Governments SANBAG Working Together

San Bernardino Associated Governments

1170 W. 3rd Street, 2nd Floor San Bernardino, CA 92410-1715
Phone: (909) 884-8276 Fax: (909) 885-4407 Web: www.sanbag.ca.gov

TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 1

Date: October 6, 2010

Subject: Information Relative to Possible Conflict of Interest

Recommendation*: Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

Background: In accordance with California Government Code 84308, members of the SANBAG Board may not participate in any action concerning a contract where they have received a campaign contribution of more than $250 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
		None	

Financial Impact: This item has no direct impact on the SANBAG budget.

Reviewed By: This item is prepared monthly for review by SANBAG Board and Committee members.

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

BOARD OF DIRECTORS ATTENDANCE RECORD - 2010

Name	Jan	Special Jan 20 Mtg.	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X		X	X	X	X	X		X	X			
Brad Mitzelfelt Board of Supervisors	X	X	X		X	X	X	X		X			
Paul Biane Board of Supervisors	X	X	X	X		X		X		X			
Josie Gonzales Board of Supervisors	X	X	X	X	X	X	X	X		X			
Neil Derry Board of Supervisors	X	X	X	X	X	X	X	X	X	X			
Charley Glasper City of Adelanto	X	X	X	X	X	X	X	X	X	X			
Rick Roelle Town of Apple Valley	X	X	X	X	X	X		X	*	*			
Julie McIntyre City of Barstow	X	X	X	X	X	X	X	X	X	X			
Bill Jahn City of Big Bear Lake	X		X	X	X		X	X	X	X			
Dennis Yates City of Chino	X		X	X	X	X	X	X		X			
Gwenn Norton-Perry City of Chino Hills	X												
Ed Graham City of Chino Hills		X	X	X	X	X	X	X	X	X			
Kelly Chastain City of Colton	X	X	X	X	X	X	X	X	X	X			
Mark Nuaimi City of Fontana	X	X	X		X	X	X	*					
John Roberts City of Fontana									X	X			
Bea Cortes City of Grand Terrace	X	X	X	X	X	X	X	X	X	X			

X = member attended meeting. * = alternate member attended meeting. Empty box = Did not attend meeting Crossed out box = not a Board Member at the time.

brdatt10

BOARD OF DIRECTORS ATTENDANCE RECORD - 2010

Name	Jan	Special Jan 20 Mtg.	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Mike Leonard City of Hesperia	X	X	X	X	X	X	X		X	*			
Larry McCallon City of Highland	X	X	X	X	X	X	X			X			
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X	X	*	X			
Paul Eaton City of Montclair	X	X	X	X	X	X	X	*	X	X			
Jeff Williams City of Needles	X		X	X	X	X	X	X	X	X			
Alan Wapner City of Ontario	X	X	X	X	X	X	X	X	X	X			
Diane Williams City of Rancho Cucamonga	X		X	X	X	X	X	X	X				
Pat Gilbreath City of Redlands	X		X	X	X	X	X	X	X	X			
Ed Scott City of Rialto	X	X	X	X	X	X	X	X	X	X			
Patrick Morris City of San Bernardino	X	X	X	X	X	X	X	X	X	X			
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X	X	X	X			
John Pomierski City of Upland	X	X	X	X	X	X	X	X	X				
Ryan McEachron City of Victorville	X		X	X	X	X	X	X	X	X			
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X	X	X	X			
William Neeb Town of Yucca Valley	X	X	X	X	X	X	X	*	X	X			
Ray Wolfe Ex-Official Member	X		X	X	Syed Raza	X	X	X	Syed Raza	Christy Connors			

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brdatt10

BOARD OF DIRECTORS ATTENDANCE RECORD - 2009

Name	Jan	Feb	March	April	May	Special May 20 Mtg	June	July	Aug	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X	X		X	X	X	X	X		X	X	X	X
Brad Mitzelfelt Board of Supervisors	X			X	X		X	X	X	X	X	X	X
Paul Biane Board of Supervisors	X		X	X			X	X	X		X	X	X
Josie Gonzales Board of Supervisors	X	X	X	X	X		X		X	X	X	X	X
Neil Derry Board of Supervisors		X	X	X	X	X	X	X	X		X	X	X
Charley Glasper City of Adelanto	X	X	X	X	X		X	X	X	X	X	X	X
Rick Roelle Town of Apple Valley	X	X	X	X	X	X	X	X	X	X	X	X	X
Julie McIntyre City of Barstow	X	X	X	X	X		X	X		X		X	X
Bill Jahn City of Big Bear Lake	X	X	X	X	X	X	X	X	X	X	X	X	X
Dennis Yates City of Chino	X	X	X	X	X	X	X	X	X		X	X	X
Gwenn Norton-Perry City of Chino Hills		X	X	X	X			X	X		X	X	X
Kelly Chastain City of Colton	X	X	X	X	X	X	X	X	X	X	X	X	X
Mark Nuaimi City of Fontana	X	X	X	X	X	X	X	X	X	X	X	X	X
Bea Cortes City of Grand Terrace	*	X	X	X	X	X	X	X	X		X	X	X
Mike Leonard City of Hesperia	X	X		X	X		X	X	X		X		X

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BOARD OF DIRECTORS ATTENDANCE RECORD - 2009

Name	Jan	Feb	March	April	May	Special May 20 Mtg	June	July	Aug	Sept	Oct	Nov	Dec
Larry McCallon City of Highland	X	X	X	X	X	X	X	X	*	X	X	X	X
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X	X		X	X	X	X
Paul Eaton City of Montclair	X	X	X	X	*		X	X	X	X	X	X	X
Jeff Williams City of Needles	X	X		X	X		X	X	X	X		X	
Alan Wapner City of Ontario	X	X	X	*	X		X	X	X	X	X	X	X
Diane Williams City of Rancho Cucamonga	X	X	X	X	X	X	X	X	X	X	X		X
Pat Gilbreath City of Redlands	X	X	X	X	X	X	X	X	X	X	X	X	X
Grace Vargas City of Rialto	*												
Ed Scott City of Rialto		X	X	X	X		X	*	X	X	X	X	X
Patrick Morris City of San Bernardino	X	X	X	X	X		X	X	X	X	X	X	X
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X	X	X	X	X	X	X
John Pomierski City of Upland	X	X	X		X	X	X	X	X			X	X
Ryan McEachron City of Victorville	X	X	X	X	X	X	X	*	X	X	X	X	X
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X	X	X	X	X	X	X
William Neeb Town of Yucca Valley	X	X	X	X	X	X	X	X	X	X	X		X
Ray Wolfe Ex-Official Member	Jesus Galvan	X	X	X	Basem Muallem		Basem Muallem	X	X	X	X	X	X

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 3

Date: October 6, 2010

Subject: August 2010 Procurement Report

Recommendation:* Receive Monthly Procurement Report

Background: The Board of Directors approved the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997. The Executive Director, or designee, is authorized to approve Purchase Orders up to an amount of $50,000. All procurements for supplies and services approved by the Executive Director, or designee, in excess of $5,000 shall be routinely reported to the Administrative Committee and to the Board of Directors.

Attached are the purchase orders in excess of $5,000 to be reported to the Administrative Committee for the month of August 2010.

Financial Impact: This item imposes no impact on the FY 2010/2011 Budget. Presentation of the monthly procurement report will demonstrate compliance with the Contracting and Procurement Policy (Policy No. 11000).

Reviewed By: This item was received by the Administrative Committee on September 8, 2010.

Responsible Staff: William Stawarski, Chief Financial Officer

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X

Check all that apply.
BRD1010a-cac
ISF11

August 2010 Report of Purchase Orders

PO No. RCMS # EDEN #	PO Issue Date	Vendor	Purpose	Amount $
P11065 4000425	08/24/10	Hinderliter, de Llamas & Associates	FY 2010/2011 Sales Tax Analysis	9,600.00
**Note: Sole Source justification is noted in the Purpose statement, if applicable.*			**Total $**	**9,600.00**

BRD1010a-cac
ISF11

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
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Minute Action

AGENDA ITEM: 4

Date: October 6, 2010

Subject: Amendment to Contract C09054 with the County of San Bernardino for Project Management Services for the Implementation of a New Financial Management Software System

Recommendation:* Approve Amendment Number 2 to Contract C09054 with the County of San Bernardino for Financial Management Software System Project Management and Implementation Assistance by increasing the contract authority by $60,000 as outlined in the Financial Impact Section.

Background: On September 3, 2008, the SANBAG Board of Directors approved Contract C09054 with the County of San Bernardino to provide project management support for the development and implementation of the SANBAG Financial Management Software System. The original amount was not to exceed $257,400 and was to cover a 20 month period.

As work has progressed on this project and the details and intricacies involved in implementing an entirely new financial and project accounting system became apparent, it was clear that additional resources were needed for this project. In Fiscal Year 2009/2010, the Board of Directors approved the first amendment to this contract for $50,000. As the implementation continues, County ISD has started the task of documenting procedures and writing the user manual for our staff based on the training that has been received from the vendor for the accounting software to date. There is also a continued need for customization of

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X

Check all that apply.
BRD1010b-DAB
Attachment:
C09054-2

this software to meet the unique requirements of SANBAG. Finally, there is a continued need for project management services as we implement the last payroll and advanced budgeting modules of the new software system. These needs were reflected in the approved Fiscal Year 2010/2011 budget but the contract authority was not increased. This action will increase the contract authority consistent with the budget.

Financial Impact: This item is consistent with the adopted Fiscal Year 2010/2011 budget. Funding for the additional $60,000 is provided in Task Number IAM11. Approval of this amendment will bring the contract total since September 2008 to $367,400.

Reviewed By: This item was reviewed and unanimously approved by the Administrative Committee on September 8, 2010.

Responsible Staff: Duane A. Baker, Director of Management Services

BRD1010b-DAB
Attachment:
C09054-2

SANBAG Contract No. **C09-054-02**
by and between San Bernardino Associated Governments and County of San Bernardino
for Project Management Services for the Implementation of Financial Management System

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☐ Receivable	Vendor Contract # _____ Vendor ID SBCOISD	Retention: ☐ Yes _____ % ☒ No	☐ Original ☒ Amendment

Notes:

Original Contract:	$ 223,808	**Previous Amendments**	$ $50,000
		Previous Amendments Contingency / Allowance Total:	$ _____
Contingency / Allowance Amount	$ 33,592	**Current Amendment:**	$ $60,000
		Current Amendment Contingency / Allowance:	$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ▶ $ 367,400

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amndmnt Amt
7110	85	0130	52001	_____	Indirect	$ 60,000.00
_____	_____	_____	_____	_____	_____	$ _____
_____	_____	_____	_____	_____	_____	$ _____
_____	_____	_____	_____	_____	_____	$ _____

Original Board Approved Contract Date:	9/3/08	Contract Start: 9/7/08	Contract End: 5/1/10
New Amend. Approval (Board) Date:	10/6/10	Amend. Start: 10/6/10	Amend. End: 6/30/11

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation.**

Approved Budget Authority ▶	Fiscal Year: 10/11 $ 60,000.00	**Future Fiscal Year(s) – Unbudgeted Obligation ▶**	$ _____

☒ Budget authority for this contract currently exists in Task No. IAM11 (C-Task may be used here.).
☐ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☐ State/Local Funds
☐ Disadvantated Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Duane A. Baker	**Contract Manager:** Duane A. Baker
Duane A. Baker 8-13-10	Duane A. Baker 8-13-10
Task Manager Signature Date	Contract Manager Signature Date
8/19/10	
Chief Financial Officer Signature Date	

Finance will not process any payments without budget authority and properly executed contracts.

AMENDMENT NO. 2

TO CONTRACT C09054

By and Between

SAN BERNARDINO ASSOCIATED GOVERNMENTS

And

COUNTY OF SAN BERNARDINO

For Project Management Services for the Implementation of Financial Management System

This Amendment #2 to Contract No. C09054 ("Contract") is made and entered this 6th day of October, 2010 by and between San Bernardino Associated Governments (hereafter referred to as "SANBAG") and the County of San Bernardino (hereafter referred to as "County").

WITNESSETH

WHEREAS, on September 3, 2008, SANBAG Board of Directors executed a Memorandum of Understanding with the County for consulting services in the form of project management expertise from the County Information Services Department (ISD) to assist with the implementation of a Financial Management Software System; and

WHEREAS, SANBAG desires project management services from ISD beyond the period and amount originally contemplated in the Contract.

NOW THEREFORE, SANBAG and County agree to the following:

1. SANBAG shall pay an additional $60,000 for approximately 663 hours of additional project management services from ISD at the rate of $90.50/hour per the terms of the MOU.

2. All other terms and conditions of the Contract shall remain the same.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Brad Mitzelfelt Date
President

COUNTY OF SAN BERNARDINO INFORMATION SERVICES DEPARTMENT

Stephen P. Hall 8/24/2010
Stephen P. Hall Date
Chief Information Officer

APPROVED AS TO LEGAL FORM

9-14-10
Jean-Rene Basle Date
SANBAG Counsel

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 5

Date: October 6, 2010

Subject: Executive Director Authority for Procurements

Recommendation:* Approve amendments to Policy 11000 increasing the Executive Director's authority for approving sole source procurements from $25,000 to $50,000 and approving assorted non substantive changes to improve the clarity of the policy as shown on the attached Exhibit A.

Background: On December 3, 2008 the SANBAG Board approved an amendment to Policy 11000 increasing the Executive Director's authority for approving purchase orders from $25,000 to $50,000. The intention at the time was to apply this change of authority uniformly for all types of procurement and purchases. However, the item approved by the Board in December 2008 inadvertently missed amending section VII.D.2 concerning sole source procurements. That specific section was left at $25,000. The proposed amendment increases that authority to $50,000 and makes the policy consistent.

In addition to this substantive change, staff is taking this opportunity to make various non-substantive changes that improve the clarity of the policy and make the policy consistent with recent organizational changes at SANBAG.

Financial Impact: This item has no financial impact.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Administrative Committee on September 8, 2010.

Responsible Staff: Duane A. Baker, Director of management Services

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X

Check all that apply.
BRD1010c-DAB
Attachment:
Policy11000REV.DRAFT

San Bernardino Associated Governments		Policy	11000
Adopted by the Board of Directors	January 3, 1997	Revised	9/8/10 ~~12/3/08~~
Contracting and Procurement Policy		Revision No.	12 ~~11~~

Table of Contents

|Purpose | References | Policy | Contract Types | Standard Procedures | Public Works Contracts | Supplies and Services Contracts | Leasing of Real Property | Amendments to Contracts | Standard of Ethics | Revision History |

I. PURPOSE

This policy establishes contracting and procurement standards to guide the selection of the most qualified firms to perform services to the best advantage of the Agency. It provides guidance to SANBAG staff with respect to policy considerations adopted by the SANBAG Board of Directors.

II. REFERENCES

Policy 10025, Guidelines for Agenda Materials

III. POLICY

All contracts, including contracts for construction projects, leases of real property, professional services, and service and maintenance contracts, shall be processed according to the following policies.

IV. CONTRACT TYPES

SANBAG may enter into a variety of contract types, each of which may be subject to different rules as a function of state and/or federal law and SANBAG policy. The different contract types and rules affecting them are specified in this policy.

A. Professional Services Contracts

1. SANBAG may, from time to time, enter into agreements with private firms or other agencies to perform ongoing services. Such contracts are geared toward the performance of specific functions on a continuing or as-needed basis, as opposed to the completion of a clearly specific scope of work or preparation of a discrete work product.

   Examples of professional services contracts are for legislative advocacy, legal counsel, program management, and construction management.

2. When selecting private firms to perform such services, this type of contract must be awarded on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services at a fair and reasonable price to SANBAG.

   Such selection shall take into consideration prior experience of the firm and/or representatives, understanding of work to be completed, knowledge of the working environment, and particular skills and expertise of the firm and/or representatives proposed for the function.

B. Product Specific Professional and Technical Services Consultants

1. SANBAG may enter into contracts for the preparation of specific designs, studies, reports, or work products. These contracts are defined by very specific scopes of work and discrete work products, set periods of performance, and negotiated costs.

   Examples of product specific professional services contracts are those for architectural reports, historic surveys, engineering report, and feasibility studies.

2. When selecting private firms to perform such services, this type of contract must be awarded based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services at a fair and reasonable price to SANBAG.

Such selection shall take into consideration prior experience of the firm and project managers, organization of the project tasks, understanding of tasks to be completed, understanding of project goals, knowledge of the work~~ing~~ environment, and particular skills and expertise of the firm and/or managers proposed for the project.

C. Public Works/Construction Contracts
SANBAG may enter into contracts for public works or specific construction. These contracts are subject to the California Public Contracts Code and must be awarded to the lowest responsible bidder. Examples of this type contract are for roadways, bridges, signals, and other public works projects.

D. Leases of Real Property
SANBAG may, from time to time, enter into contracts for the leasing of real property belonging to SANBAG or leased for use by SANBAG. Examples of this type contract are for office space occupied by SANBAG staff, lease of rail rights-of-way owned by SANBAG not immediately required for rail operations; or other short-term project specific leases.

E. Purchase Orders

1. The purchase order procedures are developed for efficiency in processing transactions where services and supplies are clearly specified and provide for expedient delivery of products and services. Purchase orders are binding documents that establish a vendor's acceptance of the offer and mutually agreed upon terms and conditions, expected performance, and consideration for performance.
2. Products and services for amounts less than $50,000 in any fiscal year, other than purchase and lease of real property and employment contracts, may be purchased using purchase order procedures.
3. The Executive Director, or his/**her** designee, is authorized to approve Purchase Orders up to an amount of $50,000. Purchase Orders over $50,000 or exceeding a cumulative amount of $50,000 in any fiscal year ~~must be approved~~ **requires approval** by the Board of Directors.
4. All procurements for supplies and services approved by the Executive Director, or his/**her** designee, in excess of $5,000 shall be routinely reported to the Board of Directors.

V. STANDARD PROCEDURES

The SANBAG standard practice shall be that:

A. Contracts shall be required for construction projects, roadwork, purchase or lease of real property, and all employment contracts.

B. All contracts shall be reviewed by legal counsel prior to presentation to the Board for approval.

C. All contracts shall specify a period of performance, description of the function to be performed, total contract amount, and appropriate performance standards.

D. All contracts shall contain a standard non-discrimination clause.

E. When utilizing state and federal funds requiring more rigorous or different standards than applied by these policies, such standards will prevail. SANBAG is responsible for ensuring that such standards are met and/or are included in appropriate contracts.

F. The maximum term for standard SANBAG contracts, unless otherwise authorized by the Board of Directors, shall be for three years.

G. Special consideration is required in the instances of a formal competitive process resulting in only one bidder. In those instances, SANBAG staff shall evaluate factors relative to the competitive process, including adequacy of notification to qualified competitors, requirements of the RFQ/RFP, the amount of time provided to respond to the RFQ/RFP, adequacy of the one proposal received, and urgency. After such an analysis, the Executive Director shall make a recommendation to either accept or reject the proposal. Each circumstance will require consideration of facts relevant to the specific solicitation and work to be performed.

H. All contracts, contract amendments, and memoranda of understanding ~~must be approved~~ requires approval by the Board of Directors, unless otherwise authorized by the Board of Directors. In order to prevent delays that would result in negative impacts to SANBAG projects and/or programs, SANBAG

staff will provide sufficient time for SANBAG Policy Committees and the Board of Directors to appropriately review and consider staff recommendations for approval of contracts and contract amendments. Refer to Policy 10025.

I. In the event of significant time constraints, extenuating circumstances, or emergencies when approval is required, either the Administrative Committee or the Plans and Programs Committee is authorized to approve contracts in excess of $25,000, ~~subject to~~ **with notification to the** Board of Directors ~~ratification~~. ~~Ratification~~ **Notification** shall be ~~obtained~~ **made** at the next regularly scheduled meeting of the Board of Directors following such approval **(by the Administrative Committee or the Plans and Programs Committee)**.

J. The SANBAG President is the officer designated to sign contracts on behalf of the organization, unless otherwise authorized by the Board of Directors. In the absence of the SANBAG President, the SANBAG Vice President is authorized to sign contracts on behalf of the organization.

VI. PUBLIC WORKS CONTRACTS

Public Works Contracts over $6,500 shall be awarded based upon a competitive process as governed by California Public Contracts Code.

VII. SUPPLIES AND SERVICES CONTRACTS

SANBAG shall maintain a list~~ing~~ of vendors who have expressed an interest in doing business with the Agency. The list~~ing~~ shall include the vendor's primary contact for competitive processes and the vendor's field of expertise as stated by the vendor.

A. Supplies and Services Competitive Processes

1. **Informal Competitive Procurement**: Informal competitive procurement procedures will generally be used for purchases in excess of $5,000 but not exceeding $25,000. The following general procedures, depending upon the type of purchase, should be used for informal competitive procurement:

   a. A telephone survey for quotations will generally be taken for purchases of goods and services. In such cases, the buyer specifically identifies the item being purchased. Award of a purchase order will be to the lowest responsive responsible bidder whose bid conforms to the requirements.

   b. Informal Requests for Quotes or letters may be required if the goods or services being requested require bidders to have more detail. SANBAG will issue a Request for Quotation to a limited number of firms/individuals. Award of a purchase order will be to the responsible bidder whose bid conforms to the requirements and is most advantageous to SANBAG as to price and other factors considered.

   c. Use of electronic quotation systems operating within San Bernardino County is authorized.

   d. SANBAG will document results of all such informal procurement actions.

2. **Formal Competitive Procurements - Request for Proposal/Request for Qualifications**: The formal Request for Proposal (RFP)/Request for Qualifications (RFQ) process is used to solicit proposals for services in excess of $25,000 and for solicitation of proposals less than $25,000 in instances where this process is deemed appropriate.

   a. The RFP/RFQ process is a competitive procurement process that requires evaluation of offeror's proposal and qualifications. This competitive procurement process does not require award to the lowest bidder.

   b. This process applies to professional services contracts and product specific professional and technical consulting contracts, including engineering, environmental, surveying, construction management, and architectural services. These contracts shall be awarded based upon demonstrated competence and on the professional qualifications and capabilities necessary for the performance of services required at a fair and reasonable price to SANBAG.

   c. SANBAG will provide complete RFP packages to vendors identified as providing the specific services being requested in the RFP/RFQ either by mail or other methods.

d. SANBAG will maintain a control record as RFP packets are distributed indicating the date and time of distribution. The record shall contain the names and addresses of offerors receiving the proposal invitations and attendance at pre-proposal conferences, if held. The control record shall be used as a mailing list for the issuance of addendums and as a verification record in the case of vendor protests.

e. Pre-proposal conferences will be held, when appropriate, to discuss the basic requirements such as instructions to the offerors, funding, contract type, evaluation criteria, and specific points that should be addressed in each proposal.

f. ~~**Included in the RFP/RFQ, will be the question** if their firm was ever terminated from a contract~~ **The question "Has the firm ever been terminated from a contract?" will be included in the RFP/RFQ**. If ~~**so**~~ **the answer is "Yes"**, the firm will be required to describe the facts and circumstances in detail.

3. **Formal Competitive Procurements - Request for Bids**

a. The competitive sealed bid method of procurement is used for purchases in excess of $25,000:

1). When a complete, adequate and realistic specification or purchase description is available;

2). Two or more responsible suppliers are willing and able to compete effectively; and

3). The procurement lends itself to a firm-fixed price contract and the election of the successful bidder can be made on the basis of price.

b. A control record will be maintained as invitations for bids are distributed indicating the date, time, and/or place of distribution or notice. The record shall contain the names and addresses of offerors receiving the proposal invitations or posting of the notice. The control record shall be used as a mailing list for the issuance of notices relative to the request for bids and as a verification record in the case of vendor protests.

c. Award of a contract shall be made to the responsive, responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price.

B. Consultant Selection Process

1. Authorization to circulate Request for Proposals (RFP)/Request for Qualifications (RFQ). **SANBAG** ~~S~~staff will obtain Board of Directors approval prior to circulation of any RFP/RFQ.

2. Preparation and distribution of RFP/RFQ. SANBAG staff and/or contract staff will prepare the scopes of work and the RFP/RFQ.

3. Appointment of Selection Team. The Board of Directors, Policy Committees and/or SANBAG staff shall appoint a selection team. A representative of SANBAG member jurisdictions or representatives of SANBAG counterpart agencies shall be invited to participate in the selection of contractors and consultants, when appropriate. In the instance of SANBAG Major Projects contracts, the selection team shall consist of two (2) Caltrans representatives and three (3) representatives from member or counterpart agencies, or members of the Board of Directors or their designees. Members of the selection team shall be appointed with reference to the discipline involved and the location of the project. When possible, SANBAG staff shall participate in the entire selection process.

4. SANBAG Staff. As used in this policy, the term "SANBAG staff" refers to full-time employees of SANBAG.

5. Responses to Queries. Numerous inquiries are typically received during the circulation period for any RFP/RFQ. Relevant information will be provided, and pre-proposal conferences will be held, when appropriate, to discuss the basic requirements such as instructions to offerors, funding, contract type, evaluation criteria, terms, scope, and the selection process. The names of the selection team are often requested. Relevant technical information will be provided, but names of the selection team shall not be made available prior to formal interviews.

6. Short-listing. Short-listing is the most important part of the process. Narrowing the list to a small set of qualified firms greatly reduces the likelihood of making a poor selection. Ensuring an adequate short-list is therefore very important. Members of the selection team shall review and evaluate all responses to establish a short list of the most highly qualified firms in preparation for formal interviews.

For SANBAG Major Projects contracts, SANBAG staff and/or contract staff shall review all the statements of qualifications and prepare a single qualitative evaluation for each firm's response to the RFP/RFQ that includes evaluative comments and rational. Besides the normal criteria, the evaluative comments will focus especially on the following points:

- Understanding of the project
- Management structure of the project team
- Project approach

This summary evaluation will then be forwarded to the actual selection team for their reference and use. The summary evaluations will be advisory only, and will not provide a ranking or numeric scoring of submittals. Each member of the team must then perform an independent review of the responses. The Director of ~~Freeway Construction~~ **Project Delivery** will then convene the selection team to prepare the short list.

7. Interviews. The selection team shall convene to interview the short-listed firms. For SANBAG Major Projects contracts, one contract staff member shall be designed as ex officio member to participate during the interview process in questioning and discussion, but shall have no vote, and will not attempt to influence the decision. This will ensure adequate technical expertise and perspective from SANBAG's program interests.

8. Debriefing. An essential part of the selection process is the debriefing of firms that were either not short-listed or not selected. Members of the selection team shall designate one member to meet with unsuccessful proposers to explain the selections that have been made and to offer recommendations for improving future proposals. Contract staff will not participate in the debriefing.

These procedures are intended to ensure that only highly qualified firms matching SANBAG's needs will be selected.

C. Major Projects Negotiating Guidelines

The SANBAG Major Projects Task Force adopted guidelines on May 3, 1995, relative to Major Projects Negotiating Guidelines. Those guidelines shall provide guidance to SANBAG staff in negotiating professional services and product specific professional and technical services consultants. After following those guidelines, where staff, after diligent effort, cannot recommend a contract with the highest ranking firm due to an inability to negotiate a fair and reasonable price, negotiations will be initiated with the second highest ranking firm and proceed to a contract recommendation.

D. Sole Source Process

In those specific instances when it may be necessary or prudent to enter into sole source contracts, specific approval shall be required.

1. All sole source contracts shall be governed by the following guidelines:
   a. Sole source contracts may be recommended for approval upon a finding of appropriateness and that it is in the best interest of the agency to do so.
   b. Contracts may be recommended for approval on a sole source selection based upon a requirement for unique qualifications, the existence of significant time constraints, and/or in certain instances of demonstrated experience.
   c. Any recommendation for approval of a contract for which a competitive process has not been completed shall contain justification for the lack of competition.
   d. Any recommendation to the Board of Directors for sole source procurement must be specifically called out in the agenda item and shall be placed on the discussion calendar.
2. The Executive Director, or his/**her** designee, shall approve sole source procurements up to ~~**$25,000**~~ **$50,000**, using the guidelines outlined in this section. Such sole source procurements shall be routinely reported to the Board of Directors.

VIII. LEASING OF REAL PROPERTY

A. ~~**The SANBAG Board of Directors shall approve all lease agreements resulting from a call for bids.**~~ **All lease agreements resulting from a call for bids require approval of the SANBAG Board of Directors.**

B. The call for bids shall be posted in at least three (3) public places for not less than 15 days and published for not less than two weeks in a newspaper of general circulation. The highest proposal for the proposed lease submitted in response to a call for bids shall be accepted, or all bids shall be rejected.

C. Leases for a period not exceeding ten years and having an estimated monthly rental of not more than $5,000 may be excluded from the bidding procedure specified in the preceding paragraph ~~11000.8.B~~ **VIII.B** above~~. Leases excluded from the bidding procedure specified in paragraph 11000.8.B~~ **but** shall be subject to the following requirements.

1. Notices requesting offers to lease SANBAG property shall be posted in the SANBAG offices. Notices shall also be mailed or delivered at least 15 days prior to accepting offers to lease to any person who has filed written request for notice with SANBAG. Such requests to receive notices shall be renewed annually. Notice shall be published as provided in Government Code Section 6061.
2. Notices requesting offers to lease SANBAG property shall describe the property proposed to be leased, the terms of the lease, the location where offers to lease the property will be accepted, the location where leases will be executed, and any SANBAG officer authorized to execute the lease.
3. The Executive Officer, or his/**her** designee, is authorized to approve and execute leases exempted from the bidding procedures specified in the preceding paragraph ~~11000.8.B~~ **VIII.B**.
4. Leases exempt from the bidding procedures specified in the preceding paragraph ~~11000.8.B~~ **VIII.B** are not renewable except by approval of the Board of Directors after a competitive process.

D. The SANBAG Board of Directors' approval is required on all leases of real property for use by SANBAG, except that the Executive Director, or his/**her** designee, is authorized to lease real property for a term not to exceed three years and for a rental not to exceed $2,500 per month. The Executive Director, or his/**her** designee, is authorized to amend real property leases for improvements or alterations with a total cost not to exceed $2,500, provided that the amendment does not extend the term of the lease and that no more than two amendments, not exceeding $2,500 each, are made within a 12-month period.

IX. AMENDMENTS TO CONTRACTS

From time to time, it may be necessary or convenient to amend contracts. All contract amendments ~~shall be approved~~ require approval by the Board of Directors unless otherwise provided by action of the Board of Directors. Amendments may relate to all contract components of the various contract types: terms and conditions, period of performance, compensation and fee, scope of work, or functional responsibility.

A. Professional Services Contracts

1. In those instances where it has been determined that professional services are required beyond the term of the existing contract, the standard practice shall be for the contract to be reviewed prior to the end of the contracted performance period and assessed relative to: (1) the scope and continued need for the function performed, (2) the adequacy of performance under the contract, and (3) other terms and conditions of the agreement.

   In certain instances, SANBAG professional services contractors are required to work closely with other public agency partners and SANBAG member jurisdictions. When such a professional services contract is being considered for revised scope or extension, SANBAG will solicit input from the representatives of those public agencies on the performance, demeanor, and timely implementation of work performed by the contractor.
2. Based upon the demonstrated competence and on the professional qualifications of the contractor and upon the particular project needs, professional services contracts may be recommended for extension or be recommended for re-competition.
3. Re-competition for professional services contractors serves to assess the competitive market conditions relative to expertise and pricing for services and may be prudent on a periodic basis. However, where professional services relate to specific on-going projects or levels of unique qualifications, skills, and experience, it may be appropriate to extend such contracts without re-competition. Staff shall analyze each contract based upon the specific project needs and include justification for such recommendation to the Board of Directors.

4. In those instances where it may be prudent for SANBAG staff to recommend against a renewed competitive process, the decision for lack of renewed competitive process may include the following instances:
   a. When the amendments are the result of an increase in the scope of work for the same project, wherein the qualifications and experience required to perform the new tasks were clearly examined as part of the prior competitive process.
   b. When, on the basis of a specific finding or competitive process prior to approval of the original contract, the contractor was determined to be the most qualified and responsive to undertake the work addressed by the contract amendment.
   c. Where the contractor, based upon findings presented to the Board **of Directors**, of (1) specific qualifications, (2) unique knowledge of the project, or (3) unique knowledge of the work required, is found to be preeminently positioned to perform the work.

B. Product Specific Professional and Technical Services Consultant Contracts

1. The Board of Directors may periodically approve amendments to product specific professional and technical services consulting contracts contingent upon contractor performance and negotiation. Amendments may address all contract components, but typically relate to increased cost, the period of performance to accomplish the project, or adjustments to the scope of work.
2. Amendments to increase the cost and/or period of performance of an established scope of work are approved as a matter of prudence and necessity. These result from increased difficulty or range of work effort to accomplish the defined scope. Examples requiring such amendments include actions in response to review comments, the imposition of new state or federal regulations, various design complications, and other factors generally beyond the consultant's control and not anticipated during the initial cost proposal.

C. Public Works/Construction Contracts

1. Amendments and change orders to Public Works/Construction contracts shall comply with the California Public Contracts Code.
2. The Director of ~~**Freeway Construction**~~**Project Delivery** is authorized to approve Construction Change Orders on all SANBAG Construction Contracts up to the authorized contract contingency amount and subject to the limitations imposed by Section 20142 of Public Contract Code. Change orders approved by the Director of ~~**Freeway Construction**~~**Project Delivery** will be presented monthly for review and ratification by the Major Projects Committee. In the event that the $150,000 limitation of Public Contract Code Section 20142 must be exceeded, prior approval of the SANBAG President will be obtained.

X. STANDARD OF ETHICS

A. No SANBAG employee shall solicit, demand or accept from any person anything of a monetary value for or because of any action taken, or to be taken, in the performance of his or her duties. An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by SANBAG, including possible dismissal.

B. No SANBAG employee shall use confidential information for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to such SANBAG employee by blood, marriage, or by common commercial or financial interest. An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by SANBAG, including possible dismissal.

XI. REVISION HISTORY

Revision No.	Revisions	Adopted
0	New Policy. Adopted by the Board of Directors	01/03/97
1	Modified Para. 11000.10	01/07/98
2	Modified Para. 11000.7.2	01/07/98
3	Deleted & replaced Para. 11000.7.3	01/07/98
4	Added Para. 11000.10 B	03/04/98

5	Modified Para. 11000.10	06/03/99
6	-Added Para. 11000.7.2.f -Modified Para. 11000.7.3.5.B -Modified Para. 11000.9.3.2	09/01/99
7	-Added new Para. 11000.5.G -Re-identified Para. 11000.5.H (was Para. 11000.5.G) and revised to add "...or the Plans and Programs Committee . . ." -Re-identified Para. 11000.5.I (was Para. 11000.5.H) -Moved Para. 11000.7.5.3 to new paragraph 11000.7.5.1.d and added "...and shall be placed on the discussion calendar." -Added Para 11000.12 REVISION HISTORY	07/05/00
8	-Revised Par. 11000.2 DEFINITIONS to REFERENCES and added Policy 10025, Guidelines for Agenda Materials. -Revised Paragraphs 11000.5.H and 11000.5.I -Re-numbered original Par. 11000.5.I to 11000.5.J -Deleted Par. 11000.10 POLICY GOVERNING DISADVANTAGED BUSINESS ENTERPRISES; re-numbered original Paragraphs 11000.11 and 11000.12 to 11000.10. and 11000.11.	01/09/02
9	Par. IX.A.1: Added additional paragraph "In certain instances, SANBAG professional services contractors are required to work closely with other public agency partners...". Re-formatted paragraph numbering to match current policy format, e.g., 11000.1 PURPOSE changed to I. PURPOSE.	07/02/03
10	Eliminated the Local Preference Policy – Paragraph VII.C; subsequent paragraphs VII.D and E renumbered to VII.C and D.	11/07/07
11	Par. IV.E.2 and 3: Increased the Executive Director's authority for approving Purchase Orders from $25,000 to $50,000.	12/03/08
12	**Revised the "Director of Freeway Construction" to "Director of Project Delivery". Par. VII.D.2: Increased the Executive Director's authority for approving sole source procurements from $25,000 to $50,000. All other changes in language were made for clarity.**	

Governments SANBAG Working Together

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 6

Date: October 6, 2010

Subject: SANBAG Policy 10107 – Compensation Administration and Policy 10115 – Performance Evaluation Plan

Recommendation:* 1. Approve the amendments to Policy 10107 – Compensation Administration as detailed in Attachment A.

2. Approve the amendments to Policy 10115 – Performance Evaluation Plan as detailed in Attachment B.

Background: On June 2, 2010, the SANBAG Board of Directors approved the results and recommendations related to a Classification and Compensation study that was conducted for SANBAG by the firm Public Sector Personnel Consultants. Since that approval, SANBAG staff has been working to incorporate the changes into our system of performing employee evaluations. This work has led us to the need to modify SANBAG policies.

The proposal is to modify procedures used for merit based annual evaluations and preliminary evaluations for new employees and to consolidate all employee evaluations to take place at the same time each year.

When the Classification and Compensation study was completed, SANBAG staff used that as an opportunity to look for ways to improve how we evaluate employees and provide them with feedback on their performance. One improvement is to consolidate all employee evaluations so that they take

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X

Check all that apply.
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BRD1010e2-DAB

place at the same time each year. Currently, employee evaluations take place annually on the anniversary date of the employee passing their initial six month review. Because of this fact, employee evaluations currently take place throughout the year. This requires SANBAG to track various anniversary dates and prepare evaluation packets for supervisors to complete at many different times throughout the year. A benefit of consolidating all evaluations to the same time each year is to simplify administering the process. The preparation of the evaluation materials can be done at one time. Another benefit is that this will help to make our evaluation process a much more consistent one within each area of SANBAG and across SANBAG as a whole. As supervisors complete evaluations at one time, they will be more consistent as they rate their employees. Also, each year Human Resources staff can brief supervisors on the evaluation process and on key factors to consider as they start evaluations of their employees. With all evaluations being due at the same time, it will be easier to hold supervisors accountable for completing their evaluations of employees.

Consistency has become even more important as SANBAG implements the recommendations of the Classification and Compensation Study. With the approval of the Study we moved away from the rigid step system where merit increases after evaluations were locked at either 2.5% or 5%. Instead SANBAG now has a system that allows merit increases anywhere within a range from 0% to 5%. Each employee is not automatically entitled to a merit increase and just because an employee is recommended for a merit increase doesn't mean that they will automatically receive a 5% increase. The new system recognizes that there may be different levels of performance and that this should be recognized in the evaluation and in the recommendation for merit increases as well. The Study also established that within each salary range for a position, the midpoint salary is the standard that a fully capable and competent employee should be at. Due to this, employees below mid step would be expected to move fairly quickly toward the mid step salary based on performing a competent job and gaining experience in the organization. Employees above mid step are rewarded for excellent and exemplary performance in order to earn a merit increase. The concept is not to reward an employee for occupying space but for showing initiative, motivation, excellent team work and general excellence in carrying out their job.

In order to accomplish these changes, amendments are required in Policy 10107 and 10115. The amendments eliminate reference to number of hours worked before having an evaluation and instead reference the number of months worked. The amendments also create a process that gets all employees onto a schedule of receiving their annual evaluation in July. New employees or newly reclassified employees will continue to receive an evaluation after six months on the job.

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These employees will also receive a second evaluation. However, instead of receiving their second evaluation 12 months after the six month evaluation, they will now receive their second evaluation on either the first or second July following their six month evaluation. All evaluations after this will then occur annually in July. The result is that some new employees may receive their second evaluation in as little as 7 month or as many as 18 months following their initial six month evaluation. After that, they will receive their evaluations annually.

Since the policies relating to evaluations currently specify specific increments between evaluations based on hours worked, it is necessary to amend those policies to allow this consolidation of evaluations.

Financial Impact: This item has no financial impact. This item does not change the amounts authorized for merit performance increases nor does it change the necessity for performance evaluations. This item simply changes when the evaluations take place so that annual evaluations may be consolidated to take place in July of each year.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Administrative Committee on September 8, 2010.

Responsible Staff: Duane A. Baker, Director of Management Services

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Attachment

San Bernardino Associated Governments		Policy	10107
Adopted by the Board of Directors	August 7, 1991	Revised	DRAFT 9/8/10 ~~6/2/10~~
Compensation Administration		Revision No.	7 ~~6~~

Table of Contents

| Purpose | References | Policy | Definitions | Salary Plan | Salary Ranges | Start Rates | Guidelines for Adjusting Individual Salaries | Reclassification | Review of Positions for Reorganization | Salary Range and Adjustments | Employee Recognition Program | Revision History |

I. PURPOSE

The purpose of this policy is to establish SANBAG's compensation plan consisting of a salary plan, a performance evaluation process, a benefits plan, and recognition/rewards program.

II. REFERENCES

Policy 10107 Appendix A, SANBAG Salary Plan
Policy 10110, Employee Status and Classification
Policy 10115, Performance Evaluation Plan
Policy 10118, Layoffs
Policy 10122, Benefits

III. POLICY

A. SANBAG shall maintain a compensation plan. The SANBAG Board of Directors approves salary ranges, rates, and employee benefits, usually during consideration of the Executive Director's recommendations for adoption of the annual budget. **Refer to Policy 10122 for employee benefits.**

B. Policies related to salary ranges require adoption by the SANBAG Board of Directors. The Executive Director shall have the authority to interpret SANBAG's personnel policies and procedures.

C. The Executive Director is responsible for establishing definitive guidelines on the adjustment of individual salaries. All salary adjustments require approval by the Executive Director subject to budget authorization provided by the SANBAG Board of Directors. The Executive Director may grant an increase of more than 5% for outstanding performance.

IV. DEFINITIONS

Anniversary Date: An employee's original date of hire in a regular position is the anniversary date for computation of benefits. Refer to Policy 10110 for definition of "regular".

Classification: Refer to Policy 10110 for definition.

Evaluation Date: Date established to evaluate an employee's performance in a particular position. The evaluation date changes depending upon the start date in the position. Refer to Policy 10115.

Position: A position is a post of employment assigned to a specific organizational unit and a specific supervisor.

Reclassification: The salary range, duties, and/or classification (refer to Policy 10110 for definition/description of classification) are adjusted, either higher or lower as a result of an evaluation of duties and responsibilities.

Salary Range: The minimum and maximum of the salary for a particular classification or group of classifications. The range is based upon skills and responsibilities required for work performed in comparison with other work performed within the Agency and in comparison with the competitive labor market.

Service Hours: All hours in a paid status during an employee's regular tour of duty, up to 80 hours per pay period. Time without pay, disability payments, Medical Emergency Leave, and overtime hours do not count as service hours.

Time-in-Position: The amount of time an employee has been in his/her present position.

Underfill: Employee appointed to a position at a lower classification/range (based on skill and experience level) than at the higher budget-approved classification/range.

V. SALARY PLAN

The Salary Plan is reviewed each fiscal year during the budget process. Included are all of the fixed salary ranges (minimum through maximum salary rates of pay) for senior management and for each of the SANBAG authorized classifications (**senior,** administrative/professional, and support staff). SANBAG may modify wage ranges from time to time. The Salary Plan is adopted upon approval by the SANBAG Board of Directors. **Refer to Policy 10107 Appendix A, SANBAG Salary Plan.**

VI. SALARY RANGES

Salaries are set on specific ranges determined by the skills and responsibilities required by the position. SANBAG establishes a range for each authorized classification. Generally, the midpoint of a salary range is the level at which a competently performing employee would be placed and movement from midpoint to the maximum of the range would be to recognize superior performance.

VII. START RATES

Before an employment offer is made to an outside candidate or a transfer applicant, the position and starting rate requires approval from the Executive Director or his/**her** designee.

VIII. GUIDELINES FOR ADJUSTING INDIVIDUAL SALARIES

A. First Advancement

~~The new employee shall be eligible for the first step advancement as follows:~~ **New employees are eligible for salary adjustments after completing 6 months in position. New employees will receive a second evaluation on the first or second July following the 6 months in position evaluation. Increases within a specific range are based upon job performance. Increases of 5% are only authorized when job performance results are excellent or exceptional. Refer to Policy 10115.**

~~1. Support Staff~~

~~New support staff employees may be eligible to receive up to a 5% increase following their initial 1040 service hours in the position and upon recommendation of the supervisor. Support staff may be eligible for a subsequent increase of up to 5% each 2080 service hours thereafter.~~

~~2. Administrative/Professional Staff~~

~~a. New administrative/professional staff employees may be eligible to receive up to a 5% increase following satisfactory completion of their initial 1040 service hours in the position and upon recommendation of the supervisor. Administrative/professional staff may be eligible for a subsequent increase of up to 5% each 2080 service hours thereafter.~~

~~b. Increases within a specific range are based upon job performance. Increases of 5% are only authorized when job performance results are excellent/exceptional.~~

~~3. Senior Management Staff~~

~~a. The Senior Management ranges (refer to Policy 10110) allow for variation by position to acknowledge relative job market differential within the Senior Management Group.~~

~~b. Increases within a range are based upon job performance and are only authorized when job performance results are excellent / exceptional. Advancement within a range is not automatic.~~

~~c. The Executive Director is authorized to approve advancement within a range up to 5%, based on job performance.~~

4. **Executive Director Authorization for Adjustments Over 5%**
   The Executive Director is authorized to approve advancement within a range beyond 5%, based only in cases of truly exceptional job performance and a determination that the increase is consistent with the job requirements as established by the agency.

B. Subsequent Advancements

For new employees, after the 6 months in position evaluation and the second evaluation, e~~E~~valuations for subsequent advancement **within the range** occur ~~after another 2080 service hours~~ **in July at the beginning of the new fiscal year, along with all other regular employees.** ~~The evaluation date is established to coincide with completion of 2080 service hours after the effective date of the last advancement.~~

~~Example: For a new support staff employee who started in January 2000, successfully completed 1040 service hours, and upon recommendation of the supervisor had a first advancement that was effective in June 2000, the next evaluation would be after 2080 service hours, normally sometime in June 2001.~~

Approval for advancement is based upon ~~completion of the necessary minimum time-in-position,~~ work performance~~,~~ and supervisor's recommendation. Refer to Policy 10115.

Eligibility for advancement~~s~~ **within the salary range** ~~is effective~~ **starts** at the beginning of the first pay period following the ~~one in which an employee completes the required number of service hours~~ **start of the new fiscal year.** ~~For example, if an employee completes 2080 service hours sometime in Pay Period 7 (which ends on March 23, 2001) and is approved for advancement, his/her advancement would not be implemented until the beginning of Pay Period 8 (which starts on March 24, 2001).~~

An employee whose advancement has been denied shall be eligible for reconsideration for advancement as provided in Policy 10115.

C. Underfill

In specific circumstances based on skill and experience level, SANBAG may appoint an individual to a lower classification than to the higher budget-approved open classification. For example, SANBAG may underfill a ~~Secretary II~~ **Administrative Assistant, Senior** opening by appointing an employee to a ~~Secretary I~~ **Administrative Assistant** classification rather than to the higher ~~Secretary II~~ **Administrative Assistant, Senior** classification. Advancement from the underfill classification to the budget-approved classification is an upgrade appointment (even in an underfill situation). Upgrades are based on an employee's demonstration of the skills and responsibilities required of a position.

D. Technical Title Change

A change in the title of a position without any change in salary range or substantial change in the relevant grade-determining duties or requirements shall constitute a technical title change. There is no probation period.

E. Appointment to Upgraded Classification

Appointment to an upgraded classification follows the same progression as a new hire~~; i.e., advancement based upon completion of time-in-position (1040 service hours), work performance, and supervisor's recommendation, and subsequent advancements each 2080 service hours thereafter~~. Upgraded classifications are subject to probationary status as appropriate, but may be waived by the Executive Director.

F. Emergency Classification
If classification action on a position is urgent, the Executive Director may allocate the position to a new classification. The temporary allocation shall become permanent upon SANBAG Board of Directors approval of a classification action.

IX. RECLASSIFICATION
When the duties of an existing position have changed substantially, the Board of Directors may reclassify the position appropriately to a new or existing classification. A technical title change is not a reclassification. Reclassification requires approval from the SANBAG Board of Directors. Reclassifications are normally done with the adoption of the fiscal year budget but may be done at other times.

A. Appointment to Reclassified Position
No incumbent shall have a right to be appointed to a reclassified position. Reclassified positions are subject to open recruitment. The Executive Director may waive the competitive recruitment when the incumbent from the reclassified position has been performing the duties for more than ~~1040 service hours~~**6 months**.

B. Request for Reclassification
Supervisors may submit a request for reclassification to the Director of Management Services who shall review the duties and responsibilities and range scale, and subsequently provide a recommendation to the Executive Director.

C. Reclassification Resulting in Upgrade
A change in the title of a position accompanied by an assignment of the position to a higher salary range constitutes an upgrade reclassification. Incumbents are not automatically promoted to the upgraded position, but must compete through an examination and appointment process. The Executive Director may waive the competitive examination process based upon a review of the job requirements and the skills and experience of the incumbent.

If the incumbent is appointed to the reclassified position, the employee shall be compensated at the amount in the new salary range that comes nearest to but not less than five per cent higher than the rate he/she held in the previous salary range. Evaluation dates change to ~~1040 service hours~~**6 months in positon** from effective date of new classification ~~and 2080 service hours thereafter~~**followed by a second evaluation as specified in Policy 10115, and then annually in July of each year**.

D. Reclassification Resulting in Downgrade
A change in the title of a position accompanied by an assignment of the position to a lower salary range constitutes a downgrade reclassification. When an employee occupies a position that has been downgraded, the employee shall be considered for any open position equivalent to his/her prior position. Equivalent position is defined as one requiring all of the following: 1) the same kind and amount of experience; 2) the same degree of skills, knowledge, and abilities; and 3) a salary level no higher than the employee's former position.

If the employee remains in the downgraded position:

1. The employee's new salary at the lower grade shall be placed at a level that yields a salary closest to, but not less than, the current salary. The employee's evaluation date shall not change.
2. The Executive Director may approve an "ex-step" when the position is reclassified to a lower salary range and the incumbent is appointed to the reclassified position. The ex-step is a fixed salary amount higher than the top level in the approved range. An ex-step occurs when a position is downgraded, and the employee in the downgraded position is at a higher salary than the highest level of the new salary range. An employee in an approved ex-step is ineligible for any further salary advances until such time as the salary range is either adjusted so that the ex-step salary is no longer higher than the approved range or the position is reclassified to a higher level.

E. Effective Date of Reclassification
The effective date of reclassification shall coincide with the first workday of a pay period after the Executive Director authorizes the reclassification.

X. REVIEW OF POSITIONS FOR REORGANIZATION

Whenever a unit or department is reorganized (reorganization affects more than one position), the Executive Director may review the positions within the unit or department. Regular employees shall be placed in equivalent positions within the affected unit or department if positions are available.

A. When the reorganization results in new/changed positions, the rules on reclassifications shall apply.

B. Provisions governing layoff shall apply (refer to Policy 10118) when the reorganization results in a surplus of employees or when an employee no longer meets the required job standards and qualifications of the new/revised position.

C. Unless the Executive Director grants a waiver, employees with regular status promoted to an upgraded position shall be required to serve a probationary period, where applicable, in the new position consistent with rules governing probation.

D. Incumbents not appointed to the upgraded position may be considered for an equivalent open position, retained in the position as a downgrade or an underfill, or be laid off.

XI. SALARY RANGE ADJUSTMENTS

A. Salary comparisons are periodically performed in an attempt to insure that the salary levels offered by SANBAG are competitive with similar organizations for similar jobs in the same market area.

B. Adjustments to salary ranges may be approved as a result of salary comparisons to insure SANBAG's competitiveness. These considerations are market based and do not deal with employee performance or time-in-service issues. These adjustments do not affect timing for consideration of increases.

C. If salary range adjustments result in additional opportunity for salary increases, the employee may be eligible for advancement upon next evaluation date. If, in such a circumstance, the employee has been at the top of the range for a period of one year or more, and the new salary range is higher than the employee's current salary, the employee immediately becomes eligible for advancement, based upon performance evaluation and recommendation by the supervisor.

XII. EMPLOYEE RECOGNITION PROGRAM

The Executive Director is authorized to administer a SANBAG Employee Recognition Program for regular employees.

An Employee Recognition Program shall be structured to:

- Recognize model behaviors and contributions of employees.
- Highlight specific achievements by individuals or team endeavors at all levels in the organization.
- Communicate the value of employee performance and achievement held by the organization.
- Motivate employees and increase job satisfaction.
- Serve as retention strategy for valued employees.

XIII. REVISION HISTORY

Revision No.	Description of Changes	Adopted
0	New Policy adopted by the Board of Directors.	08/07/91
1	Policy revision adopted by the Board of Directors. Revised paragraph on support staff increases to remove "...and may be given a one-step increase, based on merit, six months following probation...".	07/01/92
2	Changed "Executive staff" to "Senior management" throughout text. Changed "6 months" to "1040 work hours" and "one year" or "annual" to "2080 work hours" throughout text. Para. I: Revised. Para. II: REFERENCES: Added. Para. III: Revised. Para. IV: Added Para. V: Revised. Para. VI through XIII: Added.	01/09/02
3	Par VIII.A.2.b through e: Added new text on Administrative/Professional Group classification series ranges and steps.	05/05/04

Frequency of Evaluation	New Employee	Promoted Employee	1Reclassified Employee	2Regular Employee
~~At 520 Service Hours in Position (approximate 3 months), evaluation only, no salary action.~~	~~X~~	~~X~~	~~X~~	-
~~At 867 Service Hours in Position (approximately 5 months), evaluation may result in salary increase.~~ **6 months in position; evaluation may result in salary increase.**	X	X	X	
12 months in position from start date, for non-exempt employees to determine the end or extension of probation; evaluation only, no salary action.	X	X	X	
~~At 2080 Service Hours in Position (approximately 12 months), evaluation/end of probation (if applicable).~~ **Second evaluation will occur either on the first or second July following the 6 months in position evaluation. This depends on when the 6 months evaluation was completed – first July (if completed in July through December) or second July (if completed in January through June).**	X	X	X	X
~~Every 2080 Service Hours in Position (approximately 12 months) after the first 1040 service hours in position; may result in salary increase.~~ **Subsequent evaluation following the 6 months evaluation and the second evaluation, will occur annually in July; evaluation may result in salary increase.**	X	X	X	X

[1]Refer to Policy 10107, Compensation Administration.
[2]Refer to Policy 10110, Employment Status and Classification.

2. Except for general ~~Agency~~ salary increases, employees shall receive performance evaluations in advance of all salary adjustments~~, step advancements,~~ and reclassifications.
3. At a minimum, each employee should receive an annual performance evaluation.
4. Supervisors may complete additional performance evaluations at any time it is deemed to be appropriate to counsel and document employee performance.
5. Employee evaluations may or may not be associated with consideration of salary action. Refer to Policy 10107 for guidelines on adjusting individual salaries.

B. Process

1. Supervisors are responsible for preparing the performance evaluation document, signing it, having it reviewed by the Executive Director, and then presenting it to the employee, no later than two weeks in advance of the last day of the evaluation period. Refer to Procedure 10115.
2. At the end of the performance review with the employee, the supervisor provides the employee with an opportunity to comment on the performance evaluation. The employee may provide comments on the performance evaluation document or may submit comments in an attachment, to be provided to the supervisor within three days of the performance evaluation.

   If the employee will be submitting an attachment, the supervisor shall so note on the performance evaluation document. After obtaining the employee's signature, the supervisor will provide the

employee with a photocopy of the evaluation document. After the three days have passed, the supervisor shall submit the performance evaluation with any employee's comments/attachments to the Director of Management Services. Refer to paragraph VII on appealing a performance evaluation.

C. Record

Original performance evaluation documents with signatures of the supervisor, **the director,** the Executive Director, and the employee, become a permanent part of the employee's **personnel** file. Special performance evaluation documents shall follow the same process and become a permanent part of the employee's **personnel** file.

VI. BELOW STANDARD PERFORMANCE

A. When an evaluation of an employee's performance indicates the performance is ~~**below established standards**~~ **unsatisfactory**, the supervisor must provide reasonable advance notice to the employee that his/her performance is below standard.

If the employee is a probationary employee, refer to Policy 10110 for information on extending the probationary period and to Policy 10116 for information on termination.

B. The supervisor shall counsel a regular employee and give him/her a minimum of ~~**520 service hours**~~ 3 months ~~**prior to date of an evaluation step increase**~~ to improve performance. The supervisor will retain a record of the counseling and provide a photocopy to the employee.

VII. APPEAL

An employee may appeal a performance evaluation to the Executive Director without prejudice. The employee should annotate the request for appeal on the performance evaluation document before signing it. The appeal must be made, in writing, within three (3) workdays after the performance evaluation.

The employee may attach his or her statement to the performance evaluation for filing.

The Executive Director will consider the appeal and document ~~his~~ **any** finding for the employee's personnel file. The Executive Director's decision shall be the final decision on the appeal.

VIII. REVISION HISTORY

Revision No.	Description of Changes	Adopted
0	Adopted	08/07/91
1	- - Changed "annual" to "2080 service hours" and six months to "1040 service hours" and "three months" to "520 service hours". - Added paragraph headings and edited text throughout, for clarity. - Par. I. PURPOSE: Added. - Par. II. POLICY: Revised references from "Director of Finance & Administration" to "Director of Management Services" and simplified policy statement. - Para. III. REFERENCES: Added. - Para. IV. OBJECTIVES: Changed "... constantly reviewing..." to "... regularly reviewing... "; added last sentence. - Para. V.A: Added. - Para. V.B.1: Revised - Executive Director reviews evaluation and approves it before the supervisor presents it to the employee – previous release had the Executive Director reviewing the evaluation after the supervisor and employee had signed it. - Para. V.C: Added title of "Record" and revised paragraph. - Para. VI: Added references to Policy 10110 and 10116. - Para. VII. APPEAL: Added last paragraph.	01/09/02
3	Par. V: Revised table "At 867 Service Hours (approximately 5 months) Evaluation may result in salary increase", by deleting the words "probation end, if applicable" after Evaluation. Par. V: Revised table to add "At 2080 service hours in Position (approximately 12 month), Evaluation/End of Probation (if applicable)" and added X, where applicable.	6/4/03
4	**Par. V.A.: Removed all references to "service hours" and "step advancements"; added language to reflect change in practice from using "service hours" to calculate performance evaluation dates to using "6 months in position" and "12 months in position"; removed requirement for performance evaluation at 520 service hours.** **Par. V.C: Changed "employee's file" to "employee's personnel file" for clarification.** **Par. VI: Changed "below established standards" to "unsatisfactory" and changed "520 service hours" to "3 months".**	

Governments SANBAG Working Together

San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor San Bernardino, CA 92410-1715
Phone: (909) 884-8276 Fax: (909) 885-4407 Web: www.sanbag.ca.gov

TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 7

Date: October 6, 2010

Subject: High Desert Corridor Update

Recommendation:* Receive information update presented to the Mountain/Desert Committee at their September meeting by Mr. Doug Failing, Executive Director, Highway Program, Los Angeles Metropolitan Transportation Authority (LAMTA) on the progress of the High Desert Corridor project.

Background: The High Desert Corridor connects the desert portions of the Antelope Valley in Los Angeles County with the Victor Valley in San Bernardino County by developing an entirely new six lane expressway that can also accommodate High Speed Rail. This project also provides a missing link to the National Highway system by helping tie together California's two most important north-south interstates the I-5 and the I-15.

LAMTA has identified the High Desert Corridor as a key project within their recently approved Measure R transportation program and will update the Committee on their recent efforts in cooperation with other stake holders.

As this project crosses county lines, the High Desert Corridor Joint Powers Authority (HDCJPA) was formed to bring together stake holders from both counties. The HDCJPA has recently been focusing on legislative efforts to garner support for the project at the federal and State levels.

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG		CTC	X	CTA	X	SAFE		CMA	

Check all that apply.
BRD1010d-DAB
Attachment:
BRD1010d1-DAB

Financial Impact: This item has no financial impact.

Reviewed By: This item was received by the Mountain/Desert Committee on September 24, 2010.

Responsible Staff: Duane A. Baker, Director of Management Services

ATTACHMENT

Los Angeles County Metropolitan Transportation Authority

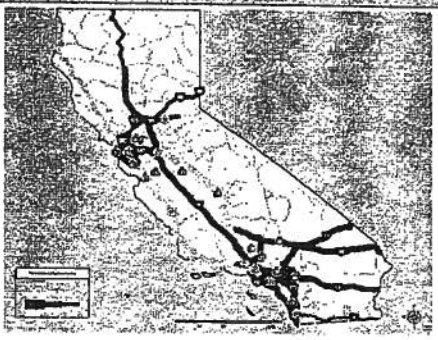
High Desert Corridor

SANBAG's Mountain/Desert – Measure I Policy Committee
September 24, 2010

Metro

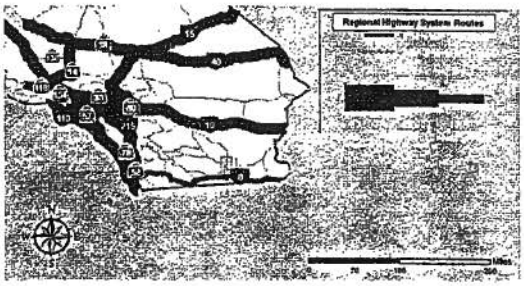
Douglas R. Failing, P.E.
Executive Director Highway Program

State Truck Volumes - 2035



Metro

Regional Truck Volumes - 2035



Metro

High Desert Corridor (HDC) Project

- From SR-14 (Los Angeles County) to SR-18 (San Bernardino County) - 63 Miles
- New Freeway/ Expressway with Possible Toll Facility

Metro

Regional Partnership

- Multi County/Agency Partnership
- Caltrans: Environmental Clearance Lead
- Metro: Supplemental Public Outreach Lead
- SCAG, SANBAG, Antelope/Victor Valley Cities Providing Technical Input/Outreach Support
- Federal/Local Funding

Metro

Environmental Clearance

- Integrates Work on East/West Ends
- Spring Surveys Underway
- Initiate Work:
  - Project Scoping
  - Traffic Analysis
  - Purpose and Need Statement
- Final Clearance Anticipated Early 2013

Metro

Public Private Partnership (PPP)

- HDC One of Six Initial High Potential Projects Approved by Metro Board
- Developing Business Case Model/Strategic Assessment

Metro

Next Steps

- Execute MOU Among Various Partners
- Release RFP for Outreach Consultant
- Hold Technical Working Group Meeting

Metro

High Desert Corridor

Questions/Discussion

Metro

Governments SANBAG Working Together

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 8

Date: October 6, 2010

Subject: Approve Jurisdiction Master Agreement with the County of San Bernardino

Recommendation:* Approve Jurisdiction Master Agreement C11007 with the County of San Bernardino in the amount of $819,280.

Background: The SANBAG Board adopted the Measure I 2010-2040 Strategic Plan in April 2009. As part of the Strategic Plan, the Board approved creation of the Valley Arterial sub-program under the Major Street Program. Strategic Plan Policies 40001 and 40006 provide the framework for administering the sub-program. One of the requirements established was that jurisdictions must execute a Jurisdiction Master Agreement with SANBAG before they are eligible to begin the expenditure of Measure I funds allocated to their jurisdiction under the sub-program.

Allocations of Measure I funds are approved through the annual apportionment and allocation process and are subsequently included in the annual SANBAG Budget. The Jurisdiction Master Agreement is designed to include multiple arterial projects for a single jurisdiction, and the project list included in Attachment A to the agreement will be updated on an annual basis as jurisdictions amend their Capital Project Needs Analysis (CPNA) and receive additional allocations of funding.

The first two years of projects included in the CPNA submitted to SANBAG by each jurisdiction are included in Attachment A to the Jurisdiction Master Agreement. Jurisdictions may expend Measure I funds on any of these projects,

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

	COG		CTC	X	CTA		SAFE		CMA

Check all that apply
BRD1010a-ss
Attachments: C11007

up to the allocation limit referenced in Attachment B. Following expenditure of funds, jurisdictions will submit invoices for project expenditures, and SANBAG will reimburse jurisdictions for the public share of expenditures up to the allocation limit.

Jurisdictions with expenditures that exceed the allocation limit may be reimbursed for those expenditures in a subsequent fiscal year after additional allocation(s) of Measure I to the jurisdiction are approved by the SANBAG Board. Providing for advance expenditure allows project delivery to continue with the jurisdiction's own funds, with the expectation of future reimbursement by SANBAG for the public share. Jurisdictions that incur advance expenditures must accept the risk that the SANBAG Board may not allocate sufficient funds to cover the entire public share of advance expenditures in the subsequent year.

Approval is requested for the Jurisdiction Master Agreement with the County of San Bernardino. The agreement will be amended annually, with updated information in Attachments A and B as projects are added or modified and the allocation limit is increased.

Financial Impact: This item is consistent with the approved Fiscal Year 2010/2011 Budget, Task No. 51511000 Valley Apportionment and Allocation.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Plans and Programs Committee on September 22, 2010. The Jurisdiction Master Agreement has been reviewed by SANBAG counsel and approved by the County Board of Supervisors.

Responsible Staff: Ty Schuiling, Director of Planning

BRD1010a-ss
Attachments: C11007

SANBAG Contract No. **C11007**
by and between San Bernardino County Transportation Authority
and County of San Bernardino for Jurisdiction Master Agreement FY 2010/2011

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☐ Receivable	Vendor Contract # 10-757 Vendor ID _____	Retention: ☐ Yes _____ % ☒ No	☒ Original ☐ Amendment

Notes:

Original Contract:	$ 819,280	**Previous Amendments**	$ _____
		Previous Amendments Contingency / Allowance Total:	$ _____
Contingency / Allowance Amount	$ _____	**Current Amendment:**	$ _____
		Current Amendment Contingency / Allowance:	$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ▶ $ 819,280

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amndmnt Amt
515	025	042	54830	_____	4130	$ 136,547
515	025	043	54830	_____	4130	$ 136,547
515	025	044	54830	_____	4130	$ 136,546
515	025	045	54830	_____	4130	$ 136,547
515	025	046	54830	_____	4130	$ 136,547
515	025	047	54830	_____	4130	$ 136,546

Original Board Approved Contract Date:	10/6/10	Contract Start: 10/6/10	Contract End: 7/1/13
New Amend. Approval (Board) Date:	_____	Amend. Start: _____	Amend. End: _____

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation**.

Approved Budget Authority ▶	Fiscal Year: 10/11 $ 819,280	**Future Fiscal Year(s) – Unbudgeted Obligation ▶**	$ _____

☒ Budget authority for this contract currently exists in Task No. 51511000 (C-Task may be used here.) ☐ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☐ State/Local Funds
☐ Disadvantated Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Ty Schuiling	**Contract Manager**: Steve Smith
9/23/10 Task Manager Signature Date	9/23/10 Contract Manager Signature Date
9/29/10 Chief Financial Officer Signature Date	

C11007

Finance will not process any payments without budget authority and properly executed contracts.

JURISDICTION MASTER AGREEMENT NO. C11007

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

COUNTY OF SAN BERNARDINO

THIS AGREEMENT is made and entered into this 27th day of July by and between the San Bernardino County Transportation Authority (hereinafter referred to as "SANBAG") and the County of San Bernardino (hereinafter referred to as "COUNTY").

WITNESSETH

WHEREAS, the Measure "I" 2010-2040 Strategic Plan identified Valley Major Street Program-Arterial Sub-program projects eligible for partial funding from Measure "I" 2010-2040 revenues; and

WHEREAS, this Jurisdiction Master Agreement is to be carried out in accordance with the policies in the Measure "I" 2010-2040 Strategic Plan; and

WHEREAS, SANBAG has determined that these PROJECTS (Attachment "A") are included in the SANBAG Development Mitigation Nexus Study Capital Project Needs Analysis; and

WHEREAS, SANBAG will reimburse COUNTY for the public share of eligible PROJECT expenditures with Measure "I" 2010-2040 Major Street Program- Arterial Sub-program funds up to the annual fund allocation amount (Attachment "B");

NOW, THEREFORE, SANBAG and COUNTY agree to the following:

SECTION I

SANBAG AGREES:

1. To reimburse COUNTY, as provided in Section III, within 30 days after COUNTY submits to SANBAG an original and two copies of the signed invoices in the proper form covering those actual allowable PROJECT expenditures that were incurred by COUNTY, consistent with the invoicing requirements of the Measure "I" 2010-2040 Strategic Plan, including backup information. Invoices may be submitted to SANBAG as frequently as monthly.

2. When conducting an audit of the costs claimed under the provisions of this Agreement, to rely to the maximum extent possible on any prior audit of COUNTY performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to SANBAG when planning and conducting additional audits.

3. SANBAG shall assign a project liaison for purposes of coordinating project activities and invoice review.

SECTION II

COUNTY AGREES:

1. Only eligible PROJECT-specific work activities, as set forth in Attachment "A" to this Agreement, that conform to the SANBAG Nexus Study and are included in first two years of the current Capital Project Needs Analysis (CPNA) will be eligible for reimbursement with Measure "I" Major Street Program- Arterial Sub-program funds.

2. To prepare and submit to SANBAG an original and two copies of signed invoices for reimbursement of those eligible PROJECT expenses according to Attachment "A". Invoices may be submitted to SANBAG as frequently as monthly, up the allocation limit specified in Attachment "B".

3. To repay to SANBAG any reimbursement for Measure "I" costs that are determined by subsequent audit to be unallowable within ninety (90) days of COUNTY receiving notice of audit findings, which time shall include an opportunity for COUNTY to respond to and/or resolve the finding. Should the finding not be otherwise resolved and COUNTY fail to reimburse moneys due SANBAG within ninety (90) days of audit finding, or within such other period as may be agreed between both parties hereto, the SANBAG Board reserves the right to withhold future payments due COUNTY from any source under SANBAG's control.

4. To provide 39.5% share of total eligible PROJECT expenses, which represents a weighted average of all development shares for Valley unincorporated areas identified in the Nexus Study.

5. To maintain all source documents, books and records connected with its performance under this Agreement for a minimum of five (5) years from the date of the Final Report of Expenditures submittal to SANBAG or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of SANBAG. Copies will be made and furnished by COUNTY upon SANBAG request.

6. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support COUNTY request for reimbursement, payment vouchers, or invoices which segregate and accumulate costs of PROJECT work elements and produce monthly reports which clearly identify reimbursable costs, matching fund costs, indirect cost allocation, and other allowable expenditures by COUNTY.

7. To prepare a Final Report of Expenditures, including a final invoice reporting the actual eligible PROJECT costs expended for those activities described in the work activities, and to submit that Report and invoice no later than 120 days following the completion of those expenditures. The Final Report of Expenditures, an original and two copies of which report

shall be submitted to SANBAG, must state that these PROJECT funds were used in conformance with this Agreement and for those PROJECT-specific work activities described.

8. To have a PROJECT-specific audit completed by SANBAG, at SANBAG's option, upon completion of the PROJECT. The audit must state that all funds expended on the PROJECT were used in conformance with this Agreement.

9. To include SANBAG in Project Development Team (PDT) meetings, if and when such meetings are held and related communications on project progress and to provide at least quarterly schedule updates to SANBAG. SANBAG shall assign a project liaison for the purpose of attending PDT meetings.

10. As an eligible PROJECT expense, to post signs when PROJECT begins at the boundaries of the PROJECT noting that PROJECT is funded with Measure "I" funds. Signs shall bear the logos of San Bernardino Associated Governments and County of San Bernardino.

SECTION III

IT IS MUTUALLY AGREED:

1. To abide by all applicable federal, state and local laws and regulations pertaining to the PROJECT, including policies in the applicable program in the Measure "I" 2010-2040 Strategic Plan, as amended, as of the date of execution of this agreement.

2. SANBAG's financial responsibility shall be 60.5% of actual cost for eligible PROJECT expenditures, up to the allocation limit specified in Attachment "B". SANBAG's financial responsibility represents a weighted average of all the public share percentages for the Valley unincorporated areas identified in the Nexus Study. An estimate of costs for each PROJECT phase is provided in Attachment "A".

3. COUNTY shall be reimbursed by SANBAG in a subsequent fiscal year for any expenditures in excess of the allocation limit for the current fiscal year, based on invoices for eligible PROJECT expenditures. SANBAG retains the option to reimburse COUNTY no more than 50% of the public share of excess expenditures for the current fiscal year within the first six months of the subsequent fiscal year, with the remaining 50% to be reimbursed in the second six months of the fiscal year. SANBAG shall inform the jurisdiction within 30 days of receipt of an invoice for the excess expenditures, if it chooses to exercise that option.

4. If COUNTY does not expend funds up to the allocation limit in Attachment "B" within the current fiscal year, the unused portion shall be applied to eligible PROJECT expenditures in the subsequent fiscal year, in addition to the allocation limit for the subsequent year. A cumulative allocation limit will be maintained in Attachment "B". The cumulative allocation limit will be reconciled against the CPNA submittals beginning with the submittals for Fiscal Year 2012/2013 and adjusted, as appropriate, in the apportionment and allocation process beginning that fiscal year.

5. Eligible PROJECT reimbursements shall include only those costs incurred by COUNTY for PROJECT-specific work activities.

6. Neither SANBAG nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, COUNTY shall fully defend, indemnify and save harmless SANBAG, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement.

7. Neither COUNTY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SANBAG under or in connection with any work, authority or jurisdiction delegated to SANBAG under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, SANBAG shall fully defend, indemnify and save harmless COUNTY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SANBAG under or in connection with any work, authority or jurisdiction delegated to SANBAG under this Agreement.

8. COUNTY and SANBAG are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation and warrant that through their respective programs of self insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this agreement.

9. This Agreement is expressly subordinated to any bonds, notes, certificates or other evidences of indebtedness involved in bond financings as are now outstanding or as may hereafter be issued by SANBAG.

10. The terms of this Agreement represent the consent of the COUNTY to provide the full development share for the PROJECT required by the SANBAG Nexus Study and that failure to contribute the development share according to the terms of this agreement does not obligate SANBAG to provide supplemental funds or otherwise remedy that failure. SANBAG may terminate this agreement if the COUNTY fails to perform according to the terms of this Agreement and if this failure jeopardizes the delivery of the PROJECT according to the terms herein.

11. SANBAG shall track the COUNTY equitable share of the Valley Arterial Sub-program, including adjustments for the time-value of money based on time of apportionment of Measure "I" funds, per Strategic Plan Policy 40001/VS-1.

12. This Agreement shall take effect on the date it is signed by both SANBAG and COUNTY and shall remain in effect through June 30, 2012.

SIGNATURES ON FOLLOWING PAGE:

San Bernardino County
Transportation Authority

By: _____
Brad V. Mitzelfelt, President
SANBAG Board of Directors

Date: _____

APPROVED AS TO FORM AND PROCEDURE:

By: _____
Jean-Rene Basle
SANBAG County Counsel

Date: 8-18-10

San Bernardino County

By: _____
Gary C. Ovitt, Chairman
San Bernardino County Board of Supervisors

Date: JUL 27 2010

APPROVED AS TO FORM AND PROCEDURE:

By: _____
Scott M. Runyan
County Counsel

Date: 7-14-10

Attachment "A"
Project(s) Eligible for Expenditure/Reimbursement of
MI Valley Arterial Funds for the County of San Bernardino ($1,000s)

Reche Canyon Rd

Widen Reche Canyon Rd from 0.67 mi. s/o Barton Road to Prado Ln from 2-4 lanes
Total Project Cost $450,000
Eligible Public Share: $272,250
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ -	$ 5.52	$ -	$ 5.52
Development Fees	$ -	$ 3.60	$ -	$ 3.60
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Construction (CONST)				
MI Valley Arterial	$ -	$ 266.73	$ -	$ 266.73
Development Fees	$ -	$ 174.15	$ -	$ 174.15
Total Project				
MI Valley Arterial	$ -	$ 272.25	$ -	$ 272.25
Development Fees	$ -	$ 177.75	$ -	$ 177.75

San Bernardino Ave

Widen north side of San Bernardino Ave from Cherry Ave to Fontana City Limit from 1 to 2 lanes
Total Project Cost $1,600,000
Eligible Public Share: $968,000
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ 98.74	$ 25.29	$ -	$ 124.03
Development Fees	$ 64.46	$ 16.51	$ -	$ 80.97
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Construction (CONST)				
MI Valley Arterial	$ -	$ 843.97	$ -	$ 843.97
Development Fees	$ -	$ 551.03	$ -	$ 551.03
Total Project				
MI Valley Arterial	$ 98.74	$ 869.26	$ -	$ 968.00
Development Fees	$ 64.46	$ 567.54	$ -	$ 632.00

C11007

Colton Ave

Widen Colton Ave from Wabash Ave to King/Agate from 2 to 4 lanes
Total Project Cost $1,100,000
Eligible Public Share: $665,500
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ 100.43	$ -	$ -	$ 100.43
Development Fees	$ 65.57	$ -	$ -	$ 65.57
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Construction (CONST)				
MI Valley Arterial	$ -	$ 565.07	$ -	$ 565.07
Development Fees	$ -	$ 368.93	$ -	$ 368.93
Total Project				
MI Valley Arterial	$ 100.43	$ 565.07	$ -	$ 665.50
Development Fees	$ 65.57	$ 368.93	$ -	$ 434.50

Slover Ave

Widen Slover Ave from Alder Ave to Cedar Ave from 2 to 4 lanes
Total Project Cost $2,000,000
Eligible Public Share: $1,210,000
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ 137.66	$ 6.05	$ -	$ 143.71
Development Fees	$ 89.88	$ 3.95	$ -	$ 93.83
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Construction (CONST)				
MI Valley Arterial	$ -	$ 1,066.29	$ -	$ 1,066.29
Development Fees	$ -	$ 696.17	$ -	$ 696.17
Total Project				
MI Valley Arterial	$ 137.66	$ 1,072.34	$ -	$ 1,210.00
Development Fees	$ 89.88	$ 700.12	$ -	$ 790.00

C11007

Slover Ave

Widen north side of Slover Ave from Cedar Ave to Larch Ave from 1 to 2 lanes
Total Project Cost $750,000
Eligible Public Share: $453,750
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ 6.99	$ -	$ -	$ 6.99
Development Fees	$ 4.56	$ -	$ -	$ 4.56
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Construction (CONST)				
MI Valley Arterial	$ -	$ 446.76	$ -	$ 446.76
Development Fees	$ -	$ 291.69	$ -	$ 291.69
Total Project				
MI Valley Arterial	$ 6.99	$ 446.76	$ -	$ 453.75
Development Fees	$ 4.56	$ 291.69	$ -	$ 296.25

State St

Widen State St from Highland Ave to Cajon Blvd from 2 to 4 lanes
Total Project Cost $6,000,000
Eligible Public Share: $3,630,000
Nexus Study Fair Share: 39.5%

Phase	Prior	FY10/11	FY11/12	Total
Project Dev/Environ Doc (PA&ED)				
MI Valley Arterial	$ -	$ -	$ -	$ -
Development Fees	$ -	$ -	$ -	$ -
Plans, Specifications and Estimates (PS&E)				
MI Valley Arterial	$ 166.98	$ 36.30	$ -	$ 203.28
Development Fees	$ 109.02	$ 23.70	$ -	$ 132.72
Right-of-Way Acquisition (ROW)				
MI Valley Arterial	$ -	$ 907.50	$ -	$ 907.50
Development Fees	$ -	$ 592.50	$ -	$ 592.50
Construction (CONST)				
MI Valley Arterial	$ -	$ -	$ 2,519.22	$ 2,519.22
Development Fees	$ -	$ -	$ 1,644.78	$ 1,644.78
Total Project				
MI Valley Arterial	$ 166.98	$ 943.80	$ 2,519.22	$ 3,630.00
Development Fees	$ 109.02	$ 616.20	$ 1,644.78	$ 2,370.00

C11007

Attachment "B"
Allocation Limit and Program Accounting of
MI Valley Arterial Funds for the County of San Bernardino

Allocation/Reimbursements		Amount
FY 10/11 MI Valley Arterial Allocation	$	819,280.00
FY 10/11 Projected Prior Adv Exp Reimbursement	$	510,803.00
FY 10/11 Projected New MI Expenditures	$	308,477.00
FY 10/11 Projected New MI Adv Expenditures	$	3,861,003.00
Additional Programming Capacity	$	-
Cumulative Allocation	$	819,280.00
Cumulative Reimbursements*	$	-
Outstanding Unreimb Advance Expenditures	$	-

* Includes both reimbursed project and advance expenditures.

Governments SANBAG Working Together

San Bernardino Associated Governments
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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 9

Date: October 6, 2010

Subject: Updated Revenue Estimates for Measure I 2010-2040

Recommendation:* 1) Receive information on an updated Measure I 2010-2040 revenue estimate;

2) Direct SANBAG staff to continue with the evaluation of revenue forecasts and prepare a recommendation that can be used to support upcoming budgeting and financial planning needs.

Background: Forecasts of Measure I 2010-2040 revenues are required for annual budgeting, the annual apportionment/allocation process, 10-year Delivery Plan preparation, and definition of bonding strategies. An update of Measure I revenue estimates was provided to the SANBAG Board in November 2009 for purposes of the FY 2010/2011 apportionment and allocation process. The Board approved the use of an estimate of $105 million for FY 2010/2011 apportionment and allocation purposes. This represents a 29 percent reduction from the peak annual revenue of almost $147 million in FY 2006/2007.

It was recognized at the time of the FY 2010/2011 apportionment/allocation decision that this reduced revenue estimate would have significant implications for the 30-year forecast of Measure I revenues. Although a revised 30-year forecast was not provided at that time, for planning purposes it was determined that relatively slow growth would be assumed through FY 2014/2015, after which the annual growth rates would be consistent with the prior 30-year Measure I revenue forecast used for the development of the Measure I 2010-2040 Strategic Plan.

*

Approved
Board of Directors

Date: *October 6, 2010*

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

BRD1010b-ss
Attachments: BRD1010b1-ss; BRD1010b2-ss

Because of the importance of a 30-year revenue forecast to the purposes stated above, a more rigorous update of the revenue forecast was undertaken, and factors not previously considered, such as the aging of the population and its effects on household income and taxable sales were integrated into the analysis. Dr. John Husing was retained to provide an update to the forecast in communication with other forecasting experts such as demographer Dowell Meyers of the University of Southern California and economist Lisa Grobar of Long Beach State University. A history of prior revenue estimates is provided below as background.

Prior Measure I 2010-2040 Revenue Estimates

The November 2004 Expenditure Plan for Measure I 2010-2040 estimated that $6 billion would be generated by the half-cent sales tax over 30 years, in 2003 dollars. Estimates of revenue for each subarea and program were derived from this overall revenue forecast. Estimates were stated in the Expenditure Plan to be not binding or controlling. The expectation was that the revenue estimates would be periodically updated.

In April 2006, Dr. Husing prepared a revised Measure I revenue forecast of $8.35 billion in 2005 dollars. The upward revision to the revenue forecast was developed by revising several key assumptions that had previously been used during the preparation of the original Expenditure Plan. Based on staff recommendation, the SANBAG Board adopted a slightly more conservative revenue estimate of $8.0 billion at its August 2006 meeting for use in initial development of the Measure I 2010-2040 Strategic Plan.

Modifications to the revenue assumptions by Dr. Husing in early 2008 lowered the 30-year non-inflated Measure I revenue estimate to $7.25 billion. The SANBAG Board approved the estimates for use in the Strategic Plan at its April 2008 meeting. Although the economy in late 2008 appeared to be on a path to a much steeper decline than was projected by Dr. Husing in early 2008, the Strategic Plan continued to use the $7.25 billion estimate of 30-year revenues countywide.

The estimate of Measure I 2010-2040 revenue for Fiscal Year 2010/2011 was founded on actual recent Measure I 1990-2010 receipts. Attachment 1 shows the Measure I receipts through FY 2009/2010, on a quarterly basis. The table shows the peak annual revenue at almost $147 million. The revenue for Fiscal Year 2008/2009 was $121 million, down approximately 18 percent from the peak.

Receipts for FY 2009/2010 were $106.8 million, 11.9 percent lower than receipts for the prior fiscal year.

The annual compounded increase in Measure I receipts from FY 1990-1991 to FY 2009-2010 was 4.0 percent. It should be noted that this annual increase includes the effect of inflation as well as the impact of the increased purchasing that comes with growth in population. Inflation over that 19-year period accounted for approximately 2.5 percent annual escalation, based on Consumer Price Index (CPI data). Thus, 1.5 percent can be assumed as coming from growth in population and in the accompanying sales outlets that support the population.

SANBAG staff is not requesting approval of a new revenue estimate at this time, but is providing the information to apprise Board members of progress in developing the updated estimate. However, staff expects to bring forward a recommendation for committee consideration in October. This will be needed to support critical analyses of financial options for the 10-year Delivery Plan and possible decisions on issuance of bonds or other long term debt. Financial decisions may be required by the end of calendar year 2010 to take advantage of financing opportunities potentially beneficial to SANBAG. Additional work is also needed to allocate the overall revenue estimate by subarea and program.

Financial Impact: Preparation of these analyses is consistent with the Fiscal Year 2010/2011 SANBAG budget. Task No. 60911000.

Reviewed By: A presentation of assumptions and factors upon which to base an updated Measure I 2010-2040 revenue forecast was provided by Dr. Husing at the Plans and Programs Policy Committee on September 22, 2010. The presentation is Attachment 1 to this item, and includes a preliminary revenue forecast in 2010 (uninflated) dollars of approximately $4.5 billion. The item was then unanimously recommended for approval.

Responsible Staff: Ty Schuiling, Director of Planning

BRD1010b-ss
Attachments: BRD1010b1-ss; BRD1010b2-ss

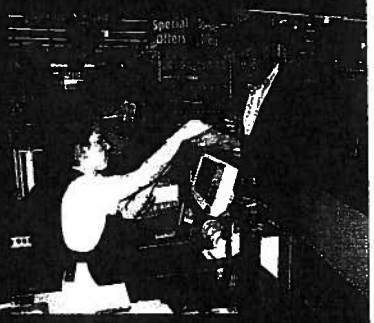
BRD1010b1

SANBAG Forecast 2010-2040

John Husing, Ph.D.
Economics & Politics, Inc.

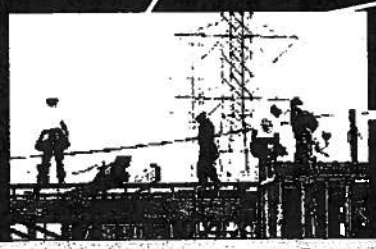
Gold Mine Theory

Secondary Tier



Retail Trade

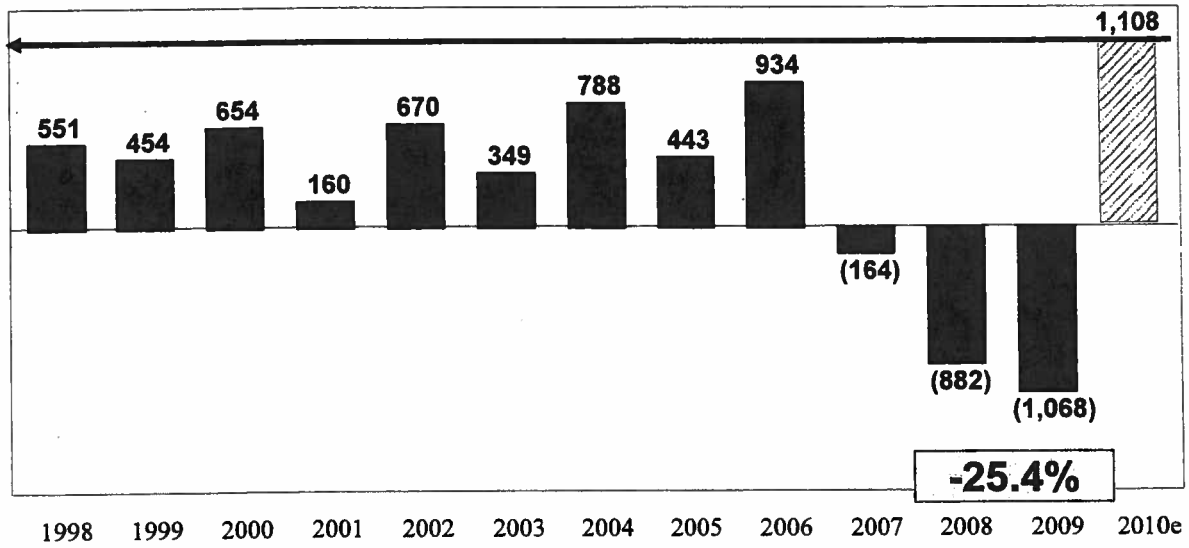
Primary Tier



Logistics:	Blue Collar
Manufacturing:	Blue Collar
Construction:	Blue Collar

Port Import Volume Drives Logistics

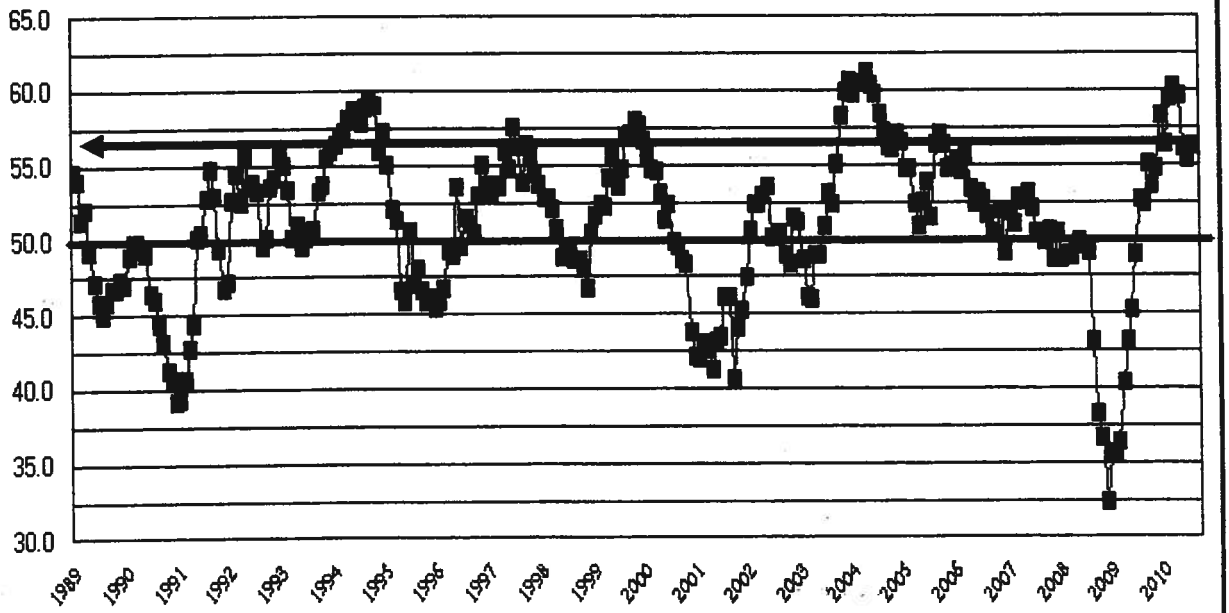
Change In Imported Containers
Ports of Los Angeles-Long Beach, 1998-2010e (000 of teus)



Source: Port Import Export Reporting Service (PIERS), collected from Vessel, LA-LB for 2009
2010 based on January to August 2010 at **18.3%**

Manufacturing Orders Rising

U.S. Purchasing Manager's Index, 1989-2010



Source: Institute of Supply Management

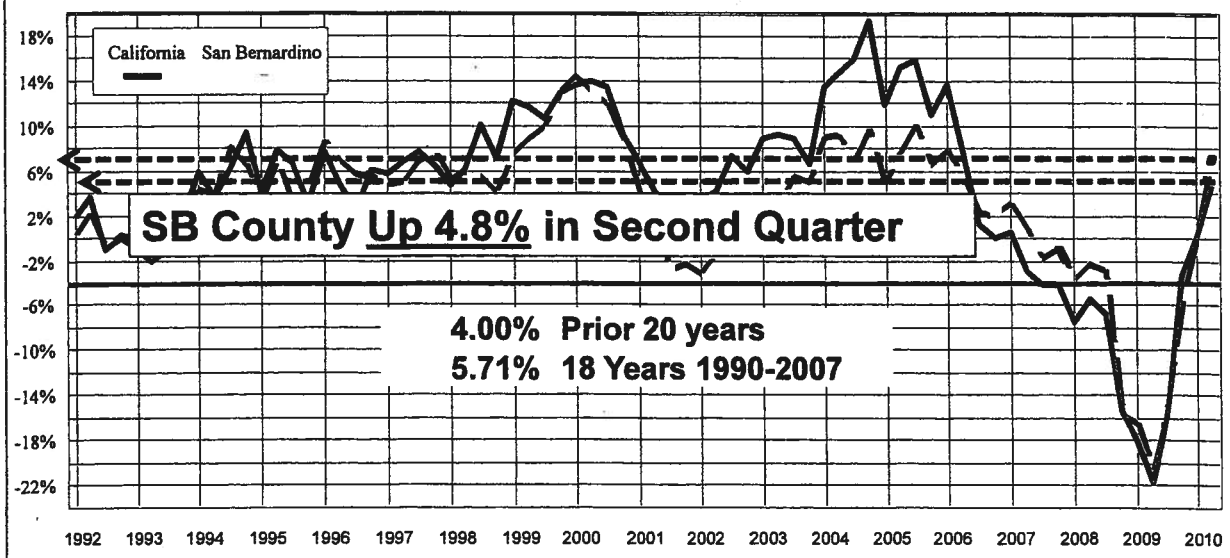
Price Stability In Housing?

	Riverside	San Bdno.
May	$ 180,000	$ 137,000
June	$ 185,000	$ 140,000
July	$ 185,000	$ 140,000
August	$ 190,000	$ 145,000
Sept.	$ 183,000	$ 150,000
Dec.	$ 196,000	$ 154,000
Jan.	$ 195,000	$ 150,000
Feb.	$ 190,000	$ 144,000
Mar.	$ 198,000	$ 152,000
Apr.	$ 195,000	$ 150,000
May	$ 210,000	$ 160,000
June	$ 210,000	$ 160,000
July	$ 200,000	$ 155,000
August	$ 200,000	$ 158,000

Riverside, up 11.1% from Bottom;
SB up 15.3% from Trough

Taxable Sales Have Turned Positive

Taxable Sales Growth Rates
Quarterly, San Bernardino County & California, 1992-2010



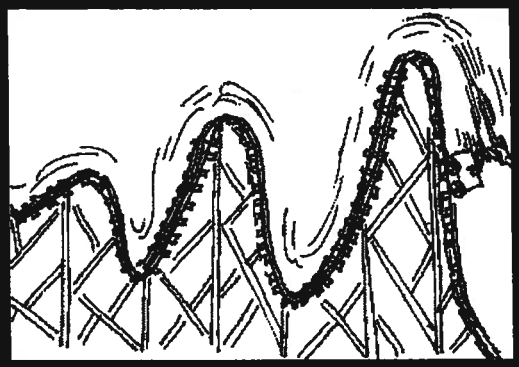
Source: CA Board of Equalization, Hinterliter DeLlamas

Starting Points

1. SANBAG'S preliminary Population submittal for 2020 and 2035 for SCAG's 2012 RTP
2. History of Retail Sales Per Capita, constant dollar, from FY 1981 to FY 2010
3. Impact of Aging of population on consumer spending behavior
4. Southern California Consumer Price Inflation 1981-2010

Methodology

1. Assume Business Cycles Over Time
2. Create Year by Year Forecast



3. Purpose Is To Create 30 Year Forecast, Not Accuracy For Any Given Year

1. Population Forecast Basis

Year	Population	Comp. Growth Rate
FY 2020	2,367,202	1.34%
FY 2035	2,838,321	1.22%
FY 2040	3,000,811	1.12%

Process

Allow population to grow irregularly based upon an Assumed Economic Cycle but average:

1.34% compound rate for 2010-2020

1.22% from 2020-2035

1.12% from 2035-2040

FY 2010	2,073,149		
FY 2011	2,087,661	0.70% Recovery	
FY 2012	2,103,319	0.75% Recovery	
FY 2013	2,124,352	1.00% Recovery	
FY 2014	2,156,217	1.50% Expansion	
FY 2015	2,188,560	1.50% Expansion	
FY 2016	2,221,389	1.50% Expansion	
FY 2017	2,259,152	1.70% Max Expansion	
FY 2018	2,297,558	1.70% Slowing	
FY 2019	2,332,021	1.50% Faltering	1.34%
FY 2022	2,423,157	1.25% Recovery	
FY 2023	2,453,447	1.25% Recovery	
FY 2024	2,484,115	1.25% Expansion	
FY 2025	2,521,377	1.50% Expansion	
FY 2026	2,559,197	1.50% Expansion	
FY 2027	2,597,585	1.50% Slowing	
FY 2028	2,623,561	1.00% Faltering	
FY 2031	2,697,705	1.00% Recovery	
FY 2032	2,727,380	1.10% Recovery	
FY 2033	2,761,472	1.25% Expansion	
FY 2034	2,795,990	1.25% Expansion	
FY 2035	2,838,321	1.51% Expansion	1.22%
FY 2036	2,880,896	1.50% Slowing	
FY 2037	2,916,907	1.25% Faltering	
			1.12%

2010-2040
1.24%
compound rate

FY 81	$12,610	
FY 82	$11,348	-10.0%
FY 83	$11,193	-1.4%
FY 84	$12,330	10.2%
FY 85	$13,022	5.6%
FY 86	$13,235	1.6%
FY 87	$13,705	3.6%
FY 88	$13,542	-1.2%
FY 89	$13,506	-0.3%
FY 90	$13,448	-0.4%
FY 91	$12,232	-9.0%
FY 92	$11,561	-5.5%
FY 93	$10,864	-6.0%
FY 94	$10,840	-0.2%
FY 95	$11,333	4.5%
FY 96	$11,667	3.0%
FY 97	$11,873	1.8%
FY 98	$12,258	3.2%
FY 99	$13,059	6.5%
FY 00	$13,968	7.0%
FY 01	$14,284	2.3%
FY 02	$14,003	-2.0%
FY 03	$14,374	2.6%
FY 04	$15,135	5.3%
FY 05	$16,365	8.1%
FY 06	$17,057	4.2%
FY 07	$16,184	-5.1%
FY 08	$14,636	-9.5%
FY 09	$12,259	-16.3%
FY 10	$10,703	-12.7%

Per Capita Sales
No Inflation
FY 1981-FY2010

Historical Rates

Avg. Rate FY 1981 to FY 2010	-0.35%
Avg. Rate FY 1981 to FY 2008	0.70%

2. Per Capita Sales, Constant Dollar

Business Cycle Assumptions About Growth

0.00%	Recession linger/Deep Recession
1.00%	Recovery, Each Year
2.00%	Expansion Year 1
3.00%	Expansion Year 2
4.00%	Expansion Year 3 & Max Expansion
2.00%	Slowing
0.00%	Faltering
-2.00%	Recession Year 1
-5.10%	Recession Year 2 & Deep Recession Year 1
-8.00%	Deep Recession Trough

3. Aging

	20-24	25-34	35-44	45-54	55-64	65-74	75&Up
2010	13.7%	22.0%	18.0%	18.1%	13.6%	7.6%	7.0%
2020	10.7%	23.2%	17.4%	15.0%	15.1%	10.7%	7.9%
Change	-3.0%	1.2%	-0.6%	-3.1%	1.5%	3.1%	0.9%
2030	10.5%	18.4%	18.8%	15.2%	13.2%	12.5%	11.5%
Change	-0.3%	-4.8%	1.4%	0.2%	-1.9%	1.8%	3.6%
2040	10.3%	18.5%	14.9%	16.4%	13.6%	11.2%	15.2%
Change	-0.1%	0.1%	-3.8%	1.2%	0.3%	-1.3%	3.7%
2010-2040	-3.4%	-3.5%	-3.1%	-1.7%	-0.0%	3.6%	8.2%

Spending Weighted By Share In Age Group

	20-24	25-34	35-44	45-54	55-64	65-74	75&Up	Weighted Average	Decade to Decade	Versus 2010
2010	$1,769	$4,065	$3,913	$3,789	$2,858	$1,184	$644	$18,222		
2020	$1,381	$4,285	$3,784	$3,134	$3,184	$1,667	$727	$18,162	-0.3%	-0.3%
2030	$1,346	$3,396	$4,080	$3,179	$2,785	$1,953	$1,054	$17,793	-2.0%	-2.4%
2040	$1,330	$3,417	$3,247	$3,428	$2,851	$1,745	$1,390	$17,406	-2.2%	-4.5%

Note: Assumes no change in relative levels of taxable spending between age groups over time

Recovery	FY 11	$10,800	1.00%
Recovery	FY 12	$10,900	1.00%
Recovery	FY 13	$11,000	1.00%
Expansion	FY 14	$11,200	2.00%
Expansion	FY 15	$11,500	3.00%
Expansion	FY 16	$12,000	4.00%
Max Expansion	FY 17	$12,500	4.00%
Slowing	FY 18	$12,800	2.00%
Faltering	FY 19	$12,800	0.00%
Recovery	FY 22	$12,000	0.98%
Recovery	FY 23	$12,100	0.98%
Expansion	FY 24	$12,300	1.96%
Expansion	FY 25	$12,700	2.94%
Expansion	FY 26	$13,200	3.92%
Slowing	FY 27	$13,500	1.96%
Faltering	FY 28	$13,500	0.00%
Recovery	FY 31	$12,620	0.96%
Recovery	FY 32	$12,741	0.96%
	FY 33	$12,985	1.92%
	FY 34	$13,358	2.88%
	FY 35	$13,870	3.83%
	FY 36	$14,136	1.92%
Faltering	FY 37	$14,136	0.00%

Average Rate 2010-2040	0.23%
Average Rate 1981 to 2010	-0.35%
Average Rate 1981 to 2008	0.70%

Inflation Assumptions

Inflation Assumed at 0%

Immediate forecasts will be below actual performance now that recession has eased a little

Activity involves both some real growth but also price increases

	Retail Sales	Growth	Not Point of Sale	SANBAG Sales	Gross SANBAG	BPE Fee	Net SANBAG	Growth	
FY 11	$22,546,739	1.6%	$837,400	$21,709,300	$108,547	$1,604	$106,942	0.18%	Recovery
FY 12	$22,926,172	1.7%	851,500	$22,074,700	$110,374	$1,631	$108,742	1.68%	Recovery
FY 13	$23,367,869	1.9%	867,900	$22,500,000	$112,500	$1,663	$110,837	1.93%	Recovery
FY 14	$24,149,630	3.3%	896,900	$23,252,700	$116,264	$1,718	$114,545	3.35%	Expansion
FY 15	$25,168,442	4.2%	934,800	$24,233,600	$121,168	$1,791	$119,377	4.22%	Expansion
FY 16	$26,656,663	5.9%	990,000	$25,666,700	$128,334	$1,897	$126,437	5.91%	Expansion
FY 17	$28,239,403	5.9%	1,048,800	$27,190,600	$135,953	$2,009	$133,944	5.94%	Max Expansion
FY 18	$29,408,790	4.1%	1,092,200	$28,316,500	$141,583	$2,092	$139,490	4.14%	Slowing
FY 19	$29,849,871	1.5%	1,108,600	$28,741,300	$143,707	$2,124	$141,583	1.50%	Faltering
FY 20									Recession
FY 21									Recession
FY 22	$29,077,887	2.1%	1,080,000	$27,997,900	$139,990	$2,069	$137,921	2.10%	Recovery
FY 23	$29,686,705	2.1%	1,102,600	$28,584,100	$142,921	$2,112	$140,808	2.09%	Recovery
FY 24	$30,554,612	2.9%	1,134,800	$29,419,800	$147,099	$2,174	$144,925	2.92%	Expansion
FY 25	$32,021,482	4.8%	1,189,300	$30,832,200	$154,161	$2,278	$151,883	4.80%	Expansion
FY 26	$33,781,403	5.5%	1,254,600	$32,526,800	$162,634	$2,403	$160,231	5.50%	Expansion
FY 27	$35,067,399	3.8%	1,302,400	$33,765,000	$168,825	$2,495	$166,330	3.81%	Slowing
FY 28	$35,418,073	1.0%	1,315,400	$34,102,700	$170,514	$2,520	$167,994	1.00%	Faltering
FY 29									Recession
FY 30									Recession
FY 31	$34,044,510	1.9%	1,264,400	$32,780,100	$163,90				
FY 32	$34,748,885	2.1%	1,290,600	$33,458,300	$167,29				
FY 33	$35,857,667	3.2%	1,331,800	$34,525,900	$172,63				
FY 34	$37,349,798	4.2%	1,387,200	$35,962,600	$179,81				
FY 35	$39,368,848	5.4%	1,462,200	$37,906,600	$189,53				
FY 36	$40,725,354	3.4%	1,512,600	$39,212,800	$196,06				
FY 37	$41,234,421	1.3%	1,531,500	$39,702,900	$198,515	$2,934	$195,581	1.25%	Faltering
	$957,074,353		$35,546,100	$921,528,200	$4,607,641	$68,093	$4,539,548		

Compound Rates

1.36%	30 Years
4.00%	Prior 20 years
6.20%	18 Years 1990-2007

Forecast Accuracy

1996 Forecast of Receipts From FY 89 to FY 99
$1,831,281,000

Actual
$1,813,938,000

Error
$17,343,000
0.9%

Preliminary Forecast Inaccuracy Made Early 2008

Population Assumption Very Close To Current Forecast

FY 2010 Per Capita Sales Forecast = $14,329 v. $10,370 due to FY 2009 & FY 2010 Collapse

Constant Dollar Per Capita Sales Growth = 1.75% v. 0.23% due to experience of recent recession & aging factor

Result is forecast of $7.2 billion v. $4.5 billion.

Compound growth rate FY 11-FY 40: 3.08% vs. 1.36%

Compound Rates	
1.36%	30 Years
4.00%	Prior 20 years
6.20%	18 Years 1990-2007

Summary of SANBAG Measure I Receipts - Program to Date

Fiscal Year	July-September	October-December	January-March	April- June	Fiscal Year Total	Cumulative Total To Date
Receipts Prior to FY 1990/1991						$4,125,778
Fiscal Year 1990/91	11,694,216	13,253,537	13,308,816	12,398,068	50,654,637	$54,780,415
Fiscal Year 1991/92	12,989,297	13,860,186	14,037,623	12,897,219	53,784,325	$108,564,740
% Increase Over 90/91	11.07%	4.58%	5.48%	4.03%	6.18%	
Fiscal Year 1992/93	14,322,191	13,757,064	13,595,748	13,072,609	54,747,612	$163,312,352
% Increase Over 91/92	10.26%	-0.74%	-3.15%	1.36%	1.79%	
Fiscal Year 1993/94	13,675,785	13,960,957	13,853,502	13,352,206	54,842,450	$218,154,802
% Increase Over 92/93	-4.51%	1.48%	1.90%	2.14%	0.17%	
Fiscal Year 1994/95	14,111,381	14,672,672	15,389,457	13,786,993	57,960,503	$276,115,305
% Increase Over 93/94	3.19%	5.10%	11.09%	3.26%	5.69%	
Fiscal Year 1995/96	15,497,128	15,461,874	15,661,731	15,416,635	62,037,368	$338,152,673
% Increase Over 94/95	9.82%	5.38%	1.77%	11.82%	7.03%	
Fiscal Year 1996/97	15,911,748	15,922,724	17,136,362	15,875,921	64,846,755	$402,999,428
% Increase Over 95/96	2.68%	2.98%	9.42%	2.98%	4.53%	
Fiscal Year 1997/98	17,093,628	17,131,536	18,487,479	16,707,800	69,420,443	$472,419,871
% Increase Over 96/97	7.43%	7.59%	7.88%	5.24%	7.05%	
Fiscal Year 1998/99	17,809,667	18,707,481	18,359,513	18,367,306.21	73,243,968	$545,663,838
% Increase Over 97/98	4.19%	9.20%	-0.69%	9.93%	5.51%	
Fiscal Year 1999/2000	19,895,554	19,476,386	21,677,510	20,386,548	81,435,998	$627,099,837
% Increase Over 98/99	11.71%	4.11%	18.07%	10.99%	11.18%	
Fiscal Year 2000/2001	21,954,344	23,038,016	22,728,229	22,266,392	89,986,982	$717,086,818
% Increase Over 99/00	10.35%	18.29%	4.85%	9.22%	10.50%	
Fiscal Year 2001/2002	23,148,536	23,913,766	24,265,400	23,130,264	94,457,965	$811,544,784
% Increase Over 00/01	5.44%	3.80%	6.76%	3.88%	4.97%	
Fiscal Year 2002/2003	24,290,692	26,740,547	25,501,345	25,618,125	102,150,709	$913,695,493
% Increase Over 01/02	4.93%	11.82%	5.09%	10.76%	8.14%	
Fiscal Year 2003/2004	26,423,914	27,772,164	27,825,658	28,329,546	110,351,283	$1,024,046,775
% Increase Over 02/03	8.78%	3.86%	9.11%	10.58%	8.03%	
Fiscal Year 2004/2005	31,427,542	31,888,708	33,685,113	31,791,981	128,793,344	$1,152,840,119
% Increase Over 03/04	18.94%	14.82%	21.06%	12.22%	16.71%	
Fiscal Year 2005/2006	35,206,940	38,420,012	37,006,506	35,047,331	145,680,790	$1,298,520,909
% Increase Over 04/05	12.03%	20.48%	9.86%	10.24%	13.11%	
Fiscal Year 2006/2007	37,702,174	39,367,420	34,782,181	34,899,517	146,751,291	$1,445,272,200
% Increase Over 05/06	7.09%	2.47%	-6.01%	-0.42%	0.73%	
Fiscal Year 2007/2008	37,279,235	36,106,832	34,172,721	33,243,262	140,802,050	$1,586,074,250
% Increase Over 06/07	-1.12%	-8.28%	-1.75%	-4.75%	-4.05%	
Fiscal Year 2008/2009	34,203,118	32,404,049	28,695,612	25,807,074	121,109,853	$1,707,184,103
% Increase Over 07/08	-8.25%	-10.26%	-16.03%	-22.37%	-13.99%	
Fiscal Year 2009/2010	26,224,529	26,836,561	27,310,563	26,382,812	106,754,464	$1,813,938,567
% Increase Over 08/09	-23.33%	-17.18%	-4.83%	2.23%	-11.85%	

Interesting Statistics:

Average annual growth since FY 1990/91 (20 FYs): 4.07%

Lowest Growth Yr-FY 08/09: -13.99%	**Highest Growth Yr-FY** 04/05: 16.71%	**Low-Q1 in** 90/91: $11,694,216
Lowest Growth Period 1st Quarter FY 09/10: -23.33%	**Highest Growth Period** 3rd Quarter FY 04/05: 21.06%	**High-Q2 in** 06/07: $39,367,420

BRD1010b2-ss

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 10

Date: October 6, 2010

Subject: SB 375 Greenhouse Gas (GHG) Emission Reduction Targets

Recommendation:* Receive Status Report.

Background: Following a submittal by Southern California Association of Governments (SCAG) in May 2010 that recommended ambitious but achievable GHG reduction targets of 8 percent per capita in 2020 and 6 percent per capita in 2035, the California Air Resources Board (ARB) released proposed targets in early August for the region of 8 percent per capita in 2020 and 13 percent per capita in 2035. The ARB August release created consternation not only because its 2035 target was much more aggressive than SCAG's, but also because it showed the 13 percent emission reduction for 2035 as a percentage of per capita emissions from the "dirty" 2005 base year fleet. This is technically questionable, given that federal Corporate Average Fuel Efficiency (CAFÉ) standards alone, independent of SB 375, will cut per-vehicle emissions by about half by 2035, and any of the air quality attainment strategies envisioned by the South Coast Air Quality Management District (SCAQMD) demand that vehicle emissions, including GHGs, be reduced to near-zero by 2035.

A lengthy discussion of this issue among SCAG, SCAQMD, and SANBAG management led to agreement that the 8 percent and 13 percent per capita targets should not be viewed as percentages of 2005 emissions, but could instead be considered as "level of effort" targets or as reductions from residual emissions in the target years after emission reductions from fuel efficiency, carbon content of

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

X	COG	X	CTC		CTA		SAFE		CMA

Check all that apply
BRD1010a-ty
Attachment: BRD1010a1-ty

fuels, and tailpipe emission regulations are accounted for. Based on this agreement, improved operations, system management, and enhanced penetration of zero-emission vehicles could receive credit toward achieving the SB 375 targets, along with actions that reduce vehicle miles traveled (VMT).

With this understanding, SANBAG staff recommended support for SCAG staff's recommendation to the SCAG Policy Committees and Regional Council to conditionally accept ARB's proposed targets. Key conditions recommended by SCAG staff included adequate and stable state funding for transit, local redevelopment, and other activities mandated by SB 375. Staff's recommendation was approved by the SANBAG Board of Directors on September 1st.

Lengthy discussion at SCAG the following day included extensive public testimony that was generally supportive of SCAG staff's recommendation. However, concern that acceptance of the targets proposed by ARB would weaken recognition of the conditions under which acceptance was proposed, and ARB's doubling of SCAG's earlier proposed target for 2035, led to passage of a substitute motion that called for per capita targets of 6 percent in 2020 and 8 percent in 2035 unless the conditions were met. The vote on this action was split 29 for and 21 opposed.

The proposed targets were considered by the ARB Governing Board on September 23, 2010. ARB established an 8 percent per capita target for the SCAG Region for 2020, but made the 13 percent target for 2035 conditional pursuant to the conditions included in SCAG's action of September 2, 2010 (Attachment 1), directed that dialogue continue between SCAG and ARB staff, and that the 2035 target would be revisited by the ARB in February 2011.

Financial Impact: This item has no impact on the Fiscal Year 2010-2011 SANBAG Budget.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Plans and Programs Committee on September 22, 2010, prior to the ARB action of September 23, 2010 as described above.

Responsible Staff: Ty Schuiling, Director of Planning

BRD1010a-ty
Attachment: BRD1010a1-ty

Attachment 1

SCAG Conditions pursuant to the Regional Council Action of September 2, 2010

RECOMMENDED ACTION:

Support the California Air Resources Board's (ARB) staff recommended SB 375 final draft greenhouse gas (GHG) emission reduction targets of 8% for 2020 and 13% for 2035. This support for the final draft targets are conditioned upon a combination of the following actions or alternative equivalent measures:

- Restoration of previous levels of State funding for transportation, transit in particular.
- Continued leadership by the regional partners to increase availability of State funds for the region.
- Continued partnership by the state and regional partners to increase availability of state funding for the region.
- Continuing partnership and commitment from each County Transportation Commission (CTC) to support the SCS development process, including a focus on non-motorized transportation solutions.
- Continued leadership by the regional leaders to increase availability of federal funding through the next transportation authorization and through climate change legislation.
- ARB will commit to working with MPOs, local governments, state agencies and the Legislature to identify, pursue and secure adequate incentives and sustainable sources of funding for local and regional planning and other activities related to the implementation of SB 375.
- Targeted increase in funding commitments for Transportation Demand Management, non-motorized transportation (walk and bike), transit, transportation, redevelopment and other necessary funding from Federal, State and local agencies.
- Timely implementation of the "30-10" proposed acceleration for Measure R projects in Los Angeles County.
- Improvements in land use planning in cooperation with local governments, mostly at the neighborhood scale.
- Expanded funding for Compass Blueprint demonstration projects, a voluntary city/county grant program directed to sustainable planning objectives (as discussed at the SCAG General Assembly).
- Implementation of Green Cities voluntary recognition and awards program (as discussed at the General Assembly).

BRD1010a1-ty

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 11

Date: October 6, 2010

Subject: Contract with the Inland Valley Development Agency (IVDA) for Funding Regional Traffic Improvements

Recommendation:* 1. Approve Amendment No. 1 to SANBAG Contract No. 06-072 with IVDA to replace SANBAG's $36,500,000 Measure I commitment with $36,490,000 Measure I funds and $10,000 Surface Transportation Program (STP) Funds.

2. Approve allocation of the above $10,000 STP from SAFETEA-LU continuing resolution or future transportation reauthorization bill to the following two IVDA projects:

A. The 3rd Street Widening project in the City of San Bernardino, Federal Transportation Improvement Program (FTIP) Project Number is #201181; Project Lead Agency is the City of San Bernardino; Project Sponsor Agency is IVDA; Total STP amount is $5000.

B. The Mt. View Bridge Over the Santa Ana River in the City of San Bernardino; Project Lead Agency is the City of San Bernardino; Project Sponsoring Agency is IVDA; Total STP amount is $5000.

Background: In the current approved 2008 Federal Transportation Improvement Program (FTIP), two critical transportation projects that are sponsored by IVDA, specifically, the 3RD Street Widening from Tippecanoe Ave to Leland/Norton Way and from Leland/Norton Way to Victoria Ave and the Mt. View Bridge over

*

Approved
Board of Directors

Date: *October 6, 2010*

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	x	CTC	x	CTA	x	SAFE		CMA	

Check all that apply.
BRD1010b-wl
Attachment: C06072-01

the Santa Ana River in the City of San Bernardino, are currently programmed with 100% local funds. The two projects will provide vital access connection between the City and the San Bernardino International Airport. Both projects are currently being developed by the City of San Bernardino and sponsored by IVDA. The projects are both in Preliminary Engineering (PE) phase. The total cost of the 3rd Street Widening project is estimated at $3.2 million and the Mt. View Bridge project is estimated at $12.5 million. Both projects will have their environmental approvals in the next few months. Caltrans has informed SANBAG staff that both projects will not be able to receive NEPA approval because there are no federal funds programmed on the projects in the current FTIP. IVDA informed SANBAG staff of their intention to seek state and federal funds to offset total project costs and their federal advocacy effort is ongoing. IVDA requested SANBAG allocate a nominal amount of federal funds on these two projects to allow the NEPA approval process to move forward.

In 2006, SANBAG and IVDA entered into a fund exchange agreement via Contract No. 06-072 for the exchange of $36,500,000 of IVDA's Inland Valley Goods Movement Bill (IVGMB) with like dollar amount of Measure I to fund regional traffic improvement projects. Because SANBAG has discretion to allocate both of these funding types funds, Staff recommends amendment of this fund exchange agreement by reducing Measure I share by $10,000 and replace with an equal amount of STP funds.

Staff also recommends the allocation of the above $10,000 STP funds to the two IVDA projects, the Third Street Widening project and the Mt. View Bridge Replacement project to allow them to proceed forward with the NEPA approval. The STP funds revenue will come from either SAFETEA-LU continuing resolution or future transportation reauthorization bill depends on project delivery schedule.

Financial Impact: This item has no direct impact on the current year SANBAG budget. Task Number 83811000.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Plans and Programs Policy Committee on September 22, 2010.

Responsible Staff: Garry Cohoe, Director of Project Delivery

SANBAG Contract No. **06-072-01**
by and between SANBAG and THE INLAND VALLEY DEVELOPMENT AGENCY
for FUNDING REGIONAL TRAFFIC IMPROVEMENT

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☐ Receivable	Vendor Contract # _____ Vendor ID _____	Retention: ☐ Yes ____ % ☐ No	☐ Original ☒ Amendment

Notes: Amendment to replace $10,000 of MIVMP fund with $10,000 of STP funds in future year budget

Original Contract:	$ 36,500,000	**Previous Amendments**	$ _____
		Previous Amendments Contingency / Allowance Total:	$ _____
Contingency / Allowance Amount	$ _____	**Current Amendment:**	$ _____
		Current Amendment Contingency / Allowance:	$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ► $ 36,500,000

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amendment Amt
838	650	000	53701	4901	MSI Valley Fund Major	$-10,000
838	650	000	53701	2010	STP	$ 10,000
_____	_____	_____	_____	_____	_____	$ _____
_____	_____	_____	_____	_____	_____	$ _____

Original Board Approved Contract Date:	6/7/06	Contract Start: _____	Contract End: _____
New Amend. Approval (Board) Date:	10/6/10	Amend. Start: 10/6/10	Amend. End: 10/6/14

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation.**

Approved Budget Authority ►	Fiscal Year: _____ $ _____	**Future Fiscal Year(s) – Unbudgeted Obligation ►**	$ 10,000

☐ Budget authority for this contract currently exists in Task No. _____ (C-Task may be used here.).

☐ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☐ State/Local Funds

☐ Disadvantaged Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Garry Cohoe	**Contract Manager:** Wendy Li
Garry Cohoe 9/28/10 Task Manager Signature Date	9/28/2010 Contract Manager Signature Date
9/28/10 Chief Financial Officer Signature Date	

C06072-01

AMENDMENT NO. 1
CONTRACT NO. 06-072

AGREEMENT FOR FUNDING REGIONAL TRAFFIC IMPROVEMENTS BETWEEN THE SAN BERNARDINO ASSOCIATED GOVERNMENTS AND THE INLAND VALLEY DEVELOPMENT AGENCY

This AMENDMENT No. 1 to CONTRACT No. 06-072 is entered into this 6th day of October 2010 by the San Bernardino Associated Governments ("SANBAG"), and the Inland Valley Development Agency (the "IVDA").

WITNESSETH,

WHEREAS, SANBAG and IVDA, under Contract No. 06-072 (Contract), has agreed to exchange IVDA's federalized Inland Valley Goods Movement Bill (IVGMB) funds with SANBAG'S Measure I funds to fund regional traffic improvements between the two agencies; and

WHEREAS, the parties hereto desire to amend the aforesaid Contract to add federal Surface Transportation Program (STP) funds in lieu of a portion of SANBAG's Measure I commitment to the aforesaid Contract; and

WHEREAS, the parties hereto desire to amend the aforesaid Contract to reduce the amount of SANBAG's Measure I funds from $36,500,000 to $36,490,000, and the reduced amount of $10,000 will be replaced with STP funds; and

WHEREAS, IVDA desires to program $5000 of the STP funds to fund the construction phase of the Mountain View Bridge over Santa Ana River project. Five thousand of the STP funds to fund the construction phase of the 3rd Street Widening from Tippecanoe Avenue to Leland/Norton Way and from Leland/Norton Way to Victoria Avenue in the City of San Bernardino; and

WHEREAS, IVDA desires to provide its own local funds to meet STP matching requirements for these projects.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Contract as follows:

1. Amend Section 3 to read as follows:

Section 3. **SANBAG Available Funds**.

SANBAG currently has existing Measure "I" funds that are designated for expenditure for the widening of the I-215 Freeway from Orange Show Road to the State Route 30 Freeway

and for the reconfiguration of interchanges all within the City. SANBAG seeks to accommodate the written request of the IVDA to exchange and substitute the amount of funds that would be received by the IVDA from the $36,500,000 of the IVGMB for $36,490,000 of existing Measure "I" funds and $10,000 in STP funds to thus allow the IVDA to undertake the projects listed on the attached Exhibit "B" subject to the provisions and further qualifications and limitations as set forth in Section 4 hereof.

2. Under Section 5, add subsection (d) to read as follows:

Section 5. Procedures and Policies for Use of Measure "I" Funds and STP Funds on IVDA Projects.

(d) IVDA will be the lead agency to receive and administer STP funds allocated by SANBAG. IVDA will comply with all procedures and policies associated with STP funds through the project development process.

3. All other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their authorized representatives as of the date set forth in the first paragraph of this Amendment.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Dated:_____

By:_____
Brad Mitzelfelt
President

Approved as to Form:

By:_____
Jean-Rene Basle
SANBAG Counsel

Dated: 9-27-10

INLAND VALLEY DEVELOPMENT AGENCY

Dated:_____

By:_____
Co-Chairperson

Dated:_____

By:_____
Co-Chairperson

Approved as to Form:

By:_____
General Counsel

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 12

Date: October 6, 2010

Subject: Amendment No. 3 to Cooperative Agreement C08139 (Caltrans Agreement 08-1383) with California Department of Transportation (Caltrans) for the Preliminary Engineering Phase of the I-15/I-215 Devore Interchange Improvements Project

Recommendation:* 1. Approve Amendment No. 3 to Cooperative Agreement C08139 (Caltrans Agreement 08-1383) with Caltrans for execution of the Preliminary Engineering Phase of the I-15/I-215 Devore Interchange Improvements Project for the replacement of Measure I funds with available State Toll Credit, allowing an increase in Surface Transportation Program (STP) funding to $5,805,000 and eliminating the Measure I local match for this phase of work.

2. Amend the Fiscal Year 2010/2011 SANBAG budget to reduce the STP funding on Project No. 88011000 by $5,805,000 and reduce the Measure I 2010-2040 Valley Cajon Pass Projects fund on Project No. 88011000 by $665,834 to account for direct STP fund reimbursement to Caltrans in lieu of the funding passing-through.

Background: **This is an amendment to an existing cooperative agreement with Caltrans addressing a funding change.** The SANBAG Board approved a cooperative agreement with Caltrans in February, 2008 establishing the roles and responsibilities and level of oversight between the two agencies for the Project Approval/Environmental Document (PA/ED) phase of the I-15/I-215 Devore Interchange Improvements Project. This agreement was amended twice in an

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG		CTC		CTA	X	SAFE		CMA	

Check all that apply.
BRD1010c-das
Attachment: C08139-03

effort to support a design build delivery method. In April, 2010, Amendment No. 1 established Caltrans as the lead agency for all phases of the project as required by Senate Bill 4 (SBX2 4) legislation for "on system" design build projects and committed SANBAG to fund $195,000 from Measure I for Caltrans' efforts on the PA/ED portion of the project. This amendment remains unchanged by this recommendation.

Subsequently, two months later, Amendment No. 2 was approved by the Board in the amount of $5,895,000 for the Procurement Phase which consists of production of FHWA compliant procurement documents and selection of a design-build contractor. This additional $5,805,000 consisted of $5,139,166 in STP funding and a required local match of Measure I in the amount of $665,834. Reimbursement from SANBAG to Caltrans was on a pass-through basis.

Recently, the State announced the availability of Toll Credits for use by Local Agencies as credit for the local match required when using federal funds. Rather than providing additional funding, this program allows an agency to replace their local match requirement with other federal funds. Thus, by replacing the Measure I amount with other federal funds, as permitted through the Toll Credits program, the Procurement Phase of this project becomes 100% STP funded; however in order to change the funding on a project and to allow Caltrans direct reimbursement an amendment to the cooperative agreement and to the budget is required.

As such, this item is submitted by staff for Board approval to utilize the toll credits program to maximize the use of available federal funding and reduce Measure I participation. While this does not increase the federal funds for SANBAG, it allows the opportunity to utilize more federal funds currently available this fiscal year and defer Measure I funds to a later date. The funding picture for this project overall will change the STP funding from $5,139,166 to $5,805,000 and Measure I funding from $860,834 to $665,834.

In conjunction with this cooperative agreement amendment, approval of a budget amendment is also requested. Per the terms of the cooperative agreement amendment, Caltrans will be directly reimbursed with the obligated STP funds so this funding will not go through SANBAG's books. The budget for 2010/2011 for Project No. 88011000 will be reduced by $5,805,000 in STP funds to reflect this change in reimbursement. In addition, the Measure I 2010-2040 Valley Cajon Pass funds for 2010/2011 for Project No. 88011000 will be reduced by $665,834 since the local match fund is no longer required for the STP funds because of the use of the State Toll Credit.

Financial Impact: This agreement amendment is not consistent with the 10/11 fiscal year budget. A budget amendment is being requested as part of this agenda item. This amendment reduces STP funds by $5,805,000 and reduces Measure I Valley Cajon Pass funds by $665,834. Project No. 88011000.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Major Projects Committee on September 9, 2010. SANBAG Counsel has reviewed and approved this agreement as to form.

Responsible Staff: Garry Cohoe, Director of Project Delivery

BRD1010c-das
Attachment: C08139-03

SANBAG Contract No. **C08139-03**
by and between
San Bernardino County Transportation Authority
and
California Department of Transportation
for
Devore Interchange Preliminary Engineering Cooperative Agreement

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☐ Receivable	Vendor Contract # 08-1383 A/3 Vendor ID ____	Retention: ☐ Yes ____ % ☒ No	☐ Original ☒ Amendment

Notes: This amendment shows there will not be any funds being paid out under the contract than the amendment 1 Measure I funds of $195,000. STPL funds of $5,895,000 will be obligated by Caltrans and directly reimbursed to Caltrans and will not go through SANBAG books. $665,834 in Toll Credit will be applied to obtain 100% STP funding. A budget amendment will be processed to reduce the STPL funds since it is being directly reimbursed to Caltrans and not going through SANBAG books.

Original Contract:	$ 0	**Previous Amendments**	$ 860,834.00
		Previous Amendments Contingency / Allowance Total:	$ 0
Contingency / Allowance Amount	$ 0	**Current Amendment:**	$ (665,834.00)
		Current Amendment Contingency / Allowance:	$ 0

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ▶ $ 195,000.00

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund (Measure I, STP, CMAQ, etc.) Type	Amounts for Contract Total or Current Amndmnt Amt
880	610	000	52001	99076	Measure I Cajon Pass Fund 2040	$ (665,834.00)

Original Board Approved Contract Date:	2/6/08	Contract Start: 2/6/08	Contract End: 12/31/14
New Amend. Approval (Board) Date:	10/6/10	Amend. Start: 10/6/10	Amend. End: 12/31/18

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation**.

Approved Budget Authority ▶	Fiscal Year: 10/11 $ (665,834)	**Future Fiscal Year(s) – Unbudgeted Obligation ▶**	$ 0

☒ Budget authority for this contract currently exists in Task No. 880 (C-Task may be used here.).
☐ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☐ State/Local Funds
☐ Disadvantated Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Garry Cohoe	**Contract Manager:** Dennis Saylor
Garry Cohoe 8/30/10 Task Manager Signature Date	Dennis Saylor 8/30/10 Contract Manager Signature Date
8/31/10 Chief Financial Officer Signature Date	

08-SBd-15 PM 14.0/R16.4
08-SBd-215 PM 16.0/17.8
Improvements on I-15/I-215
Interchanges
EA 0K7100
District Agreement No. 8-1383 A/3

(AMENDMENT NO. 3 TO AGREEMENT)

This AMENDMENT NO. 3 TO AGREEMENT (AMENDMENT), entered into effective on _____, 2010, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "STATE," and the

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY, a
public entity referred to herein as
"AUTHORITY."

RECITALS

1. The parties entered into an Agreement No. 8-1383, on March 11, 2008, said Agreement defining the terms and condition of a project to construct improvements on Interstate 15 (I-15) from south of Glen Helen Parkway Interchange (IC) to north of Kenwood IC and on Interstate 215 (I-215) from south of Devore IC through I-15 IC, referred to herein as "PROJECT."

2. The parties also entered into Agreement No. 8-1383 A/1 on April 7, 2010, to replace in its entirety Agreement No. 8-1383 in order to qualify as a Design-Build PROJECT in accordance with Public Contract Code Sections 6805 et. seq. in one of STATE's slots if authorized by the California Transportation Commission, the parties agreed that the STATE would be the implementing agency for PA&ED.

3. The parties also entered into Agreement No. 8-1383 A/2 on June 21, 2010, to replace in its entirety Agreement No. 8-1383 A/1 so AUTHORITY, at its own expense, apart from requesting STATE to be the implementing agency for the PA&ED phase also requested STATE to perform procurement activities for the Design-Build portion of PROJECT.

4. The purpose of this Amendment No. 3 is to replace AUTHORITY's Measure I matched funds by utilizing Toll Credits, as shown on the new Exhibit B.

IT IS THEREFORE MUTUALLY AGREED:

1. Under RECITALS of Agreement 8-1383 A/2, Articles 13 and 15 are hereby replaced in their entirety to read as follows:

   "13. The Surface Transportation Program (STP) will be used to fund a portion of the PRELIMINARY ENGINEERING for PROJECT."

   "15. AUTHORITY desires to contribute up to $5,805,000 of STP funds, referred to herein as "FUNDS, and AUTHORITY's Toll Credits in the amount of 665,834, to be applied toward allowable PROJECT as shown on EXHIBIT B, dated August 10, 2010, attached to and made a part of this Agreement. AUTHORITY will also continue to contribute an additional $195,000 of Measure I funds toward PRELIMINARY ENGINEERING as agreed to in Amendment 1 and as shown in EXHIBIT B herein."

2. Under SECTION I of Agreement No. 8-1383 A/2, Articles 1, 4, 5, and 6 are hereby replaced in their entirety to read as follows:

   "1. To provide PRELIMINARY ENGINEERING, serve as the CEQA Lead Agency and the NEPA Lead Agency, and provide all work incidentals thereto at one hundred percent (100%) AUTHORITY's expense estimated to be $5,805,000, and AUTHORITY's Toll Credits in the amount of 665,834, as shown on EXHIBIT B. If it becomes necessary for an increase in funding for PRELIMINARY ENGINEERING, said increase will be paid in full by AUTHORITY using local funds."

   "4. To process all Federal authorizations, State allocations, and/or State applications for funds on behalf of AUTHORITY, as applicable under Federal and State law, for the contribution of FUNDS and Toll Credits toward PROJECT."

   "5. To obtain AUTHORITY's approval should additional available FUNDS and/or Toll Credits be required and become available for PROJECT."

   "6. To submit to AUTHORITY, an invoice for a deposit in the amount of $50,000. Said deposit represents an estimated two (2) months PRELIMINARY ENGINEERING cost from Measure I funds for PROJECT. Thereafter, STATE shall submit to AUTHORITY monthly invoices for actual costs of PRELIMINARY ENGENEERING to AUTHORITY based on the prior month's actual expenditures, and will also summit progress reports to AUTHORITY which describes the PRELIMINARY ENGINEERING performed and completed during the reporting period with pertinent data such as expenditures and percentage progress achieved to date, all in accordance with STATE's standard accounting practices."

3. Under SECTION I of Agreement No. 8-1383 A/2, new Articles 10 and 11 are hereby added to read as follows:

"10. To inform AUTHORITY of any issues that could have the potential to increase the PRELIMINARY ENGINEERING costs for PROJECT beyond the authorized costs."

"11. Upon completion of PROJECT and all work incidental thereto, to furnish AUTHORITY with a detailed statement of the PRELIMINARY ENGINEERING costs to be borne by AUTHORITY."

4. Under SECTION II of Agreement No. 8-1383 A/2, Articles 1 and 5 are hereby replaced in their entirety to read as follows:

"1. To pay one hundred percent (100%) estimated to be $5,805,000, and Toll Credits in the amount of 665,834, for STATE's PRELIMINARY ENGINEERING. If said costs exceed $5,805,000, and Toll Credits in the amount of 665,834, and AUTHORITY fails to secure additional funding, STATE shall cease PRELIMINARY ENGINEERING until such funds are forthcoming."

"5. To make payment to STATE within thirty (30) days of receiving the invoice for the prior month's actual expenses. If it becomes necessary for an increase in PROJECT funding, said increase will be paid in full by AUTHORITY using local funds."

5. Under SECTION II of Agreement No. 8-1383 A/2, new Article 7 is hereby added to read as follows:

"7. AUTHORITY allows STATE to administer available STP funds for PRELIMINARY ENGINEERING."

6. Under SECTION III of Agreement No. 8-1383 A/2, Articles 1, 2, and 7 are hereby replaced in their entirety to read as follows:

"1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act Authority and the allocation of funds by the California Transportation Commission (CTC) for the encumbrance of those FUNDS to PROJECT."

"2. STATE's expenditure of FUNDS and/or Toll Credits under the sole control of AUTHORITY is subject to the earlier programming and appropriation of those funds and credits by AUTHORITY, which acts will not be unreasonably delayed by AUTHORITY."

"7. To enter into a separate cooperative agreement or an amendment to this Agreement when funds other than FUNDS and/or Toll Credits that are under the

direct control of AUTHORITY are to be contributed toward PROJECT or when any portion of the work on PROJECT is to be performed by AUTHORITY other than already indicated in Exhibit A."

7. The PROJECT cost estimate is shown on the new Exhibit B, dated August 10, 2010, which is attached to and made a part of this Amendment, and any reference to the original Exhibit B in the Agreement, is deemed to reference the new Exhibit B, dated August 10, 2010.

8. All other terms and conditions of said Agreement No. 8-1383 A/2 shall remain in full force and effect.

9. This Amendment No. 3 to Agreement is hereby deemed to be a part of Agreement No. 8-1383 A/2.

SIGNATURES ON FOLLOWING PAGE:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

CINDY MCKIM
Director

By:_____
RAYMOND W. WOLFE, PhD
District Director

APPROVED AS TO FORM AND PROCEDURE:

By:_____
Attorney,
Department of Transportation

CERTIFIED AS TO FUNDS:

By:_____
LISA PACHECO
District Budget Manager

CERTIFIED AS TO FINANCIAL TERMS AND POLICIES:

By: _____
Accounting Administrator

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

By: _____
BRAD MITZELFELT
Board President

Attest:_____
VICKI WATSON
Board Clerk

APPROVED AS TO FORM AND PROCEDURE:

By:_____
JEAN-RENE BASLE
Counsel

EXHIBIT B

COST ESTIMATE

August 10, 2010

PHASE	STATE's Share	AUTHORITY's Share		AUTHORITY's Share
		STP	Measure I	Toll Credits
Preliminary Engineering	$0	$5,805,000	$195,000	665,834
TOTAL	$0 (0%)	$6,000,000 (100%)		665,834

Governments SANBAG Working Together

San Bernardino Associated Governments

1170 W. 3rd Street, 2nd Floor San Bernardino, CA 92410-1715
Phone: (909) 884-8276 Fax: (909) 885-4407 Web: www.sanbag.ca.gov

TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 13

Date: October 6, 2010

Subject: Loan to Mountain Area Regional Transit Agency

Recommendation:* 1. Authorize a loan in the amount of $273,979 from the Local Transportation Fund (LTF); and

2. Approve Agreement C11078 for the loan to Mountain Area Regional Transit Authority for the purchase of two (2) Americans with Disabilities (ADA) compliant buses.

Background: The Mountain Area Regional Transit Authority (MARTA) will be receiving two replacement vehicles during the month of October to provide services to both the general public and disabled populations in the Mountain area. The buses are 29 foot heavy duty Titan, Glaval Buses and are ADA equipped with other amenities for the MARTA "Off the Mountain" Service. The buses are funding through 2009 American Recovery and Reinvestment Act (ARRA), specifically 5311 F, Intercity bus funding. This funding is passed through by Caltrans and is a reimbursement fund, once MARTA takes delivery and has paid for the vehicles, MARTA will request reimbursement through Caltrans, which will take approximately six week for the process to be complete.

The total dollar amount of the purchase is $273,979 which is 100% covered under the 5311(f) ARRA funding. Due to the relatively large purchase amount and the

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG	X	CTC	X	CTA		SAFE		CMA	

Check all that apply.
BRD1010a-bk
Attachment:
C11078-bk

shortage of available funds, MARTA is requesting a loan in the amount of $273,979, which will cover the total cost of the bus procurement.

Financial Impact: This item will have no impact on the SANBAG Budget as interest will be paid at the same rate the funds would otherwise earn in the County Investment Pool.

Reviewed By: This item was reviewed by the Mountain/Desert Committee on September 24, 2010 and unanimously recommended for approval.

Responsible Staff: Beth Kranda, Transit Analyst

BRD1010a-bk
Attachment:
C11078-bk

SANBAG Contract No. **C11078**
by and between San Bernardino Assoicated Governments and Mountain Area Regional Transit Authority
for Loan of Local Transportation Funds for the purchase of 2 replacement ADA compliant Vehicles

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☒ Receivable	Vendor Contract # _____ Vendor ID _____	Retention: ☐ Yes _____ % ☒ No	☒ Original ☐ Amendment

Notes: Loan includes principal and interest

Original Contract:	$ 273,979	**Previous Amendments**	$ _____
		Previous Amendments Contingency / Allowance Total:	$ _____
Contingency / Allowance Amount	$ _____	**Current Amendment:**	$ _____
		Current Amendment Contingency / Allowance:	$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ▶ **$ 273,979**

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amndmnt Amt
	_____	_____	12800	3010	TDA - LTF Loan	$ 273,979

Original Board Approved Contract Date:	10/6/10	Contract Start: 10/6/10	Contract End: 1/31/11
New Amend. Approval (Board) Date:	_____	Amend. Start: _____	Amend. End: _____

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation**.

Approved Budget Authority ▶		**Future Fiscal Year(s) – Unbudgeted Obligation ▶**	$ _____

☐ Budget authority for this contract currently exists in Task No. 50611021 (C-Task may be used here.).

☐ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☐ State/Local Funds

☐ Disadvantated Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Mitch Alderman	**Contract Manager:** Beth Kranda
M. A. Alderman 9/16/10	Beth Kranda 9/15/10
Task Manager Signature Date	Contract Manager Signature Date
9/20/10	
Chief Financial Officer Signature Date	

Finance will not process any payments without budget authority and properly executed contracts.

Form 28 9/09 Contract Summary Sheet

AGREEMENT NO. C11078

SAN BERNARDINO ASSOCIATED GOVERNMENTS

and

MOUNTAIN AREA REGIONAL TRANSIT AUTHORITY

THIS AGREEMENT ("Agreement") is entered into as of October 6, 2010, by and between the San Bernardino Associated Governments, a California joint powers authority ("SANBAG") and the Mountain Area Regional Transit Authority, a California regional transit authority ("MARTA").

RECITALS

A. MARTA has requested a loan from SANBAG in the amount of $273,979 for the purpose of financing the acquisition of two (2) paratransit vehicles necessary for its operations.

B. SANBAG, acting as the transportation planning agency responsible for administering the Local Transportation Funds ("LTF"), has determined there are sufficient revenues in the LTF to provide a loan under the terms and conditions set forth in this Agreement.

C. SANBAG and MARTA desire to provide for the loan to MARTA, on the terms set forth in this Agreement for the purpose of financing the acquisition of two (2) paratransit vehicles necessary for MARTA's operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Loan Agreement.

(a) Subject to the conditions set forth herein, SANBAG agrees to extend a loan ("Loan") to MARTA in the amount of TWO HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED SEVENTY-NINE AND 00/100 DOLLARS ($273,979.00) (the "Loan Amount"). The Loan shall be further evidenced by a Promissory Note, the form of which is attached hereto as Exhibit A.

(b) SANBAG agrees to disburse to MARTA an amount equal to the Loan Amount within fifteen (15) days after the approval, execution and delivery of this Agreement by both parties hereto and execution and delivery of the Promissory Note by MARTA.

(c) The principal sum of the Loan outstanding from time to time hereunder shall bear interest at the rate of interest earned by the County of San Bernardino Treasury pooled investments, calculated quarterly.

(d) The term of the Loan shall be for a period of ninety (90) days from the date of MARTA's submittal to Caltrans of an application for reimbursement under the Congestion Mitigation and Air Quality improvement program and in any event not later than January 31, 2011, at which time the Loan shall become due and payable in full together with accrued interest to the repayment date.

(e) MARTA promises to pay to SANBAG, without deduction or offset, the Loan Amount and the interest accrued thereon as provided herein. The repayment of the Loan Amount and interest accrued thereon shall be repaid by MARTA to SANBAG from (i) reimbursements paid to MARTA by the California Department of Transportation (Caltrans) from Federal Transit Administration (FTA) 5311(F) (ARRA) funds, and (ii) the gross revenues and gross receipts of MARTA, including those generated from the operation of its system and all other revenues and receipts that are legally available, provided, however, to the extent that the gross revenues and gross receipts of MARTA are used to repay the Loan, the obligation of MARTA to repay SANBAG is hereby subordinated to all bonds secured in whole or in part by the gross revenues of MARTA and which are issued and outstanding as of the date first written above.

(f) The Loan may be prepaid, in whole or in part, at any time upon the payment of the principal amount thereof and any interest accrued to the date of such prepayment.

(g) Each payment under the Loan shall be credited in the following order: (i) costs, fees, charges, and advances paid or incurred by SANBAG in collecting the Loan or enforcing the Agreement, in such order as SANBAG, in its sole and absolute discretion, elects, (ii) interest payable under this Agreement, and (iii) principal under the Loan.

2. Use of Proceeds.

All proceeds of the Loan shall be used by MARTA for the sole purpose of paying for two (2) replacement vehicles.

3. Defaults and Remedies.

(a) Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The injured party shall give written notice of default to the defaulting party and no action may be instituted against the defaulting party until (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of default.

(b) Upon receipt of written notice of default, the defaulting party must immediately commence to cure, correct or remedy such default and shall complete such cure, correction or remedy with reasonable diligence. If the defaulting party fails to commence to cure, correct or remedy the default within thirty (30) days of receipt of the written notice of default, the injured party may exercise any rights at law or in equity to remedy the default.

4. General Provisions.

(a) Any title of the parts, section or subsections of this Agreement is intended for convenience of reference only and shall be disregarded in construing or interpreting any part of its provisions.

(b) The laws of the State of California shall govern the interpretation of this Agreement.

(c) All notices required to be given to any of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, return receipt requested, to such party at its address set forth below:

MARTA: Mountain Area Regional Transit Authority
41939 Fox Farm Road
Big Bear Lake, CA 92315
Attention: Kathy Hawksford

SANBAG: San Bernardino Associated Governments
1170 West Third Street, Second Floor
San Bernardino, California 92410-1715
Attention: Mitch Alderman
Director of Transit & Rail Programs

Such notice shall be deemed to be given when received if delivered personally or two (2) days after the date mailed if sent by certified or registered mail. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

(d) MARTA agrees to indemnify, defend and hold harmless SANBAG, its agents, officers and employees from and against any and all liability, expenses, including defense cost and legal fees, and claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury or property damages, arising from or connected with MARTA"s projects and activities funded by the loan under this Agreement.

(e) No party hereto shall assign or delegate any of its rights, duties or obligations under this Agreement without prior consent of the other party.

(f) The Agreement shall remain in effect until the loan, plus accrued interest, is repaid in full.

(g) In the event suit is instituted to collect under this Agreement, SANBAG shall be entitled to cost and attorneys fees involved in collection from MARTA under the Agreement, as may be determined by the court.

(h) If any provision of this Agreement is determined to be unenforceable for any reason, all other provisions shall be deemed valid and enforceable to the greatest extent possible.

(i) This Agreement may be amended by the parties at any time.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officials, thereunto duly authorized.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

_____
Brad Mitzelfelt
President

Date: _____

APPROVED AS TO FORM:

_____
Jean-Rene Basle
SANBAG Counsel

MOUNTAIN AREA REGIONAL TRANSIT AUTHORITY

_____
Bill Jahn
Chair

Date: _____

APPROVED AS TO FORM:

_____
Carole Green
MARTA Counsel

EXHIBIT A

SAN BERNARDINO ASSOCIATED GOVERNMENTS

BORROWER NO. C11078

PROMISSORY NOTE

$273,979

San Bernardino, CA

October 6, 2010

FOR VALUE RECEIVED, the MOUNTAIN AREA REGIONAL TRANSIT AGENCY, a California regional transit authority organized and existing under the laws of the State of California (the "State") with an office at Big Bear Lake, California ("MARTA"), promises to pay to the order of the SAN BERNARDINO ASSOCIATED GOVERNMENTS, a California joint powers authority organized and existing under the laws of the State with an office at 1170 West Third Street, Second Floor, San Bernardino, California 92410-1715 ("Payee"), at such office of Payee, or at such other office of Payee or such other place as Payee may designate from time to time in writing, the principal sum of TWO HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED SEVENTY-NINE AND 00/100 DOLLARS ($273,979.00) in lawful money of the United States of America, together with interest thereon from the date of this Promissory Note (the "Note") hereof at the rates hereinafter provided, and both payable as hereinafter provided.

1. Interest Rate. The principal sum outstanding from time to time hereunder shall bear interest at the rate of interest earned by the County of San Bernardino Treasury pooled investments, calculated quarterly.

2. Payments of Principal and Interest. On January 31, 2011 the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable in full.

3. Security. This Note, and the due performance by MARTA of all of its obligations hereunder, is secured by, inter alia, (i) MARTA's full faith and credit, (ii) all reimbursements paid to MARTA by the California Department of Transportation (Caltrans) from Federal Transit Administration (FTA) 5311(F) (ARRA) funds, and (iii) a pledge of all of the gross revenues and gross receipts of the MARTA, including those generated from the operation of its system and all other revenues and receipts that are legally available, provided, however, to the extent that the gross revenues and gross receipts of MARTA are used to repay amounts due hereunder, the obligation of MARTA to repay SANBAG is hereby subordinated to all bonds secured in whole or in part by the gross revenues of MARTA and which are issued and outstanding as of the date first written above. Reference is hereby made to the Agreement of even date herewith by and between MARTA and Payee (the "Loan Agreement") for a full description of the security and the collateral pledged pursuant thereto, the terms upon which this Note is secured. Any

collateral securing any of MARTA's obligations under the Loan Agreement is hereinafter referred to as "Collateral."

4. Events of Default. In addition to any other event referred to herein, the occurrence of which, by the terms hereof, constitutes an Event of Default hereunder, the occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) MARTA shall fail to make any payment of principal and/or interest due to Payee under this Note or under the Loan Agreement when the same shall become due and payable, whether at maturity or by acceleration or otherwise; and/or

(b) MARTA shall fail to observe and perform any of the covenants or agreements on its part to be observed or performed under this Note or under the Loan Agreement within thirty (30) days after notice from Payee of such noncompliance; and/or

(c) Any representation or warranty of MARTA under this Note or under the Loan Agreement shall be untrue in any material respect when made.

5. Remedies. Upon the occurrence of any Event of Default, then the entire unpaid principal sum hereunder plus all interest accrued thereon plus all other sums due and payable to Payee under the Loan Agreement shall, at the option of Payee, become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by MARTA.

In addition to the foregoing, upon the occurrence of any event of default Payee may forthwith exercise singularly, concurrently, successively or otherwise any and all rights and remedies available to Payee under the Loan Agreement or with respect to any Collateral, or available to Payee by law, equity, statute or otherwise.

6. Remedies Cumulative, etc.

(a) No right or remedy conferred upon or reserved to Payee under the Loan Agreement, or with respect to any Collateral, or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and concurrent, and shall be in addition to every other such right or remedy, and may be pursued singularly, concurrently, successively or otherwise, at the sole discretion of Payee, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefore shall occur. No act of Payee shall be deemed or construed as an election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of Payee shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other. The failure to exercise or delay in exercising any such right or remedy, or the failure to insist upon strict performance of any term of the Loan Agreement, shall not be construed as a waiver or release of the same, or of any Event of Default thereunder, or of any obligation or liability of MARTA thereunder.

(b) The recovery of any judgment by Payee and/or the levy of execution under any judgment upon any Collateral shall not affect in any manner or to any extent the pledge of the Borrower's revenues, or any security interest under the Loan Agreement in such Collateral, or any rights, remedies or powers of Payee under any the Loan Agreement or with respect to any Collateral, but such pledge and such security interest, and such rights, remedies and power of Payee shall continue unimpaired as before. Further, the exercise by Payee of its rights and remedies and the entry of any judgment by Payee shall not affect in any way the interest rate payable hereunder or under the Loan Agreement of any amounts due to Payee but interest shall continue to accrue on such amounts at the rate specified herein or in such Loan Document.

(c) MARTA hereby waives presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, and any and all other notices in connection with any default in the payment of, or any enforcement of the payment of, all amounts due under the Loan Agreement. To the extent permitted by law, MARTA waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. MARTA further waives and releases all errors, defects and imperfections in any proceedings instituted by Payee under the terms of the Loan Agreement or with respect to any Collateral.

(d) MARTA agrees that Payee may release, compromise, forebear with respect to, waive, suspend, extend or renew any of the terms of the Loan Agreement (and MARTA hereby waives any notice of any of the foregoing), and that the Loan Agreement may be amended, supplemented or modified by Payee and the other signatory parties and that Payee may resort to any Collateral in such order and manner as it may think fit, or accept the assignment, substitution, exchange or pledge of any other Collateral in place of, or release for such consideration, or none, as it may require, all or any portion of any Collateral, without in any way affecting the validity of any lien over or other security interest in the remainder of any such Collateral (or the priority thereof or the position of any subordinate holder of any security interest with respect thereto); and any action taken by Payee pursuant to the foregoing shall in no way be construed as a waiver or release of any right or remedy of Payee, or of any Event of Default, or of any liability or obligation of MARTA, under the Loan Agreement.

7. Costs and Expenses. Following the occurrence of any Event of Default, MARTA shall pay upon demand all costs and expenses (including all amounts paid to attorneys, accountants, real estate brokers and other advisors employed by Payee and/or to any contractors for labor and materials), incurred by Payee in the exercise of any of its rights, remedies or powers under the Loan Agreement or with respect to any Collateral with respect to such Event of Default, and any amount thereof not paid on the first business day following demand therefore shall be added to the principal sum hereunder and shall bear interest at the rate of interest earned by the County of San Bernardino Treasury pooled investments, calculated quarterly, for the remainder of the loan term from the date of such demand until paid in full, and shall be secured by the lien on revenues and all other collateral. In connection with and as part of the foregoing, in the event that the Loan Agreement is placed in the hands of an attorney for the collection of any sum payable thereunder, MARTA agrees to pay reasonable attorneys' fees for the collection of the amount being claimed under such Loan Agreement, as well as all costs, disbursements and

allowances provided by law, the payment of which sums shall be secured by the lien on the gross revenues and gross receipts of MARTA and all other Collateral.

8. Severability. In the event that for any reason one or more of the provisions of this Note or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

9. Successors and Assigns. This Note inures to the benefit of Payee and binds MARTA, and their respective successors and assigns, and the words "Payee" and "MARTA" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

10. Notices. All notices required to be given to any of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, return receipt requested, to such party at its address set forth below:

MARTA: Mountain Area Regional Transit Authority
41939 Fox Farm Road
Big Bear Lake, CA 92315
Attention: Kathy Hawksford

Payee: San Bernardino Associated Governments
1170 West Third Street, Second Floor
San Bernardino, California 92410-1715
Attention: Executive Director

Such notice shall be deemed to be given when received if delivered personally or two (2) days after the date mailed if sent by certified or registered mail. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

11. Incorporation by Reference. All of the terms and provisions of the Loan Documents, to the extent not inconsistent herewith, are hereby incorporated herein by reference.

12. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State.

///

IN WITNESS WHEREOF, MARTA has executed this Promissory Note the day and year first above written.

ATTEST:

MOUNTAIN AREA REGIONAL TRANSIT AUTHORITY

_____
(SEAL)

_____
Bill Jahn, Chair

Governments SANBAG Working Together

San Bernardino Associated Governments

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TRANSPORTATION MEASURE I

■ San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 14

Date: October 6, 2010

Subject: Proposition 1B Public Transit Modernization, Improvement and Service Enhancement Account (PTMISEA) Funding for Positive Train Control

Recommendation:*

1. Approve Memorandum of Understanding C11061 between SANBAG and the Southern California Regional Rail Authority to provide $3,309,525 of PTMISEA funding for Positive Train Control.

2. Approve Budget Amendment to Task No. 37911000 Commuter Rail Capital Expenses in the amount of $3,309,525 to allow SANBAG to pass through the funds to the Southern California Regional Rail Authority.

Background: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of $4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, $3.6 billion in the PTMISEA funds are to be made available to project sponsors in California for allocation to eligible public transportation capital projects. The remaining $400 million will be used for state-supported intercity rail capital projects. The San Bernardino County transit agencies and SANBAG are expected to receive a total of $83.9 million of PTMISEA funding.

*

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained:*

Witnessed: _____

COG		CTC	x	CTA		SAFE		CMA	

Check all that apply.
BRD1010a-rpg
Attachment:
C11061

As part of the PTMISEA expenditure plan approved by the Board, $3,309,525 of Proposition 1B PTMISEA GC 8879.55(a)(2) was allocated to the Southern California Regional Rail Authority (SCRRA) for Positive Train Control (PTC) and an application for the funds was submitted to the State in March 2009. The availability of the funds was delayed due to the lack of sale of government bonds. However, in April 2010, the California Department of Transportation provided SANBAG with a letter informing SANBAG that subsequent bond sales provided the funding necessary for the State to fulfill SANBAG's request for PTMISEA and the State subsequently released the funds.

As with prior allocations of PTMISEA funds for SCRRA projects, the State has determined that SANBAG must the recipient of the PTMISEA funds. Under the adopted guidelines for the Proposition 1B PTMISEA, the recipient of these funds are required to submit progress reports, fiscal and compliance audits and a follow-up report once the project is complete. The purpose of the attached Memorandum of Understanding is to identify the roles and responsibilities of SANBAG and SCRRA with respect to the receipt and administration of the PTMISEA funds.

Financial Impact: This item is not consistent with the current adopted FY10/11 Budget. An amendment to Task No. 37911000 Commuter Rail Capital Expenditures is required to enable SANBAG to pass the funds through to SCRRA.

Reviewed By: This item was reviewed by the Plans and Programs Committee on September 22, 2010 and unanimously recommended for approval.

Responsible Staff: Ryan Graham, Transit Planning Analyst

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Attachment:
C11061

SANBAG Contract No. **C11061**
by and between San Bernardino Associated Governments and
Southern California Regional Rail Authority
for PTMISEA funding for Positive Train Control

FOR ACCOUNTING PURPOSES ONLY

☒ Payable ☐ Receivable	Vendor Contract # _____ Vendor ID _____	Retention: ☐ Yes _____ % ☒ No	☒ Original ☐ Amendment

Original Contract:	$ 3,309,525	**Previous Amendments**	$ 0
		Previous Amendments Contingency / Allowance Total:	$ 0
Contingency / Allowance Amount	$ 0	**Current Amendment:**	$ 0
		Current Amendment Contingency / Allowance:	$ 0

Contingency Amount requires specific authorization by Task Manager prior to release.

Contract TOTAL ▶ $ 3,309,525

* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.

▼Include funding allocation for the original contract or the amendment

Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amndmnt Amt
0379	0	0	54620	1030	PTMISEA	$ 3,309525
_____	_____	_____	_____	_____	_____	$ _____
_____	_____	_____	_____	_____	_____	$ _____
_____	_____	_____	_____	_____	_____	$ _____

Original Board Approved Contract Date:	10/6/10	Contract Start: 10/6/10	Contract End: 10/1/13
New Amend. Approval (Board) Date:	_____	Amend. Start: _____	Amend. End: _____

Allocate the **Total Contract Amount** or **Current Amendment** amount between **Approved Budget Authority** in the current year and **Future Fiscal Year(s) Unbudgeted Obligation**.

Approved Budget Authority ▶	Fiscal Year: 10/11 $ 3,309,525	**Future Fiscal Year(s) – Unbudgeted Obligation ▶**	$ _____

☐ Budget authority for this contract currently exists in Task No. _____ (C-Task may be used here.).
☒ A budget amendment is required. A Budget Amendment Request is attached.

CONTRACT MANAGEMENT

Check all applicable boxes:

☒ Intergovernmental ☐ Private ☐ Federal Funds ☒ State/Local Funds
☐ Disadvantated Business Enterprise (DBE) ☐ Underutilized DBE (UDBE)

Task Manager: Mitch Alderman	**Contract Manager:** Ryan Graham
M. A. Alderman 9/10/10	9/15/10
Task Manager Signature Date	Contract Manager Signature Date
9/17/10	
Chief Financial Officer Signature Date	

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

THE SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

SANBAG AGREEMENT C11061

This Memorandum of Understanding (MOU) is entered into this ___ day of _____, by and between the San Bernardino Associated Governments, a joint powers authority, hereinafter referred to as "SANBAG", and the Southern California Regional Rail Authority, a joint powers authority, hereinafter referred to as "SCRRA" for the purpose of defining the roles and responsibilities of the two parties with respect to the receipt of Proposition 1B Public Transportation, Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds allocated to SANBAG pursuant to Government Code 8879.55(a)(2), hereinafter referred to as "PTMISEA Population Funds".

RECITALS

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

WHEREAS, SANBAG is a member agency of SCRRA, and both wish to work as partners in accommodating the expected growth of ridership on the San Bernardino Line; and

WHEREAS, with the passage of the Rail Safety Improvement Act of 2008, Congress mandated that rail carriers develop a plan for implementing Positive Train Control by 2015; and

WHEREAS, SCRRA has committed to substantial completion of Positive Train Control by the end of 2012; and

WHEREAS, on March 23, 2009, SANBAG applied for PTMISEA Population Funds in the amount of $3,309,525 as a contribution to the SCRRA Positive Train Control project; and

WHEREAS, the PTMISEA Population Funds applied for by SANBAG were approved by Caltrans on April 22, 2010, and would be sent directly to SANBAG; and

WHEREAS, SANBAG and SCRRA hereby agree that certain administrative and financial functions will be necessary in order for the PTMISEA Population Funds allocated to SANBAG to be used for capital projects to be completed by SCRRA.

NOW, THEREFORE, it is mutually understood and agreed by SCRRA and SANBAG as follows:

ARTICLE A. RESPONSIBILITIES OF SCRRA

1. SCRRA:

a. SCRRA shall assist SANBAG in determining eligible capital projects and the amount of PTMISEA Population Funds allocated to SANBAG required for each eligible SCRRA project and the project application(s). For the Fiscal Year 2010/2011, the Project as defined and contained in Attachment A of this agreement is selected for funding.

b. SCRRA shall notify SANBAG of the date when funding for the Project provided for under this MOU is encumbered by awarding the contract for Positive Train Control.

c. SCRRA shall prepare and submit an annual invoice to SANBAG for the PTMISEA Population Funds as identified in the Project Drawdown Schedule in Attachment A. Each invoice shall include a description of the Project phase to be completed during the year in which the funds are received.

d. SCRRA shall prepare six-month Project Status Reports during the term of the Project as identified in Attachment A. A draft Project Status Report shall be due to SANBAG ten (10) working days before the submittal date in Attachment A. Within seven (7) working days after the submittal of the Draft Project Status Report and after receiving any comments from SANBAG, SCRRA shall submit to SANBAG a six-month Final Project Status Report.

e. SCRRA shall, after the receipt of any portion of the PTMISEA Population Funds made available from SANBAG and through the completion of the Project, include any required fiscal and compliance audit requirements in the annual independent audit of SCRRA. SCRRA shall provide a copy of said fiscal and compliance audit to SANBAG within 180 days after the end of the fiscal year. SANBAG may grant an extension of up to 90 days if deemed necessary.

f. SCRRA shall, upon completion of the Project, prepare and submit a draft Project Follow-up Report to SANBAG fifteen (15) working days prior to the submittal timeframe identified in Attachment A. Within ten (10) working days after the submittal of the draft Follow-up Report and after receiving any comments from SANBAG, SCRRA shall submit to SANBAG a Final Follow-up Report.

ARTICLE B. RESPONSIBILITIES OF SANBAG

2. SANBAG:

a. SANBAG shall submit applications to the State Department of Transportation (Caltrans) in accordance with the schedule developed by Caltrans for the PTMISEA Population Funds for mutually agreed upon eligible capital projects.

b. SANBAG shall notify Caltrans when the funds made available for the Project have been encumbered.

c. SANBAG shall, within thirty (30) days from the receipt of the SCRRA annual invoice for Project, issue payment of the full invoice amount to SCRRA.

d. SANBAG shall, within five (5) working days of receipt of each six-month Draft Project Status Report, provide to SCRRA any comments on the draft report. Upon receipt of each six-month Final Project Status Report, SANBAG shall submit each report to Caltrans pursuant to the schedule in Attachment A.

e. SANBAG shall include the receipt and disbursement of the PTMISEA Population Funds made available to SCRRA in its annual independent fiscal and compliance audit up to and including the fiscal year in which the last payment for the Project is made. SANBAG shall also submit said audit to Caltrans.

f. SANBAG shall provide comments to SCRRA on the Draft Project Follow-up Report within ten (10) working days of receipt. Upon receipt of the Final Project Follow-up Report, SANBAG shall submit such report to Caltrans pursuant to the schedule in Attachment A.

ARTICLE C. ADDITIONAL PROVISIONS:

3. The SANBAG and SCRRA agree to the following mutual responsibilities:

a. Term of MOU - This MOU shall be effective upon execution by both parties.

This MOU shall remain in effect until terminated by mutual written consent of both parties. The term of this MOU may only be extended upon mutual written agreement by both Parties.

b. Legal Authority - SANBAG and SCRRA hereto warrant that they are duly authorized to execute this MOU on behalf of said Parties and that, by so executing this MOU, the parties hereto are formally bound to the provisions of this MOU.

c. Notices - Any notices, requests, or demands made between the parties pursuant to this MOU are to be directed as follows:

To SCRRA:

Southern California Regional Rail Authority
700 S. Flower Street, Suite 2600
Los Angeles, CA 90017-4101
Attention: Joanna Capelle
Position: Manager, Grants & Strategic Dev.
Phone No.: 213-452-0209

To SANBAG:

San Bernardino Associated Governments
1170 W. Third St., 2nd Floor
San Bernardino, CA 92401-1715
Attention: Mitch Alderman
Position: Director, Transit & Rail Programs
Phone No.: 909-884-8276

d. Severability - If any term, provision, covenant, or condition of this MOU is held to be invalid, void, or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this MOU shall not be affected thereby, and each term, provision, covenant or condition of this MOU shall be valid and enforceable to the fullest extent permitted by law.

e. Counterparts of MOU - This MOU may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

f. Force Majeure - Either party shall be excused from performing its obligations under this MOU during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to; any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

g. Assignment - Neither this MOU, nor any of the parties rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either party without the prior written consent of the other party in its sole, and absolute, discretion. Any such attempt of

assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

h. Obligations To Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes, or other evidences of indebtedness under the terms, in amounts, or for purposes other than as authorized by local, state or federal law.

i. Governing Law- The laws of the State of California and applicable local and federal laws, regulations and guidelines shall govern this Agreement.

In Witness Thereof, the Parties have executed this Memorandum of Understanding as of the date first written above.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Brad Mitzelfet
President

Approved as to Form:

Jean-Rene Basle
SANBAG Counsel

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

John Fenton
Chief Executive Officer

Approved as to Form:

Lloyd W. Pellman
Deputy County Counsel

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ATTACHMENT A

Fiscal Year 2010/2011 PTMISEA Project

1. **Project Description:** Metrolink Positive Train Control

2. **Project Award:** $3,309,525

3. **Project Drawdown Schedule:** SANBAG will issue payment in full to SCRRA following award of contract for Positive Train Control by SCRRA

4. **Six-Month Project Status Report:** Each Project Status Report shall contain a description of the activities and progress made on the implementation of the Project. The purpose of the report is to ensure that projects and activities funded from the PTMISEA bond proceeds are being executed in a timely fashion, that the project is within the scope and cost approved at the time of allocation, and is achieving the intended purpose.

5. **Six-Month Project Status Report Schedule:**

March 1, 2011	September 1, 2011	March 1, 2012	September 1, 2012
March 1, 2013	September 1, 2013	March 1, 2014	September 1, 2014

6. **Annual Fiscal and Compliance Audits:** Each annual fiscal and compliance audit shall include the verification of receipt and appropriate expenditure of the bond funds. The audit shall include the identification of any interest earned from the bond revenue received. The fiscal and compliance audit must be submitted 180 days after the end of the fiscal year. SANBAG may grant an extension of up to 90 days if deemed necessary.

7. **Project Follow-up Report:** Six months after the Project becomes fully operational or has entered into service a Follow-up Report is required. The report shall include the final Project cost compared to the original budget, the Project duration compared to the project schedule at the date of allocation, and the performance outcomes achieved as compared to the outcomes described in the original application.

8. **Project Follow-up Report Schedule:** July 1, 2013

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