, LLC, Catherine Diane, The Stavrum Family Trust, Donald Mahaffey, Elaine Allison, Edward & Dena Bless, Hull's Hope LLC, EMatli, LLC, Larry Parker, MBJJ Investments LLC, Moylan Family Trust LLC, Peter Wernecke & Renee DeForest, Read C 321, LLC- Kathleen Koski Read, Vijay K. Pavuluri & Padmaja Akkineni, and Neoteric Alpha, LLC

321 East 2nd Street, Los Angeles, CA

APN: 5161-017-009

RC-449: Subsurface Easement

RC-449-1: Grouting Easement

ATTACHMENT B

STAFF REPORT REGARDING THE RESCISSION OF THE RESOLUTION OF NECESSITY TO ACQUIRE A SUBSURFACE EASEMENT AND A GROUTING EASEMENT ON PROJECT PARCELS RC-449 AND RC-449-1 (“PROPERTY”)

BACKGROUND

The Property was included in the initial design for the construction and operation of the Regional Connector Transit Corridor ("Project"). The address, owners of record ("Owners") as indicated by a title report prepared by Chicago Title Company, physical description, and nature of the property interests sought to be acquired for the Project are summarized as follows:

Assessor Parcel Number	Parcel Address	Property Owners	Purpose of Acquisition	Property Interest(s) Sought	METRO Project Parcel #s
5161-017-009	321 East 2nd Street, Los Angeles, CA	Birnbaum 321, LLC, Catherine Diane - The Stavrum Family Trust, Donald Mahaffey, Elaine Allison, Edward & Dena Bless, Hull's Hope LLC, EMatli, LLC, Larry Parker, MBJJ Investments LLC, Moylan Family Trust LLC, Peter Wernecke & Renee DeForest, Read C 321, LLC- Kathleen Koski Read, Vijay K. Pavuluri & Padmaja Akkineni, and Neoteric Alpha, LLC	Construction and Operation of the tunnel	Subsurface easement and grouting easement	RC-449 and 449-1

A written offer for the property interests comprising Project Parcels RC-449 and 449-1 was mailed to the Owners by letter dated November 5, 2014. Staff engaged in negotiations with all the owners; however, the offer was not accepted by all the Owners, and consequently, a negotiated agreement was not been reached. To maintain the Project schedule staff prepared and the METRO Board approved a Resolution of Necessity on February 26, 2015 to commence an eminent domain action to acquire the Property.

The Property consists of a subsurface easement and a grouting easement. The subsurface easement (RC-449) was thought to be required for the tunnel alignment and contains a total of 51 square feet (as described in the Legal Description attached hereto as Exhibit "A-1" and as depicted on the Plat Map attached hereto as Exhibit "B-1"). The grouting easement (RC-449-1) was thought to be required for the installation of

permanent grout underground between building foundations and the top of the tunnel excavations to reduce ground movements that may be caused by the tunneling (as described in the Legal Description attached hereto as Exhibit "A-2" and as depicted on the Plat Map attached hereto as Exhibit "B-2").

Subsequent to approval of the Resolution of Necessity, METRO Project staff, engineers and contractors determined that the 51 square foot subsurface easement and 1,849 square feet in subsurface grouting easements for the installation of permanent grout underground between building foundations were no longer needed. The contractor's design and approach eliminates the need for permeation grouting and grouting easements at this location. Further METRO has determined that it will be able to construct its Project tunnel without the need to take the 51 square foot subsurface easement under the Property that was previously contemplated. As such, METRO will not be seeking to acquire an interest in the Property and prepared a Decertification Memorandum for the Property (Exhibit "C").

It is recommended that based on the above Evidence, the Board approve the resolution to rescind the Resolution of Necessity to acquire the property through an eminent domain action, METRO's offer contained in its November 5, 2014 offer letter, and any other offer made by METRO for the property interests discussed above.

CONCLUSION

Staff recommends that the Board approve the Resolution to Rescind.

ATTACHMENTS

- 1 - Exhibit "A-1" Legal Description (RC-449)
- 2 - Exhibit "B-1" Plat Map (RC-449)
- 3 - Exhibit "A-2" Legal Description (RC-449-1)
- 4 - Exhibit "B-2" Plat Map (RC-449-1)

EXHIBIT "A-1"

LEGAL DESCRIPTION FOR SUBSURFACE EASEMENT PURPOSES
PARCEL NUMBER RC-449

THOSE PORTIONS OF LOTS 9 THROUGH 13 OF THE WOODWORTH TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12 PAGE 92 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOW:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID LOT 13, SAID CORNER ALSO BEING IN THE NORTHWESTERLY LINE OF 2ND STREET, 60.00 FEET WIDE, AS SHOWN IN SAID TRACT; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 13 N38°27'38"E 13.00 FEET TO A LINE PARALLEL WITH AND DISTANT NORTHEASTERLY 13.00 FEET FROM THE SOUTHWESTERLY LINE OF SAID LOTS 12 AND 13 AND THE **TRUE POINT OF BEGINNING**; THENCE ALONG SAID PARALLEL LINE N51°33'13"W 30.11 FEET; THENCE LEAVING SAID PARALLEL LINE S55°48'40"E 8.05 FEET TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 584.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S30°59'42"W; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC LENGTH OF 22.34 FEET THROUGH A CENTRAL ANGLE OF 02°11'31" TO THE SOUTHEASTERLY LINE OF SAID LOT 13; THENCE ALONG SAID SOUTHEASTERLY LINE S38°27'38"W 3.92 FEET TO THE **TRUE POINT OF BEGINNING**.

THE UPPER LIMIT OF THE SUBSURFACE EASEMENT HEREIN ABOVE DESCRIBED IS A HORIZONTAL PLANE HAVING AN AVERAGE ELEVATION OF +252 FEET ABOVE MEAN SEA LEVEL PER THE CITY OF LOS ANGELES BENCH MARK NO. 12-03189. THIS EASEMENT IS APPROXIMATELY +/-15 FEET BELOW FINISH GRADE (SURFACE ELEVATION). THIS DEPTH ELEVATION WAS DETERMINED FROM THE L.A. METRO REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT PRELIMINARY ENGINEERING PLANS.

CONTAINS: 51 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

Stephanie A. Wagner
STEPHANIE A. WAGNER, P.L.S. 5752

June 12, 2012
DATE:



EXHIBIT "B-1"

Grantor: SEE BELOW
 Description: WOODWORTH TRACT, BOOK 12 PAGE 92
 PORTIONS OF LOTS 9 TO 13

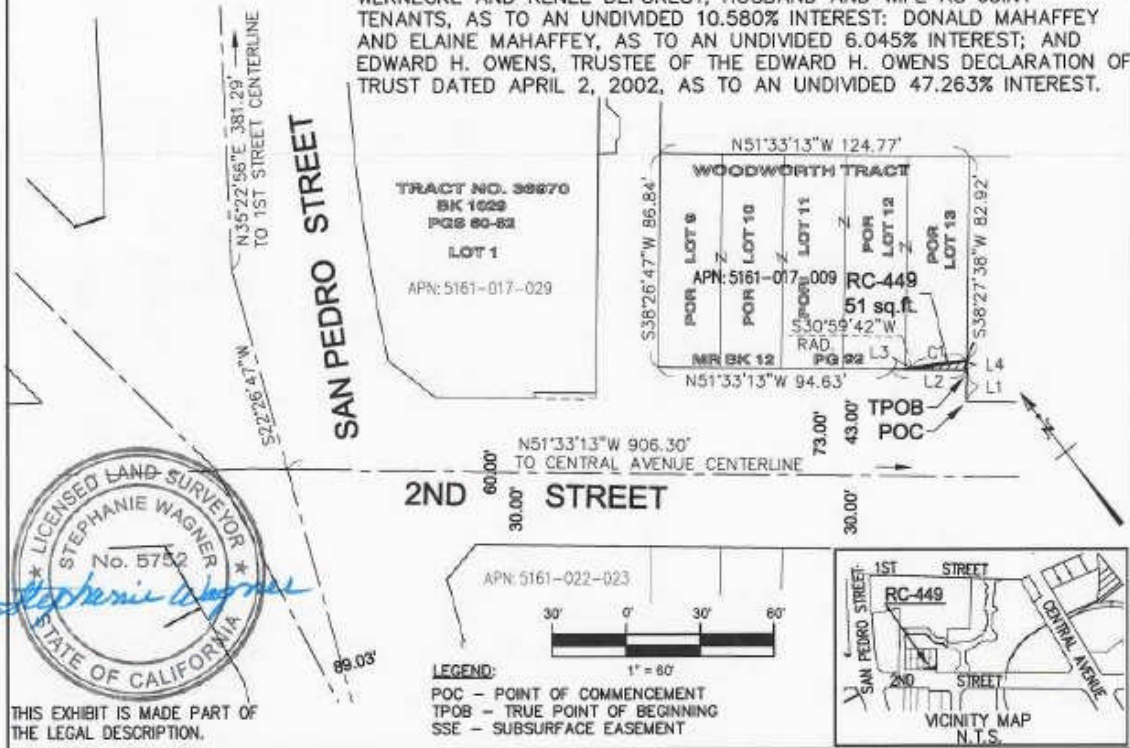
THE DATA SHOWN ON PLAT ARE BASED ON FIELD SURVEY PREPARED BY WAGNER ENGINEERING & SURVEY, INC. DATED JUNE 2011 - JUNE 2012. BEARING AND DISTANCES ARE BASED ON CALIFORNIA COORDINATE SYSTEM NAD '83 ZONE 5 COORDINATES OBTAINED FROM CALIFORNIA H.P.G.N.

Title Report: CHICAGO TITLE COMPANY ORD. # 116740332-X02
 Assessor's Ref: 5161-017-009 ROW Ref: R-106 & RC-107 No. Date Revision Description

LINE TABLE		
LINE	BEARING	LENGTH
L1	S38°27'38"W	13.00'
L2	N51°33'13"W	30.11'
L3	S55°48'40"E	8.05'
L4	S38°27'38"W	3.92'

CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	584.00'	22.34'	2°11'31"

GRANTOR: DANIEL AND SHAWNE MOYLAN, TRUSTEES FOR THE MOYLAN FAMILY TRUST A MOYLAN FAMILY TRUST LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 2.840% INTEREST; VJAY PAVULURI AND PADMAJA AKKINENI, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 5.458% INTEREST; NEOTERIC ALPHA LLC, AN ILLINOIS, LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED .852% INTEREST; LARRY PARKER, AS TO AN UNDIVIDED 2.74% INTEREST; BIRNBAUM 321, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 3.090% INTEREST; READ C 321, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 3.400% INTEREST; EDWARD BLESS AND DENA BLESS, TRUSTEES OF THE BLESS FAMILY TRUST DATED MAY 4, 2001, OR ANY SUCCESSOR TRUSTEE THEREUNDER, AS TO AN UNDIVIDED 4.530% INTEREST; EMATLI, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 5.600% INTEREST; EMATLI, LLC, LLC, AS TO AN UNDIVIDED 3.340% INTEREST; THE STAVRUM FAMILY TRUST DATED OCTOBER 11, 1991, AS TO AN UNDIVIDED 4.262% INTEREST, SUBJECT TO ITEM NO. 8 OF SCHEDULE B; PETER WERNECKE AND RENEE DEFOREST, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 10.580% INTEREST; DONALD MAHAFFEY AND ELAINE MAHAFFEY, AS TO AN UNDIVIDED 6.045% INTEREST; AND EDWARD H. OWENS, TRUSTEE OF THE EDWARD H. OWENS DECLARATION OF TRUST DATED APRIL 2, 2002, AS TO AN UNDIVIDED 47.263% INTEREST.



TOTAL AREA OF PROPERTY	RC-449	REMAINDER PARCEL AREA	ESTATE
10,834 SQ. FT. (NET AREA)	51 SQ. FT. (NET AREA)	10,783 SQ. FT. (NET AREA)	SSE

APPROVED BY: *Simon Ray* 9/25/12
 PROJECT MANAGER DATE

PREPARED BY: *Stephanie Wagner*
 WAGNER ENGINEERING & SURVEY, INC.
 10000 Parklawn St., Suite 100
 Northridge, CA 91323

CHECKED BY: LS: 5752

REGIONAL CONNECTOR

CITY OF LOS ANGELES

DATE: 12/16/11
 SCALE: 1" = 60'
 REV. No. 1 DATE: 06/12/12
 REV. No. DATE:
 PARCEL No. RC-449



EXHIBIT "A-2"

LEGAL DESCRIPTION FOR GROUTING EASEMENT PURPOSES
PARCEL NUMBER RC-449-1

THOSE PORTIONS OF LOTS 9 THROUGH 13 OF THE WOODWORTH TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12 PAGE 92 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOW:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID LOT 13, SAID CORNER ALSO BEING IN THE NORTHEASTERLY LINE OF 2ND STREET, 60.00 FEET WIDE, AS SHOWN IN SAID TRACT; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 13 N38°27'38"E 13.00 FEET TO A LINE PARALLEL WITH AND DISTANT NORTHEASTERLY 13.00 FEET FROM THE SOUTHWESTERLY LINE OF SAID LOTS 12 AND 13; THENCE ALONG SAID PARALLEL LINE N51°33'13"W 30.11 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID PARALLEL LINE N51°33'13"W 94.63 FEET; THENCE N38°26'47"E 11.04 FEET TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2,532.35 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S35°55'25"W; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC LENGTH OF 57.64 FEET THROUGH A CENTRAL ANGLE OF 01°18'15" TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 748.20 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S34°28'34"W; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC LENGTH OF 43.03 FEET THROUGH A CENTRAL ANGLE OF 03°17'41" TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 566.23 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S31°59'28"W; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC LENGTH OF 16.66 FEET THROUGH A CENTRAL ANGLE OF 01°41'08" TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 544.47 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S30°09'43"W; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC LENGTH OF 7.96 FEET THROUGH A CENTRAL ANGLE OF 00°50'15" TO SAID SOUTHEASTERLY LINE; THENCE ALONG SAID SOUTHEASTERLY LINE S38°27'38"W 17.85 FEET TO A POINT IN THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 584.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS S28°48'11"W; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC LENGTH OF 22.34 FEET THROUGH A CENTRAL ANGLE OF 02°11'31"; THENCE N55°48'40"W 8.05 FEET TO THE **TRUE POINT OF BEGINNING**.

THE UPPER LIMIT OF THE SUBSURFACE EASEMENT HEREIN ABOVE DESCRIBED IS A HORIZONTAL PLANE HAVING AN AVERAGE ELEVATION OF +263 FEET ABOVE MEAN SEA LEVEL PER THE CITY OF LOS ANGELES BENCH MARK NO. 12-03189. THIS EASEMENT IS APPROXIMATELY +/-5 FEET BELOW FINISH GRADE (SURFACE ELEVATION). THIS DEPTH ELEVATION WAS DETERMINED FROM THE L.A. METRO REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT PRELIMINARY ENGINEERING PLANS.

CONTAINS: 1,849 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

Stephanie A. Wagner
STEPHANIE A. WAGNER, P.L.S. 5752

June 26, 2012
DATE:



EXHIBIT "B-2"

Grantor: SEE BELOW	THE DATA SHOWN ON PLAT ARE BASED ON FIELD SURVEY PREPARED BY WAGNER ENGINEERING & SURVEY, INC. DATED JUNE 2011 - JUNE 2012. BEARINGS AND DISTANCES ARE BASED ON CALIFORNIA COORDINATE SYSTEM NAD '83 ZONE 5 COORDINATES OBTAINED FROM CALIFORNIA H.P.G.N.		
Description: WOODWORTH TRACT, BOOK 12 PAGE 92	PORTIONS OF LOTS 9 TO 13, CITY OF LOS ANGELES		
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA			
Title Report: CHICAGO TITLE COMPANY ORD. # 116740332-X02			
Assessor's Ref: 5161-017-009	ROW Ref: R-106 & RC-107	No. Date	Revision Description

GRANTOR: DANIEL AND SHAWNE MOYLAN, TRUSTEES FOR THE MOYLAN FAMILY TRUST, A MOYLAN FAMILY TRUST LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 2.840% INTEREST; VIJAY PAVULURI AND PADMAJA AKKINENI, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 5.458% INTEREST; NEOTERIC ALPHA LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED .852% INTEREST; LARRY PARKER, AS TO AN UNDIVIDED 2.74% INTEREST; BIRNBAUM 321, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 3.090% INTEREST; READ C 321, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 3.4% INTEREST; EDWARD BLESS AND DENA BLESS, TRUSTEES OF THE BLESS FAMILY TRUST DATED MAY 4, 2001, OR ANY SUCCESSOR TRUSTEE THEREUNDER, AS TO AN UNDIVIDED 4.530% INTEREST; EMATLI, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 5.600% INTEREST; EMATLI, LLC, AS TO AN UNDIVIDED 3.340% INTEREST; THE STAVRUM FAMILY TRUST DATED OCTOBER 11, 1991, AS TO AN UNDIVIDED 4.262% INTEREST, SUBJECT TO ITEM NO. 8 OF SCHEDULE B; PETER WERNECKE AND RENEE DEFOREST, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 10.580% INTEREST; DONALD MAHAFFEY AND ELAINE MAHAFFEY, AS TO AN UNDIVIDED 6.045% INTEREST; AND EDWARD H. OWENS, TRUSTEE OF THE EDWARD H. OWENS DECLARATION OF TRUST DATED APRIL 2, 2002, AS TO AN UNDIVIDED 47.263% INTEREST.																															
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THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.



TOTAL AREA OF PROPERTY	RC-449-1	REMAINDER PARCEL AREA	ESTATE
10,834 SQ. FT. (NET AREA)	1,849 SQ. FT. (NET AREA)	8,985 SQ. FT. (NET AREA)	GE

	APPROVED BY: <i>Conn Roy</i> 9/26/12 PROJECT MANAGER	REGIONAL CONNECTOR CITY OF LOS ANGELES	DATE: 05/30/12
			SCALE: 1" = 60'
	CHECKED BY: <i>Stephanie Wagner</i> LS: 5752	REV. No. 1 DATE: 06/26/12 REV. No. DATE: PARCEL No. RC-449-1	

DE-CERTIFICATION MEMORANDUM
REGIONAL CONNECTOR TRANSIT PROJECT

Tuesday, June 9, 2015

Parcel Numbers: Subsurface Easement – RC-449
Grouting Easement – RC-449-1

This memorandum de-certifies the acquisition of the parcels RC-449 and 449-1 identified as APN 5161-017-009. These acquisitions are no longer required since the contractor's design and approach eliminates the need for permeation grouting and grouting easement. There is about a foot clear from outside diameter of tunnel lining allowing for all factors to the closest point of subsurface easement (SSE). The small SSE is not needed .



Girish Roy, P.E.

Deputy Executive Officer,

**RESOLUTION OF THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
RESCINDING PREVIOUSLY APPROVED RESOLUTION OF NECESSITY
(REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
PARCEL NOS. RC-449 AND 449-1)**

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

Section 1.

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY ("METRO") is a public entity organized and existing pursuant to Chapter 2 of Division 12 of the California Public Utilities Code (commencing with Section 130050).

Section 2.

RC-449 and RC-449-1 (Assessor Parcel No. 5161-017-009) ("Property"), were to be taken by eminent domain for a subsurface easement and a grouting easement for the Regional Connector Transit Corridor Project ("Project").

Section 3.

The acquisition of the above-described Property is no longer necessary for the development, construction, operation, and maintenance of the Project;

Section 4.

The Board hereby declares that it has found and determined the following:

The Property is no longer necessary for the development, construction, operation, and maintenance of the Project; and

METRO should revoke all current and pending offers for acquisition of the Property.

Section 5.

METRO staff and Legal Counsel is hereby authorized and directed to take all steps necessary to revoke all current and pending offers for acquisition of the Property.

I, MICHELLE JACKSON, Secretary of the Los Angeles County Metropolitan Transportation Authority, do hereby certify that the foregoing Resolution was duly and regularly adopted by a vote of two-thirds of all the members of the Board of the Metropolitan Transportation Authority at a meeting held on the 28th day of January, 2016.

Date:

MICHELLE JACKSON
METRO Secretary

**Board Report**

File #: 2015-1662, **File Type:** Informational Report

Agenda Number: 62.

**REGULAR BOARD MEETING
JANUARY 28, 2016**

SUBJECT: SAN PEDRO RED CAR LINE MOTION RESPONSE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE response to Motion #39 in September 2015 by Director Knabe on the **San Pedro Red Car Line**.

ISSUE

In September 2015, a motion by Director Don Knabe (Attachment A) directed the Chief Executive Officer (CEO) to report on items related to the operations of the San Pedro Red Car Line.

DISCUSSION

A 1990s study of the San Pedro waterfront envisioned significant development along the waterfront, from the Catalina and World Cruise Terminals on the north to Ports O' Call Village and the 22nd St. / East Channel / West Channel / Los Angeles Harbor on the south. One of the components of this study was for a rail line to operate between the locations. In turn, the Port of Los Angeles (POLA) opened the 1.5 mile Waterfront Red Car Line on July 19, 2003 with four high platform stations serving the World Cruise Center, Downtown San Pedro, Ports O' Call, and the Marina.

Initial operation provided regular service Fridays thru Mondays, using two trolleys from 10am to 6pm and on days when cruise ships were in Port. In 2010, regular service was reduced to Fridays thru Sundays using one trolley car, operating from 12pm to 9pm with a \$1 fare for the entire day and free during special events.

Findings

From 2005 through 2009, annual ridership was reported to have about 103,000 passengers on average. From 2010 through 2014, with one less scheduled day of service, annual ridership was reported to average 80,000 passengers. Over the years, expenses ranged from \$1.3 million to almost \$2.0 million annually, with revenues ranging from \$11,000 to \$25,000 thousand annually (Attachment B).

The San Pedro area is currently serviced by nine fixed route bus lines operated by Metro, Los Angeles Department of Transportation (LADOT), and Palos Verdes Peninsula Transit Authority

PVPTA (Attachment C). Additionally, the San Pedro Waterfront Business Improvement District (SPWBID) operates weekend only rubber-tire trolley service connecting downtown San Pedro with the waterfront area. There are no specific transportation facilities in the area, except the street side bus stops and the four Red Car Line station platforms.

As directed by the Metro Board in September, Metro's CEO requested that the POLA continue service while evaluations of service alternatives were considered (Attachment D). The POLA suspended service on September 27, 2015 in anticipation of the Sampson Way Realignment project, a \$13.6 million road improvement project that will realign Harbor Boulevard directly into the Ports O' Call Village. This project will enhance access to an important waterfront redevelopment project prioritized by the community, elected officials and the Port. This project was introduced in 2005 as part of the San Pedro Waterfront and Promenade from Bridge-to-Breakwater Master Development Plan and included as a project element in the 2009 approved San Pedro Waterfront Project Environmental Impact Statement/Environmental Impact Report. The new street realignment is located on the current Red Car Line right-of-way, approximately 0.15 miles south of 6th St. and immediately east of the 8th and 9th Streets alignment in downtown San Pedro. The right-of-way south of the new roadway intersection is planned to become commercial /parking to support new Ports O' Call development. Metro provided \$4.951 million towards this project through the 2015 Call for Projects.

Construction is expected to begin in September 2016 and be completed in early 2018. The POLA is currently in discussions with the SPWBID to fund expanded operations of their rubber tire trolley services.

Once construction is underway, the current Red Car Line right-of-way would remain intact north of Sixth St. and south of the Ports O' Call Stations. There is no immediate plan to relocate the Red Car Line between these stations.

The September 2009 Waterfront Red Line Expansion Feasibility Report, prepared for POLA by Wilson & Company, provided a general overview of options for a rebuilt and vastly expanded Red Car trolley service, linking Wilmington, North Gaffey St., Downtown, Cabrillo Beach, City Dock No. 1 and the Outer Harbor with the Waterfront. The Red Car network would provide transportation between future development, current and redeveloped attractions. The expansion is approached in phases. (Attachment E)

The study suggests relocation of the Red Car Harbor Blvd. / Ports O' Call corridor, moving the operation to the east toward the Village area, away from the Harbor Blvd. / Sampson Way realignment project, as the initial requirement to support expansion of the network. It further suggested that this segment could be constructed in conjunction with the pending new roadway alignments. Additionally, the study called out a need to establish "a clear waterfront nexus to satisfy State Lands Commission restrictions on Port expenditures." At this time, other than a designated location for the right-of-way, there are no plans or funding in place for this to be addressed or occur.

Interim Operating Options

Consideration for operating the north end of the line between the Swinford St./ Cruise Center and 6th

St. Stations (0.6 miles) would require locating and constructing a maintenance facility, as well as a traction power facility. An additional suggested consideration to extend the line north on the railroad right-of-way approximately 0.5 miles to Pacific Ave. and Front St. would have minimal purpose consistent with the service area along the waterfront. In addition to constructing the needed power and maintenance infrastructure, a new station would also be required.

The south end of the line between Ports O' Call and 22nd St. Stations (0.4 miles) has both traction power and a maintenance facility, however the 22nd St. Station area does not presently have significant surrounding development. Additionally, the Ports O' Call Station would have a significant pedestrian access challenge to and from the Village area, requiring walking through a parking lot.

The operation of the line over a short distance, either north or south of the street realignment, is currently not a viable community transit or circulation component. Until additional development in the area is realized, the use of the line would be best defined as recreational.

Funding

Staff has evaluated potential funding sources for the San Pedro Red Car. In terms of funding the truncated service, the San Pedro Red Car would need to compete for the same funding currently used for bus and rail operations. For a new or expanded service, eligible capital sources could include Federal and State funds. Potential Federal sources are: Congestion Mitigation and Air Quality (CMAQ) funds, Federal Small or Very Small Starts Grants, Regional Surface Transportation Program (RSTP) funds and Transportation Investment Generating Economic Recovery (TIGER) Grant. The potential State sources are Cap and Trade funds. It should be noted that each of these sources requires a local match and has specific eligibility requirements. The CMAQ and Cap and Trade Low Carbon Transit Operations Program funds are for capital purposes and can be used for the first three years of operations of a new or expanded service. Although a new or expanded service is eligible for both CMAQ and RSTP funds, these funds are currently planned for existing Metro bus and rail operations, eligible Metro highway projects and the Call for Projects.

NEXT STEPS

Staff will meet with POLA, the City of Los Angeles, SPWBID and other stakeholders to recommend those parties address the findings of the 2009 Study


ATTACHMENTS

- Attachment A - Motion #39, San Pedro Red Car Line
- Attachment B - Port of LA Ridership & Financial Summary
- Attachment C - Metro Bus Service for San Pedro (Effective 12/15)
- Attachment D - Letter of Closure to Port of LA
- Attachment E - September 2009 Report: Waterfront Red Line Phased Expansion

Prepared by: Bruce Shelburne, Executive Director, Rail Strategic Planning - Operations (213) 922-6951
Renee Berlin, Managing Executive Officer, (213) 922-3035

F. Andres Di Zitti, Transportation Planner II, (213) 617-6224
Christopher Reyes, Transportation Planning Manager III, (213) 922-4808

Reviewed by: James T. Gallagher, Chief Operations Officer
Calvin E. Hollis, Interim Chief Planning Officer



Phillip A. Washington
Chief Executive Officer

**Board Report**

File #:2015-1375, **File Type:**Motion / Motion
Response

Agenda Number:39.

**CONSTRUCTION COMMITTEE
SEPTEMBER 17, 2015**

Motion by:

Supervisor Don Knabe

September 17, 2015

San Pedro Red Car Line

The San Pedro Waterfront Red Car Line honors the historic importance of public transportation in Los Angeles County and is facing imminent closure this month to make way for the long anticipated revitalization of the San Pedro Waterfront. While I support revitalization efforts by the Port of LA, and do not want to impede the approved revitalization plan, more can be done to save the historic Red Car Line from closure, including operating and maintaining a shorter line, and to evaluate and explore available funding sources and whether the plans to create a new, modern streetcar system in its place are realistic, and what it would take and how long it will be before the planned relocation and modern, replacement streetcar service could be constructed and implemented once the existing tracks are removed and the historic, vintage cars are pulled out of service.

In July 2015, the Metro Board approved a motion to authorize Metro to study the Angels Flight Railway to identify options for implementation that would allow the historic railway to resume its service in Downtown LA. In San Pedro, a similar situation requires our attention to save what many believe is a Southern California treasure.

MOTION by Knabe that the MTA Board:

Direct the CEO to report back to the Board in 60 days, and provide a presentation for discussion at the November/December 2015 MTA Board Meeting, on the following items related to the operations of the San Pedro Red Car Line; the historic railcar line operating on a 1.5 mile stretch of the San Pedro Waterfront in the Port of Los Angeles:

- A. A historical summary of operations and funding for the San Pedro Red Car Line, including an analysis of why the line operates only on limited days of the week;
- B. A summary of existing transit services connecting to the Red Car Line, including Metro, municipal providers, and local downtown (PBID) trolley, with an analysis of how transit connections could be improved to service a shorter segment of the line, such as from the

existing 22nd Street/Marina Station to the Ports O'Call Station, or to relocated stations along the alignment;

- C. An evaluation of the reasons for the proposed closure of the Red Car Line and the identification of options to maintain service on shorter segments, and at relocated stations, including potential funding sources;
- D. Recommendations for maintaining operations on a shorter line;
- E. An evaluation of the Waterfront Red Car Line Expansion Feasibility Report and the identification of potential funding sources that may be available for future implementation;
- F. Send a letter to the Port of LA (POLA), before the September 27th closure date, to request that the closure of the Red Car Line be deferred, at a minimum for the portion of the line that is not immediately needed for the City's roadway improvement project, and to reach out to POLA to discuss options for temporarily suspending the Federal Freight Abandonment Process while Metro's evaluation is being completed and shared with POLA.

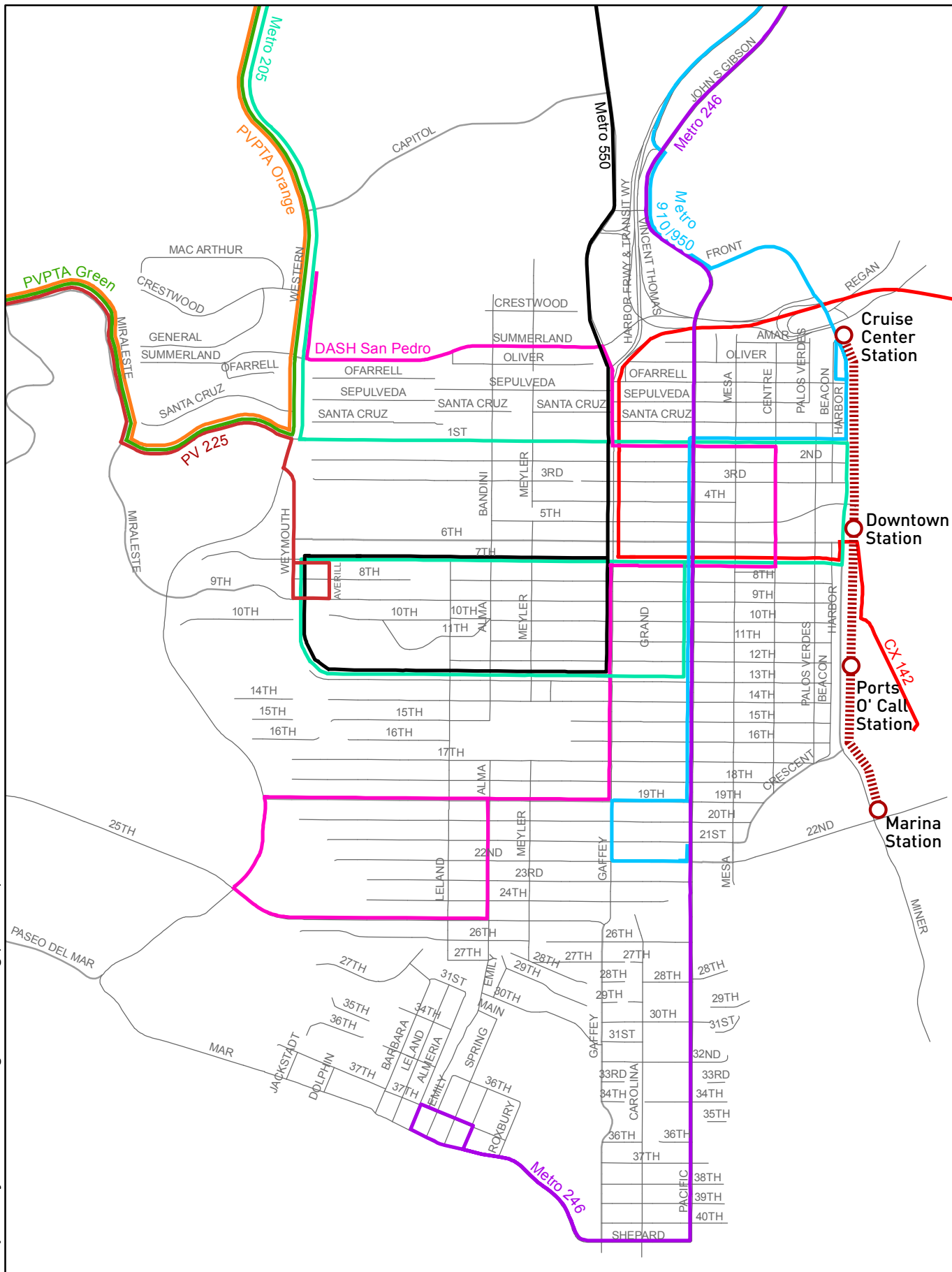
Port of LA Ridership & Financial Summary

Waterfront Red Car Line Ridership and Financial Summary

Year	Transit Passengers	Revenue	* Expenses	Service Level
2005	94,543	\$18,843	\$1,237,562	2 cars Fri/Sat/Sun/Mon
2006	102,169	\$16,262	\$1,554,852	2 cars Fri/Sat/Sun/Mon
2007	93,718	\$18,388	\$1,808,569	2 cars Fri/Sat/Sun/Mon
2008	129,667	\$14,123	\$1,985,091	2 cars Fri/Sat/Sun/Mon
2009	95,294	\$24,958	\$1,784,435	2 cars Fri/Sat/Sun/Mon
2010	81,195	\$17,071	\$1,307,855	1 car Fri/Sat/Sun
2011	96,037	\$14,142	\$1,271,429	1 car Fri/Sat/Sun
2012	84,260	\$11,133	\$1,355,705	1 car Fri/Sat/Sun
2013	50,952	\$11,566	\$1,349,334	1 car Fri/Sat/Sun
2014	87,485	\$11,500 (Estimate)	\$1,276,256	1 car Fri/Sat/Sun

* Expenses include \$250k for annual insurance and power costs

San Pedro (Effective Date of Dec 2015)



Prepared by Service Planning & Scheduling (Oct 2015)

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- Metro 205
- Metro 246
- Metro 550
- DA_San Pedro
- Metro 910/950
- CX 142
- PVPTA 225
- PVPTA Green
- PVPTA Orange



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza,
Los Angeles, CA 90012-2952

ATTACHMENT D

Phillip A. Washington
Chief Executive Officer
213.922.7555 Tel
213.922.7447 Fax
washingtonp@metro.net

September 24, 2015

Mr. Gene Seroka
Executive Director
Port of Los Angeles
425 So Palos Verdes Street
San Pedro, CA 90731

Subject: Closure of San Pedro Red Car Line

Dear Mr. Seroka:

At today's meeting, the Metro Board directed that I formally request the Port of Los Angeles defer closure of the Red Car line or at a minimum, keep the portion of the Line that is not immediately needed for road improvements operating. I understand that the Line's last day of service will be September 27, 2015. Further, the Board directed that Metro work with the Port to discuss options for temporarily suspending the Federal Freight Abandonment process while Metro evaluates reasons for the proposed closure and identifies options to maintain service on shorter segments and relocated stations including potential funding sources. Attached for your information is the Metro Board adopted motion. In approving this motion, the Board stated that it did not want to stop the Waterfront redevelopment.

Metro staff has discussed the Board approved motion with your staff Kerry Cartwright, Director of Goods Movement and Tony Gioiello, Deputy Executive Director. They agreed to arrange an in-depth briefing with Metro staff on the Red Car project. My staff looks forward to this briefing in the next few weeks.

While we jointly address the Red Car Line, I request that you defer its closure until more information can be obtained. We appreciate the cooperative working relationship that Metro has with the Port of Los Angeles.

Sincerely,

Phillip A. Washington
Chief Executive Officer

Attachment

cc: Metro Board of Directors
Tony Gioiello, Port of Los Angeles
Kerry Cartwright, Port of Los Angeles
Martha Welborne, Metro
James Gallagher, Metro

ATTACHMENT E

Split Operations (North Section & South Section)

6th St. Station to Swinford/Cruise Center Station (North Section)

- *Distance – 0.6 miles*
- *Two Stations*
 - *6th St. Station*
 - *Closest Parking (.10 mile)*
 - *Maritime Museum*
 - *USS Iowa (.30 mile)*
 - *Downtown San Pedro / 6th and Center Sts. (.25 mile)*
 - *Swinford /World Cruise Center Station*
 - *Closest parking (.15 mile)*
 - *World Cruise Center (.25 mile)*
- *Maintenance Facility would need to be constructed*
- *Traction Power Facility would need to be constructed*
- *4-minute trip time*

22nd St. Station to Ports O' Call Station (South Section)

- *Distance - 0.4 miles*
- *Two Stations*
 - *22nd St. Station*
 - *Parking adjacent*
 - *Cabrillo Marina (.25 mile)*
 - *Crafted Marketplace (.20 mile)*
 - *Ports O' Call Station*
 - *Parking adjacent*
 - *Ports O' Call (.20 mile – no direct walking path)*
- *Maintenance facility at 22nd St.*
- *Traction Power Facility at 22nd St.*
- *5-minute trip time*



Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Board Report

File #: 2016-0065, **File Type:** Oral Report / Presentation

Agenda Number: 64.

**REGULAR BOARD MEETING
JANUARY 28, 2016**

RECEIVE **Annual State of the Agency Address** from Chief Executive Officer, Phillip A. Washington.

State of the Agency

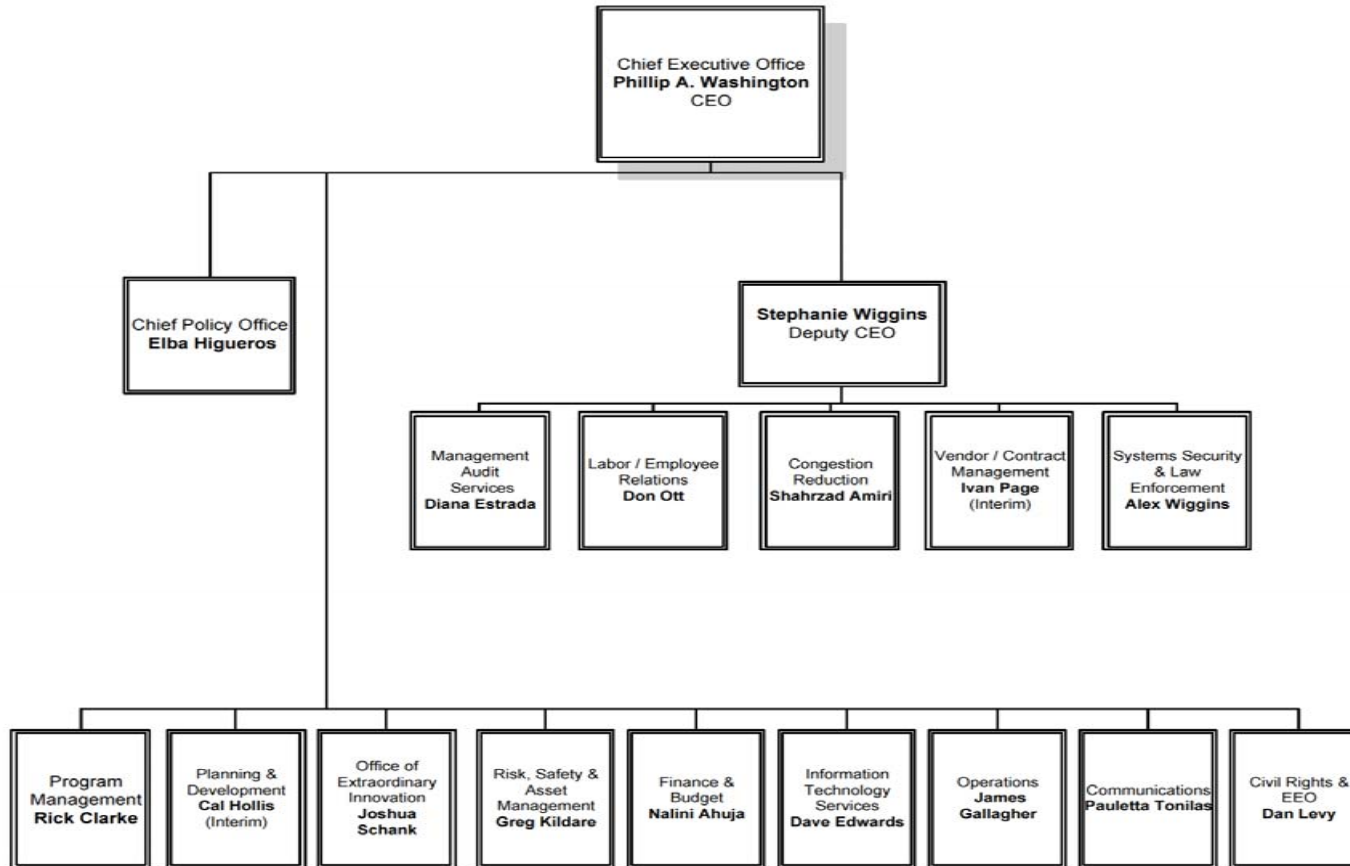


Phillip A. Washington
Chief Executive Officer
January 28th, 2016

State of the Agency: Overview

- To report on the State of the Agency on an annual basis, outlining the previous year's accomplishments, the upcoming year's goals and challenges, and the general state of the agency as seen from the lens of the CEO.

Agency Organizational Chart



Operations: Bus and Rail

2015 Accomplishments

- Improved and increased training hours for transportation and maintenance personnel.
- Improvements made in both bus and rail fleets with a combination of overhaul campaigns and procurements of new vehicles.
- Initiated a combination of projects to address operator safety and security concerns. (Installation of video cameras and operator barriers).

Operations: Bus and Rail

2016 Goals

- Implementation of an annual safety training program for all bus and rail operators to address top accident factors.
- Successful openings of the Foothill and Expo extensions and supporting operation facilities.
- Stabilization of existing capital programs and introduction of new programs to maximize use of available funds.

Operations: Bus and Rail

2016 Challenges

- Attraction and recruitment for maintenance technical positions from limited applicant pools.
- Optimizing the amount of transit service on the street within the budget resources available.
- Maintaining that portion of the bus and rail fleets whose reliability is affected by advancing age, obsolescence, and limited vendor availability.

Program Management 2015 Accomplishments

- Completion of Division 13.
- Issued RFQ/RFP for Westside Purple Line Extension – Segment 2.
- Substantial completion for I-405 project.

Program Management 2016 Goals

- Achieve 50% completion on Crenshaw/LAX project.
- Award design-build contract for Westside Purple Line Extension – Segment 2.
- Keep 75% of the highway projects funded by Measure R and managed by Metro Highway Program on schedule.

Program Management 2016 Challenges

- Managing projects within budget and schedule considering significant technical, managerial, political and unknown risks.
- Working effectively with stakeholders to concurrently meet Metro and stakeholder goals.
- Maintaining the resources and qualified people needed to manage large and complex projects.

Planning and Development 2015 Accomplishments

- Advanced the Potential Ballot Measure and Long Range Transportation Plan.
- Advanced Measure R transit projects and met all major milestones.
- Created the Transit Oriented Communities Program and refocused the Joint Development program.

Planning and Development

2016 Goals

- Secure Metro Board of Directors and ultimately voter approval of a Potential Ballot Measure.
- Continue project development and readiness for Measure R projects.
- Complete environmental assessment and preliminary engineering for the Rail to Rail (River) Active Transportation Project.

Planning and Development 2016 Challenges

- Metro Board of Directors and voter approval of Potential Ballot Measure.
- Manage the increasing number of Board and Stakeholder priorities with diminishing agency-wide resources.
- Attract and retain talented workforce.

Office of Extraordinary Innovation 2015 Accomplishments

- Began work and hired staff to build the new Office of Extraordinary Innovation (OEI).
- Assisted in finalizing a new Unsolicited Proposals Policy to consider new innovative ideas from the private sector in 2016.
- Introduced the Office of Extraordinary Innovation to the political, transportation, business, academic and general community in Los Angeles County.

Office of Extraordinary Innovation

2016 Goals

- Begin piloting or demonstrating 2-3 new ideas that can potentially improve mobility in the Los Angeles region.
- Identify at least one potential large-scale P3 project for LA Metro to pursue.
- Begin a comprehensive strategic planning process for LA Metro.

Office of Extraordinary Innovation 2016 Challenges

- Effectively and efficiently sorting through the numerous unsolicited proposals that will be submitted to Metro.
- Surmounting likely resistance to new innovations that OEI will propose and demonstrate.
- Carefully selecting the areas within Metro where OEI can collaborate to have the greatest positive impact.

Risk, Safety, & Asset Management

2015 Accomplishments

- Reduced the number of reported industrial injuries by 8.7%, saving future disability, medical and legal expenses estimated at \$4.4 million.
- Developed and published the agency's first Transit Asset Management Plan.
- Metro's major transit project OSHA recordable injury rate for all projects was 0.8 which is well below the national average rate of 3.2.

Risk, Safety, & Asset Management

2016 Goals

- Complete condition assessments on the following assets:
 - Metro bridge, tunnel and structures (100% inspected);
 - Metro Red Line communication infrastructure;
 - Metro's three oldest light rail and heavy rail vehicle fleets;
 - Implement a multi-year asset inspection plan.
- Complete Metro's first Continuity of Operations Plan to ensure immediate continued operations following a natural disaster.
- Maintain Metro's major construction project recordable injury rate for all projects at 50% or better than the national average.

Risk, Safety, & Asset Management 2016 Challenges

- Continuing to advance Metro's safety culture by ensuring that safety is an ongoing part of operational and capital decisions.
- Expanding the Enterprise Asset Management department to more broadly assess the component level real depreciation of Metro's infrastructure/rolling stock and then implementing a sustainable program to fund and maintain the assets.
- Recruiting and selecting highly qualified and competent rail safety, fire/life safety and construction safety staff.

Finance and Budget 2015 Accomplishments

- Major Improvements to TAP Fare Collection System.
- Developed three-prong approach to achieving financial sustainability with the Risk Allocation Matrix (RAM) concept. The RAM concept has identified \$200M in savings and new revenues by FY17 and will help foster financial discipline throughout the agency.
- Refunded bonds to reduce principal and interest expense, yielding savings of \$11.6 million, and obtained credit rating upgrades from Moody's and Standard and Poor's rating agencies.

Finance and Budget

2016 Goals

- Achieve Long-term Fiscal Sustainability.
- Continue succession planning in major functional areas within Finance & Budget.
- Complete development of a Regional Interagency Transfer on Second Boarding, integrate TAP as a membership card for Bikeshare, develop regional mobile application for all Munis and Metro, expand the TAP sales vendor network and expand locations from 400-500.

Finance and Budget 2016 Challenges

- Ensuring the prudent and effective use of Metro resources in light of increased external demands.
- Working with Construction/Capital/Operating Project Managers to assess the impact of agency expenditures on our ability to borrow at favorable terms.
- Increasing Farebox recovery rate.

Information Technology Services

2015 Accomplishments

- Completed several initiatives in support of the Customer Experience Transformation Program including:
 - Completed a comprehensive Customer Investment Strategy study which resulted in 28 viable projects.
 - Implemented a web-based self-service application that allows customers to access/reserve/pay/manage Metro bike lockers at select rail stations.
- Installed and activated voice, network, data and security communication technology in Newly Constructed facilities.
- Completed the Applications Portfolio Analysis and Roadmap initiative as part of the IT Strategic Plan and Assessment Program.



Information Technology Services

2016 Goals

- Advance the Customer Experience Transformation
 - 120-Bus Pilot for Connected Buses
 - Subway Cellular Services
 - Next Generation Trip Planner
- Continue the IT Strategic Plan and Assessment Program
 - Complete an Information Technology Strategic Plan
 - Complete an Bus / Rail Fleet Systems Strategic Plan
 - Conduct a Cyber Security Assessment
- Continue the Activation of Newly Constructed/Relocated Facilities.
 - Complete the Expo Line Phase II: Div 14 and 7 rail stations
 - Complete the Harbor Transit Improvement Phase II

Information Technology Services 2016 Challenges

- Aging workforce.
- Addressing Exponential Growth in Electronically Stored Information.
- Avoiding Duplication of Technology Related Services and Solutions.

Communications

2015 Accomplishments

- Developed and implemented Metro's 25TH anniversary of rail campaign and celebration.
- Initiated process for regional collaboration in the development of a potential ballot measure and secured passage of SB767.
- Developed and distributed Metro's Annual Report to the Community.

Communications

2016 Goals

- Promote and educate the public about the agency's projects, programs, services and mobility options.
- Educate and engage the public on future transportation planning and investment opportunities.
- Optimize internal and external resources to effectively and efficiently enhance the customer experience.

Communications 2016 Challenges

- Keeping communications streamlined and coordinated, and maintaining one voice within the agency and within the community.
- Aligning budget and staff resources to meet the growing demand for communications efforts.
- Setting and managing expectations about the ever-changing dynamics of construction projects while proactively communicating construction impacts.

Civil Rights and Equal Employment Opportunity 2015 Accomplishments

- Significantly reduced the number of accessibility related complaints received by Customer Relations.
- Achieved full compliance for Sexual Harassment training for management.
- Prepared, submitted and received approval from FTA for Metro's agency wide Affirmative Action Plan.

Civil Rights and Equal Employment Opportunity 2016 Goals

- Implement an effective program for oversight of ADA compliance by sub-recipients.
- Work with staff to develop Affirmative Action goals and monitoring at the department level.
- Prepare and submit Title VI Program Update and receive approval from FTA.

Civil Rights and Equal Employment Opportunity 2016 Challenges

- Providing excellent service for Metro's growing ridership by customers with disabilities.
- Securing support *and* funding to ensure all facilities can be made compliant with existing ADA regulations.
- Ensuring that all staff are not complacent about civil rights and fail to fully respect the civil rights of customers and fellow employees.

Management Audit Services 2015 Accomplishments

Completed and/or managed 177 audits consisting of

- **75 contracts and grants audits.**
- **97 financial and compliance audits** to support fiscal responsibility and legal/regulatory compliance (Prop A, C, Measure R, STA, TDA, CPC, NTD, etc.)
- **5 performance audits** with recommendations to promote efficiency and effectiveness, safeguard of assets, operational and financial information reliability, and regulatory compliance.

Management Audit Services

2016 Goals

- Complete financial and compliance audits of grants, contracts and funding requirements to support financial stability, legal and regulatory compliance, and capital project delivery on time and within budget.
- Complete performance audits to promote efficiency and effectiveness, safety, security, innovation, information reliability and excellence in customer service.
- Invest in staff development to attract and retain the best employees and help staff achieve their professional goals.

Management Audit Services 2016 Challenges

- Image - our stakeholders need to view Management Audit as "Business Partners" not a "Compliance Cop or Roadblock" in their success.
- Juggling multiple priorities in providing assurance in the growing areas of compliance, advancing technology, big data, and risk management (including fraud); all in the backdrop of limited resources.
- Succession Planning

Labor/Employee Relations

2015 Accomplishments

- Completed Labor Agreements with AFSCME & Teamsters Unions, and reduced cases appealed to arbitration from 1,000 to 400.
- State of Good Repair – Renovated Union Station East Portal Restroom and installation of new generator to handle the larger load due to growth of equipment in the Gateway Building.
- Implemented Talent Development Programs
 - Leadership Academy
 - New on-boarding program
 - Veterans Luncheon

Labor/Employee Relations

2016 Goals

- Implement Bus Operator and Pre-Transit Operations Supervisor Training Program and Apprenticeship/Rail Technical Training program.
- Develop and implement plans to address APTA peer review findings of Talent Management Department and the Class/Comp Consultant Study on Agencywide positions.
- Develop general transportation industry career pathway for Metro employees.

Labor/Employee Relations 2016 Challenges

- Obtain approval of and implement plan in response to Class Comp Study and APTA Peer Review.
- Develop and implement workforce development programs for all Metro employees.
- Complete all building renovations on time and within budget.

Congestion Reduction 2015 Accomplishments

- Completed the Project Study Report and Project Development Support for the I-105 ExpressLanes.
- Initiated the Net Toll Revenue Reinvestment Allocation process.
- Expanded Southern California 511 to include real-time transit information for Pasadena ARTS, Glendale Beeline and Metro Rail.

Congestion Reduction 2016 Goals

- Complete the ExpressLanes Strategic Plan.
- Initiate the modernization of the Regional Integration of Intelligent Transportation Systems (RIITS) and Southern California 511 systems.
- Ensure continued improvement in customer service for all programs.

Congestion Reduction 2016 Challenges

- Leading and implementing changes among partner agencies.
- Keeping abreast of changing technologies.
- Completing tasks in an ever changing environment and limited resources and potential institutional limitations.

Vendor/Contract Management 2015 Accomplishments

- Implemented the Local Hire Pilot program on federally funded construction projects and implemented the Project Labor Agreement and Construction Careers Policy on all mega projects.
- Launched the new Vendor Portal website.
- Proceeded with four major solicitations for Construction and Rolling stock projects:
 - Westside Purple Line Extension – Section 2
 - New Heavy Rail Cars
 - A650 Railcar Overhaul Program
 - P2000 Railcar Overhaul Program

Vendor/Contract Management 2016 Goals

- Implement steps to reduce inventory by \$15M working thru Operations, Procurement and Material Planning.
- Implement a new Prompt Payment requirement for all primes.
- Implement small business programs:
 - Tiered Small Business Pilot program.
 - Complete the full implementation of B2GNow tracking program
 - Legislative change to PUC Section 130232 (5) where meeting an SBE goal can be a condition for an award under a low bid process.

Vendor/Contract Management 2016 Challenges

- Ability to perform consistent and timely oversight of the mega construction projects, including, consistent contract interpretation and enforcement and completing contract modifications.
- Meeting competing priorities for procurement actions.
- Establishing scope of work standards.

System Security and Law Enforcement 2015 Accomplishments

- Deployed “high visibility law enforcement and security patrols” to improve fare enforcement, increased system-wide presence and laid the groundwork for increased crime prevention in 2016.
- Realigned resources to improve performance in the following key areas:
 - Response Times
 - System-wide visibility
 - Fare Evasion
 - Enforcing Metro’s Code of Conduct
- Incorporated technology into our day-to-day security operations.

System Security and Law Enforcement 2016 Goals

- Reduce system-wide transit related crime by 5%
- Reduce system-wide fare evasion by 5%
- Improve system-wide security and law enforcement performance/visibility while reducing overall costs by 10%.

System Security and Law Enforcement 2016 Challenges

- Mitigating risks associated with terrorism and day-to-day crime
- Identifying innovative ways to partner with the community to reduce blight and disorder, address quality of life concerns and enforce Metro's Code of Conduct.
- Transforming Metro's Security Workforce.

Agency-wide Emerging Challenges and Priorities for 2016

- Fiscal Stability
 - Risk Allocation Matrix (RAM) Implementation
 - Service and Fare Media Optimization
- Potential Ballot Measure Preparation and Execution
 - (Performance Metrics, Education Plan, Modeling and Sequencing projects, Public Input and Feedback, etc.)

Agency-wide Emerging Challenges and Priorities for 2016 cont.

- On time, on budget – Program Management
 - Rail line openings
 - Vision for Los Angeles Union Station
 - Implementation of Annual Program Evaluation initiative.
 - Implementation of OPERATION Shovel Ready (impacting projects county wide).
 - Contract award/administration on major projects.
 - Improve community outreach and relations associated with construction activity.
 - Continue improving construction permitting processes.
 - Need to further streamline processes across the agency and in all areas.

Agency-wide Emerging Challenges and Priorities for 2016 cont.

- Enhancing the Ridership Experience
 - Increasing ridership
 - Cellular service in the tunnels
 - Asset management
 - ADA Compliance
 - Better understanding the communities and customers we serve.
 - Enhance safety and security, including cyber and physical security issues.
 - Increased technological advancement to benefit the rider (outward facing).

Agency-wide Emerging Challenges and Priorities for 2016 cont.

- Workforce Development/Performance Management
 - Merit-Performance based accountability
 - Succession planning
 - Speaking with one voice
 - Strengthening safety culture
 - Building career pathways (entry to exit)
- Implementing innovation in all areas and creating a culture of innovative thought.

General State of the Authority

- Sound, with many challenges, but that are being addressed and with opportunities that are achievable.
- One of expectation for transformative positive change.

Thank you

