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

AGENDA

Administrative Committee Meeting

July 18, 2012

*****Note Time Change: 11:00 a.m.*****

Location

SANBAG

Super Chief Conference Room

1170 W. 3rd Street, 2nd Floor

San Bernardino, CA

Administrative Committee Membership

Chair – SANBAG Vice President

Council Member Mike Leonard
City of Hesperia

SANBAG President

Supervisor Janice Rutherford
County of San Bernardino

SANBAG Past President

Mayor Larry McCallon
City of Highland

West Valley Representatives

Council Member Ed Graham
City of Chino Hills

Mayor L. Dennis Michael (*Chair-PPC*)
City of Rancho Cucamonga

Supervisor Gary Ovitt
County of San Bernardino

East Valley Representatives

Mayor Patrick Morris (*Chair-CRTC*)
City of San Bernardino

Mayor Dick Riddell (*Chair-MPC*)
City of Yucaipa

Supervisor Neil Derry
County of San Bernardino

Mt./Desert Representatives

Mayor Pro Tem Julie McIntyre (*Chair-MDC*)
City of Barstow

Council Member Jim Harris
City of Twentynine Palms

Supervisor Brad Mitzelfelt
County of San Bernardino

San Bernardino Associated Governments (SANBAG) is a council of governments formed in 1973 by joint powers agreement of the cities and the County of San Bernardino. SANBAG is governed by a Board of Directors consisting of a mayor or designated council member from each of the twenty-four cities in San Bernardino County and the five members of the San Bernardino County Board of Supervisors.

In addition to SANBAG, the composition of the SANBAG Board of Directors also serves as the governing board for several separate legal entities listed below:

The San Bernardino County Transportation Commission, which is responsible for short and long range transportation planning within San Bernardino County, including coordination and approval of all public mass transit service, approval of all capital development projects for public transit and highway projects, and determination of staging and scheduling of construction relative to all transportation improvement projects in the Transportation Improvement Program.

The San Bernardino County Transportation Authority, which is responsible for administration of the voter-approved half-cent transportation transactions and use tax levied in the County of San Bernardino.

The Service Authority for Freeway Emergencies, which is responsible for the administration and operation of a motorist aid system of call boxes on State freeways and highways within San Bernardino County.

The Congestion Management Agency, which analyzes the performance level of the regional transportation system in a manner which ensures consideration of the impacts from new development and promotes air quality through implementation of strategies in the adopted air quality plans.

As a Subregional Planning Agency, SANBAG represents the San Bernardino County subregion and assists the Southern California Association of Governments in carrying out its functions as the metropolitan planning organization. SANBAG performs studies and develops consensus relative to regional growth forecasts, regional transportation plans, and mobile source components of the air quality plans.

Items which appear on the monthly Board of Directors agenda are subjects of one or more of the listed legal authorities. For ease of understanding and timeliness, the agenda items for all of these entities are consolidated on one agenda. Documents contained in the agenda package are clearly marked with the appropriate legal entity.

**San Bernardino Associated Governments
County Transportation Commission
County Transportation Authority
Service Authority for Freeway Emergencies
County Congestion Management Agency**

AGENDA

Administrative Committee Meeting

July 18, 2012

*****Note Time Change: 11:00 a.m.*****

Location:

SANBAG, Super Chief Conference Room
1170 W. 3rd Street, 2nd Floor, San Bernardino

CALL TO ORDER 11:00 a.m.
(Meeting chaired by Mike Leonard)

- I. Pledge of Allegiance
- II. Attendance
- III. Announcements
- IV. Agenda Notices/Modifications – Mary Mayes

Notes/Actions

1. **Possible Conflict of Interest Issues for the Administrative Committee Meeting July 18, 2012.** Pg. 6

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

Consent Calendar

Consent Calendar items shall be adopted by a single vote unless removed by member request.

Administrative Matters

2. **Attendance Register** Pg. 8

A quorum shall consist of a majority of the membership of each SANBAG Policy Committee, except that all County Representatives shall be counted as one for the purpose of establishing a quorum.

3. **June 2012 Procurement Report** Pg. 10

Receive June 2012 Procurement Report. William Stawarski

Discussion Items

Administrative Matters

4. **Measure I Revenue** Pg. 13
 Receive report on Measure I receipts for Measure I 2010-2040.
William Stawarski
5. **Request for Proposal 13015 for Risk Management Advisor Services** Pg. 15
 That the Committee recommend the Board authorize and approve release of Request for Proposal 13015 for qualified firms to provide Risk Management Advisor Services for San Bernardino Associated Governments. **William Stawarski**
6. **Investment Policy No. 20100** Pg. 21
 That the Committee recommend the Board approve changes in existing Investment Policy No. 20100, Section IX, Allowable Investments for SANBAG Operating Funds, Parts H and I. **William Stawarski**
7. **Amendment No. 2 to Contract C10193 with GCAP Services, Inc. for Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services** Pg. 30
 That the Committee recommend the Board approve Amendment No. 2 to Contract C10193 with GCAP Services, Inc. for Disadvantaged Business Enterprise Services to exercise a one-year option of the Contract through August 31, 2013 and to increase the contract amount by \$25,000 for a total not-to-exceed amount of \$77,500. **Duane Baker**
8. **Contract for Information and Communications Technology Services** Pg. 36
 That the Committee recommend that the Board approve Contract C12174 with SIGMAnet, Inc. for Information and Communications Technology Services in an amount not to exceed \$409,200 for an initial three year term. **Duane Baker**
9. **Revise Policy 11000, "Contracting and Procurement Policy" to reflect an increase to the maximum contract term from three years to five years** Pg. 46
 That the Committee recommend the Board approve changes to the existing SANBAG Contracting and Procurement Policy 11000, Section V., Paragraph F., increasing the maximum contract term from three years to five years. **Kathleen Murphy-Perez**

Discussion Items-Continued**Administrative Matters (cont.)**

- 10. Revise Contracting and Procurement Policy 11000 for Construction Change Orders** Pg. 48

That the Committee recommend the Board approve changes to existing SANBAG Contracting and Procurement Policy 11000, Section IX., Paragraph C., sub-section 2, deleting "Director of Project Delivery" and replacing it with "Director" and deleting "\$150,000" as the limitation of approval and other changes as identified herein. **Kathleen Murphy-Perez**

- 11. Modification to the subcontractor substitution process for Public Works construction contracts** Pg. 50

That the Committee recommend the Board approve subcontractor substitutions for Public Works construction projects, contingent upon the prescribed process identified in the Public Contract Code Section § 4107 is followed. **Kathleen Murphy-Perez**

- 12. Award On-Call Labor Compliance Service Contracts** Pg. 52

That the Committee recommend the Board:

1. Award Contract C12233 to GCAP Services, Inc., for On-Call Labor Compliance Services for a three year contract with two one-year options for an amount described in Recommendation No. 3 for the initial three year term.
2. Award Contract C13022 to Dynamic Engineering Services, Inc., for On-Call Labor Compliance Services for a three year contract with two one-year options for an amount described in Recommendation No. 3 for the initial three year term.
3. Approve a total not-to-exceed amount of \$300,000 for GCAP Services, Inc. (C12233), and Dynamic Engineering Services, Inc. (C13022). **Kathleen Murphy-Perez**

Program Support/Council of Governments

- 13. State Legislative Update** Pg. 80

Receive State Budget update and legislative bill matrix. **Eric Haley**

Comments from Committee Members**Brief Comments from Committee Members****Public Comment****Brief Comments by the General Public****ADJOURNMENT****Additional Information****Acronym List**

Pg. 86

Complete packages of the SANBAG agenda are available for public review at the SANBAG offices. Staff reports for items may be made available upon request. For additional information call (909) 884-8276.

Meeting Procedures and Rules of Conduct

Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility

The SANBAG meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is (909) 884-8276 and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Agendas – All agendas are posted at 1170 W. 3rd Street, 2nd Floor, San Bernardino at least 72 hours in advance of the meeting. Complete packages of this agenda are available for public review at the SANBAG offices and our website: www.sanbag.ca.gov. Staff reports for items may be made available upon request. For additional information call (909) 884-8276.

Agenda Actions – Items listed on both the “Consent Calendar” and “Items for Discussion” contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.

Closed Session Agenda Items – Consideration of closed session items *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a “Request to Speak” form, provided at the rear of the meeting room, and present it to the Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for *each* item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject within the Board's authority. *Matters raised under “Public Comment” may not be acted upon at that meeting. “Public Testimony on any Item” still apply.*

Disruptive Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for meetings. Your cooperation is appreciated!*

**SANBAG General Practices for Conducting Meetings
of
Board of Directors and Policy Committees**

Basic Agenda Item Discussion

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee.
- Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.

The Vote as specified in the SANBAG Bylaws

- Each member of the Board of Directors shall have one vote. In the absence of the official representative, the alternate shall be entitled to vote. (Board of Directors only.)
- Voting may be either by voice or roll call vote. A roll call vote shall be conducted upon the demand of five official representatives present, or at the discretion of the presiding officer.

Amendment or Substitute Motion

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the maker of the original motion is asked if he would like to amend his motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is not addressed until after a vote on the first motion.
- Occasionally, a motion dies for lack of a second.

Call for the Question

- At times, a member of the Board/Committee may “Call for the Question.”
- Upon a “Call for the Question,” the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively and at the Chair’s discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

The Chair

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time-to-time circumstances require deviation from general practice.
- Deviation from general practice is at the discretion of the Board/Committee Chair.

Courtesy and Decorum

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.
- It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

Adopted By SANBAG Board of Directors January 2008



- 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: July 18, 2012

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 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. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Contractor/Agents	Subcontractors
7	C10193	GCAP Services, Inc. <i>Ed Salcedo</i>	N/A
8	C12174	SIGMANet, Inc. <i>Paul Edge</i> <i>Kevin Turner</i>	N/A

*

	<p><i>Approved</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>
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COG		CTC	X	CTA	X	SAFE		CMA	
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Check all that apply.
 ADM1207z-dab-kmp

12	C12233	GCAP Services, Inc. <i>Edward Salcedo</i> <i>Gale Bloomingdale</i> <i>Joe Hernandez</i> <i>Lupe Navarro</i>	Contractor Compliance Monitoring, Inc. <i>Deborah Wilder</i>
12	C13022	Dynamic Engineering Services, Inc. <i>Chia-Chi Wang</i>	Meadows Consulting <i>Karen Meadows</i> CALTROP Corporation <i>Carole Sanders</i> Falcon Engineering Services, Inc. <i>Wael Faqih</i> BetKon, Inc. <i>Heather McGuffin</i> Z&K Consultants, Inc. <i>Karen Faqih</i>

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

Reviewed By: This item is prepared monthly for review by the Board of Directors and Policy Committee members.

ADMINISTRATIVE COMMITTEE ATTENDANCE RECORD – 2012

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Rick Roelle Town of Apple Valley	X	X	X			X						
Bill Jahn City of Big Bear Lake	X	X										
Dennis Yates City of Chino	X		X	X	X							
Mike Leonard City of Hesperia	X		X	X	X	X						
Larry McCallon City of Highland	X	X	X	X	X	X						
Rhodes Rigsby City of Loma Linda	X	X	X	X	X	X						
Janice Rutherford Board of Supervisors	X		X	X		X						
Ed Scott City of Rialto	X	X	X	X	X							
Ed Graham City of Chino Hills	X	X	X	X	X	X						
Patrick Morris City of San Bernardino	X	X	X	X	X	X						
Jim Harris City of Twentynine Palms	X	X	X	X	X	X						
Dick Riddell City of Yucaipa	X	X	X		X	X						
Josie Gonzales Board of Supervisors	X	X	X	X	X	X						
Brad Mitzelfelt Board of Supervisors	X		X		X							
Gary Ovitt Board of Supervisors	X	X	X	X		X						
Neil Derry Board of Supervisors	(Self-Suspension as of 5/3/11)	X	X									

X = Member attended meeting. Empty box = Member did not attend meeting. Crossed out box = Not a member at the time.

ADMINISTRATIVE COMMITTEE ATTENDANCE RECORD – 2011

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Rick Roelle Town of Apple Valley		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
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	X	X	X
Rhodes Rigsby City of Loma Linda	X		X	X	X	X	X		X	X	X	X
Paul Eaton City of Montclair	X	X	X	X		X						
Janice Rutherford Board of Supervisors							X	X	X	X	X	X
Patrick Morris City of San Bernardino	X	X		X	X	X	X	X	X	X	X	X
John Pomierski City of Upland	X											
Ed Graham City of Chino Hills			X	X	X	X	X	X	X	X	X	X
Josie Gonzales Board of Supervisors	X		X		X	X			X	X	X	X
Brad Mitzelfelt Board of Supervisors	X	X		X	X	X	X	X			X	X
Gary Ovitt Board of Supervisors	X	X		X	X	X	X	X	X	X	X	X
Neil Derry Board of Supervisors (Self-Suspension as of 5/3/11)	X	X	X	X								

X = Member attended meeting.
Empty box = Member did not attend meeting
Crossed out box = Not a member at the time.



- 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: July 18, 2012

Subject: June 2012 Procurement Report

Recommendation:* Receive June 2012 Procurement Report.

Background: The Board of Directors adopted the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997 and approved the last revision on October 6, 2010. 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 June 2012.

Financial Impact: This item imposes no impact on the fiscal year 2011/2012 budget. Presentation of the monthly procurement report will demonstrate compliance with the Contracting and Procurement Policy (Policy No. 11000).

Reviewed By: This item is scheduled for review by the Administrative Committee on July 20, 2012.

Responsible Staff: William Stawarski, Chief Financial Officer

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Approved
Administrative Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
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Check all that apply.
 ADM1207a-ws

June 2012 Report of Purchase Orders

PO No.	PO Issue Date	Vendor	Purpose	Amount
4000826	6/05/12	Building Industry Association, Baldy View	SANBAG's sponsorship of the 2 nd annual General Assembly. The amount includes 35 tickets for SANBAG Board Members and staff.	\$20,000.00
4000803	6/05/12	Parsons Brinckerhoff, Inc.	Parsons Brinckerhoff developed the SBTAM model and is the only firm currently able to conduct the required modeling runs for the CMIA application deadline.	\$6,500.00
4000831	6/12/12	Mundell Odlum & Haws, LLP	This legal firm was hired as sole source to conduct legal inquiries involving highly sensitive and time critical matters. It is in the best interest of SANBAG to conduct this inquiry as quickly as possible. The law firm has unique experience in handling sensitive inquiries from many years of experience in similar areas of employment law, and the firm reported its ability to meet the time constraints of the legal inquiry. Other legal firms were contacted that had expertise to assist SANBAG, but this was the only law firm to agree to the time constraints and cost.	\$6,064.50
4000835	6/18/12	Self-Help Counties Coalition (SHCC)	This is an organization of 19 California county transportation agencies with voter-approved transportation sales tax measures. In Southern California, revenues from these sales tax measures exceed the combined total of state and federal transportation funds. The SHCC works closely with the California Transportation Commission, Caltrans, the Legislature and Administration, and other groups to protect the interests of the transportation authorities against diversion of transportation funds, increased Board of Equalization fees, impediments to timely project delivery, and concerns over state maintenance of effort that may arise because of the availability of local funds.	\$5,700.00
4000832	6/18/12	Radio Communication Service	26 Kenwood digital module and portable radios for the FSP program; initial installation on the digital radios in 16 primary FSP tow trucks; and wiring of 7 back-up FSP tow trucks. Work shall be paid by the hour at \$85/hr. Installation of new FSP related radio system at the new TMC building in Fontana is included.	\$21,000.00

4000844	6/20/12	Li, Wendy	<p>Ms. Wendy Li of IDC Consulting Engineering, Inc. will provide SANBAG with continued service in the area of highly specialized fund programming management during SANBAG's staff transition period from June 18, 2012 through December 30, 2012. Ms. Li's anticipated work will average 16 hours per week at the rate of \$140/hour. Ms. Li will provide the following services to SANBAG during staff transition period:</p> <ul style="list-style-type: none"> • Provide funding strategies to the New Director of Fund Administration and Programming (DFAP) for project changes resulting from re-programming or project savings in the next several months. • Provide documented history briefings/updates to the new DFAP for the programming recommendations/decisions of critical programs/projects, call for projects commitments, STIP strategies, CMAQ/STP planning, LONP repayments, and TCRP repayments. • Assist the new DFAP with programming information document updates for all projects identified in the 10-Year Delivery Plan. Updates will be made within the environment of EcoSys. • On-going support for all Fund Administration and Programming related tasks that can maximize SANBAG's funding opportunities. 	\$36,400.00
4000848	6/28/12	TH Enterprises Inc.(TH)	<p>Contract C09192 with TH ends June 30, 2012. SANBAG requires ongoing support for maintenance of SANBAG's computer network while the selection process for RFP 12174 for ICT Services is completed and presented to Committee and Board for approval.</p> <p>TH has agreed to continue to support SANBAG at the current contract rate under a maintenance agreement until a new contract is in place with the selected provider and to provide support during the transition to the new ICT services provider.</p>	\$50,000.00
<p><i>*Note: Sole Source justification is noted in the Purpose statement, if applicable.</i></p>				<p>Total \$145,664.50</p>



- San Bernardino County Transportation Commission
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Minute Action

AGENDA ITEM: 4

Date: July 18, 2012

Subject: Measure I Revenue

Recommendation:* Receive report on Measure I receipts for Measure I 2010-2040.

Background: Sales tax revenue collections for Measure I 2010-2040 began on July 1, 2011. Cumulative total receipts for Fiscal Year 2011/2012 as of June 30, 2012 were \$130,808,745.

Included is a summary of the current Measure I receipts by quarter and cumulative total since its inception. The quarterly receipts represent sales tax collection from the previous quarter taxable sales. For example, receipts for October - December represent sales tax collections from July - September.

Measure I revenue for the 2011/2012 fiscal year budget was estimated to be \$111,577,000. Actual Measure I receipts for fiscal year 2011/2012 January through June are \$130,808,745, in comparison to \$115,603,079 received during the quarter ending June 2010/2011, with an increase of 13.15%.

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Approved
Administrative Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG		CTC	X	CTA	X	SAFE		CMA	X
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Check all that apply.

Summary of SANBAG Measure I Receipts 2010-2040

Fiscal Year	July- September	October- December	January- March	April- June	Fiscal Year Total	Cumulative Total To Date
Receipts Prior to FY 2010/11						\$7,158,800
Fiscal Year 2010/11	28,188,907	29,207,950	28,808,766	29,397,456	115,603,079	\$122,761,879
Fiscal Year 2011/12	31,027,319	33,547,956	32,757,419	33,476,051	130,808,745	\$253,570,624
% Increase Over 10/11	10.07%	14.86%	13.71%	13.87%	13.15%	

Financial Impact: Measure I revenues are expected to exceed both the budgeted amount and prior years collections.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012.

Responsible Staff: William Stawarski, Chief Financial Officer

The firm shall represent SANBAG's interests in the marketplace when the purchase of insurance is necessary, function as SANBAG's insurance broker/consultant and negotiate with the insurance companies on SANBAG's behalf.

The firm acting as the risk management consultant shall provide risk management controls, review contract insurance language, oversee additional insured endorsement and certificates of insurance compliance and manage and coordinate claims reporting and handling.

The firm will be the central destination for all claims, contract and insurance certificate and bond reviews, help negotiate insurance-related contract language with SANBAG's contractors, vendors, and insurers; suggest appropriate coverages based on the usual insurance coverages available; check all certificates of insurance, additional insured endorsements, and bonds for compliance with SANBAG's contracts insurance requirements.

Pursuant to policy direction, SANBAG is required to award this type of contract 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. Staff will return to the Board with approval of the selected firm for contract award.

Financial Impact: The various policies and brokers' maintenance/base fee are funded under SANBAG's indirect fund (Task 0120/Indirect General) for Fiscal Year 2012/2013 budget.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012. SANBAG General Counsel and Contract Administrator are reviewing this item and Contract.

Responsible Staff: William Stawarski, Chief Financial Officer

ATTACHMENT “A”
“SCOPE OF SERVICES”

The CONSULTANT shall provide a variety of services to assist SANBAG with the purchase and management of insurance, third party claims and the management of insurance-related activities related to procurement. The Scope of Services is presented below:

- I. CONSULTANT will manage risk and control costs. CONSULTANT will:
 - a) Analyze the factors that are driving the cost of risk;
 - b) Develop & present cost-effective strategies for dealing with risk;
 - c) Seek out creative solutions and fully explore alternatives before recommending the purchase of insurance;
 - d) Provide a clear, concise written explanation of what SANBAG is buying, what it costs, and why.

- II. Represent SANBAG interests in the marketplace when the purchase of insurance is necessary. Functioning as SANBAG's broker/consultant, CONSULTANT will negotiate with the insurance companies on SANBAG's behalf, and protect SANBAG's interests. CONSULTANT will:
 - a) Give SANBAG broad access to the insurance marketplace;
 - b) Monitor the published financial information of SANBAG's Insurers and alert SANBAG to changes in their status;
 - c) Follow up with insurance carriers for timely issuance of policies, endorsements, and agreements;
 - d) Review policies and endorsements for accuracy and conformity to specifications;
 - e) Provide easy-to-understand coverage summaries for all new coverage and updates on changes to existing coverage.

- III. Provide SANBAG with new ideas and information on a regular basis. To ensure that SANBAG's program remains effective and competitive, CONSULTANT will keep SANBAG informed of significant changes and/or trends in the insurance industry that could have an impact on SANBAG or affect from a risk and insurance perspective.

- IV. Deliver support and administrative assistance. CONSULTANT will provide SANBAG with prompt, accurate service at all times. CONSULTANT will:
 - a) Respond to questions and requests timely;
 - b) Return phone calls within 24 hours or less;
 - c) Assist SANBAG in preparing insurance applications;
 - d) Process certificates of insurance, auto identification cards, and motor vehicle report requests in a timely manner;
 - e) Issue binders prior to the expiration of current policies;
 - f) Maintain an updated schedule of insurance;
 - g) Work with SANBAG to determine a schedule for reviewing insurance company loss runs;
 - h) Check the accuracy of audits, rating adjustments, and dividend calculations;
 - i) Develop procedures to ease administration and claims handling;

- j) Coordinate the activities of any third party loss control providers or claims consulting services.
 - k) Respond to RFP/IFB requests for review of contract language and insurance or bond review within three (3) business days or less.
- V. Take an aggressive, proactive approach to controlling losses and act as the SANBAG's advocate in the event of a claim. The CONSULTANT will:
- a) Analyze losses to identify trends and potential problem areas that need to be addressed;
 - b) Recommend and coordinate special loss control services, if necessary;
 - c) Act as a liaison between SANBAG and the Insurer or claims service organization, and negotiate on SANBAG's behalf;
 - d) Work with SANBAG in designing claims handling procedures;
 - e) Track significant claims and provide SANBAG with periodic reports;
 - f) Monitor third party claims to ensure that SANBAG's interests are protected;
 - g) Review experience modification factors;
 - h) Evaluate reserves and advise where adjustments are warranted.
- VI. Establish a strategy that meets SANBAG's needs, keeps CONSULTANT close to SANBAG's business, and facilitates joint planning. The CONSULTANT will:
- a) Meet with SANBAG's key people to discuss strategy and any changes in SANBAG's situation;
 - b) Conduct a *Stewardship Review* to assess performance and establish future objectives and strategies for the CONSULTANT and SANBAG. During the course of the review, the CONSULTANT will:
 - 1. Perform a complete review and analysis of the existing program;
 - 2. Ask about changes in SANBAG's goals, objectives, operations and exposures;
 - 3. Determine any short and long-term influences that stand to impact SANBAG's program in the future;
 - c) Develop a mutually agreeable renewal action plan and timeline that meet SANBAG's objectives and ensure that information is with SANBAG.
- VII. The CONSULTANT shall provide risk management controls on Risk Management services:
- a) Contract reviews;
 - b) Insurance compliance;
 - c) Certificate compliance; and,
 - d) Claims reporting and management.
 - e) Reviewing the Right-of-Way purchased by SANBAG and ensure that new properties are covered by SANBAG's insurance.
- VIII. The CONSULTANT will not provide SANBAG with certificate tracking.
- IX. CONSULTANT will:
- a) Be the central destination for all claims, contract and certificate and bond reviews.
 - b) Help negotiate insurance-related contract language with SANBAG's clients, vendors, end Insurers as desired by SANBAG.

- c) Suggest the coverage's that are appropriate based on the usual insurance coverage's available.
- d) Check all certificates and bonds against the contract to make sure that the certificate show compliance to the insurance requirements noted in the contract.

X. Third Party Claims

- a) All claims should be reported to CONSULTANT directly (Workers Compensation being the exception), for reporting to the Insurer.
- b) With the current General Liability program, being written on a deductible structure there would be no need for a third party administrators for future claims.
- c) The Insurer would be responsible for filing tenders and defense.
- d) CONSULTANT will monitor the claims to prompt the Insurer to respond punctually to the claim and report to the SANBAG on a quarterly basis as to the status of all claims.
- e) For all of the claims that are being handled by the current third party administrators the consultant will monitor their progress on all open claims.
- f) The same process of reporting would be in place for Automobile, Crime, Property, and Public Officials Liability.
- g) All claims should be reported to the CONSULTANT for notification to the Insurer.

XI. Reports:

- a) Provide Quarterly Loss Run reports to SANBAG.

SANBAG's Role & Responsibilities

- a) Review the insurance policies and notify CONSULTANT promptly if SANBAG has questions or changes;
- b) Provide CONSULTANT with the information needed to do the CONSULTANT 's job. It is extremely important that such information is accurate, complete, and provided to us in a timely fashion;
- c) Respond to requests promptly;
- d) Allow CONSULTANT to participate in the settlement of losses with insurance carriers;



- 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: July 18, 2012

Subject: Investment Policy No. 20100

Recommendation:* That the Committee recommend the Board approve changes in existing Investment Policy No. 20100, Section IX, Allowable Investments for SANBAG Operating Funds, Parts H and I.

Background: The California Government Code, which governs the investment of public funds (Section 53635 et seq.), requires that the agency’s governing body review the investment policy at a public meeting.

Staff and SANBAG’s investment advisor, PFM Investment Management, has reviewed the current policy and recommends the following changes:

1. SECTION IX. ALLOWABLE INVESTMENTS FOR SANBAG OPERATING FUNDS

- Change (H) rating category from “AA” to “A” or its equivalent or better, by a nationally recognized statistical-rating organization for medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state.
- Change (I) Add the word “federally” for licensed branch of a foreign bank and change rating from “AA” to “A” or its equivalent or better, by a nationally recognized statistical-rating organization

*

Approved
Administrative Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

X	COG	X	CTC	X	CTA	X	SAFE	X	CMA
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Check all that apply

Senate Bill 194 amended California Government Code 53601 (i) to permit public agencies to purchase negotiable certificate of deposits (CD's) issued by "a federally licensed branch of a foreign bank." This revision was viewed as a correction of an oversight when the legislature authorized CD's issued by state-licensed banks. The word "federally" is included in the recommendation for allowable investments.

Current policy requires a minimum rating of "AA" or its equivalent or better by a nationally recognized statistical rating agency (NRSRO) for medium-term notes and negotiable CD's. A few of the NRSRO's have changed their methodology in reviewing and assigning credit ratings due to the global economy. Fewer corporate issuers will be rated "AAA" and "AA" because of the change in rating methodology rather than changes in financial condition. The recommendation changes the minimum rating of "AA" or its equivalent or better to "A" or its equivalent or better for medium-term notes and negotiable CD's.

It should be noted the investment advisor (PFM) recommendations does not represent a change in a stringent credit quality philosophy, but rather recognition of the realities of the market place. The recommendations will provide flexibility, optimal diversification and future market opportunities without additional risk.

Attached are the recommended changes in the Investment Policy for discussion and consideration by this committee.

Financial Impact: This item imposes no impact on Fiscal Year 2012/2013 Budget.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012.

Responsible Staff: William Stawarski, Chief Financial Officer

San Bernardino Associated Governments	Policy	20100
Adopted by the Board of Directors	October 2, 1996	Draft 6/29/12 7/6/11
Investment Policy	Revision No.	15 14

Table of Contents
Purpose Policy Investment Goals Prudent Investor Standard Scope Delegation of Authority Conflicts of Interest Portfolio Maturity Limits Allowable Investments for SANBAG Operating Funds Additional Allowable Investments for Bond Proceeds Only Prohibited Investment Transactions Investment in "Derivative" Securities Leveraging Safekeeping of Securities Competitive Bidding of Investments Broker/Dealers Reporting Annual Submission of Investment Policy Revision History

I. PURPOSE

The purpose of this policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes.

II. POLICY

The Board of Directors of the San Bernardino Associated Governments (SANBAG) and its related authorities and agencies recognizes its responsibility to direct the investment of funds under its care. This policy is designed to meet the specific needs of SANBAG while ensuring the safety of funds.

III. INVESTMENT GOALS

The investment of funds by SANBAG shall be guided by the goals of safety, liquidity, diversification, and a reasonable market rate of return.

Safety: Safety of principal is the foremost objective of the investment program. Investments of SANBAG will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

Liquidity: SANBAG's investment portfolio will remain sufficiently liquid to enable SANBAG to meet all operating requirements and budgeted expenditures, including an additional amount to cover reasonably estimated contingencies.

Diversification: The investment portfolio will be diversified to avoid risk regarding specific security types or individual financial institutions.

Reasonable Market Rate of Return: The investment portfolio will be designed to attain a market average rate of return through economic cycles which is consistent with SANBAG's primary goals of safety, liquidity and diversification.

IV. PRUDENT INVESTOR STANDARD

SANBAG investments are governed by the prudent investor standard, set forth as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the investment of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

V. SCOPE

The investment policy applies to all financial assets held by SANBAG, including bond proceeds. Funds specifically exempt from this policy include employee deferred compensation plans, employee pension plans, or assets held in trust by SANBAG with specific investment instructions.

VI. DELEGATION OF AUTHORITY

SANBAG's bylaws designate the Executive Director as Treasurer for the Agency.

Under the direction and oversight of the Executive Director, and in consultation with SANBAG's investment adviser, the Chief Financial Officer (CFO) shall direct the investment of SANBAG operating funds, which are not invested in the County Pool or in LAIF ("DIRECT INVESTMENTS"). All officials, staff members and consultants are directly accountable to the SANBAG Board for investment functions.

VII. CONFLICTS OF INTEREST

All officials, staff members and consultants involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which could impair their ability to make impartial investment decisions. Officials, staff members, and consultants will disclose to the Executive Director any financial interest with a financial institution or broker that conducts business with SANBAG. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the performance of SANBAG's portfolio.

VIII. PORTFOLIO MATURITY LIMITS

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Authority to meet all projected obligations.

The maximum maturity of any other investment of operating funds ("direct investments") may not exceed five years unless otherwise noted in Paragraph IX.

Investment of bond proceeds shall be made in consideration of the liquidity needs of the bond fund, and may not exceed five years, except for securities to be held in a defeasance escrow for refunded bonds and bond debt serve reserve funds.

Investments in the San Bernardino County Pool and in LAIF are subject to maturity limits and other investment restrictions as imposed by the governing bodies of those agencies.

IX. ALLOWABLE INVESTMENTS FOR SANBAG OPERATING FUNDS

Investment of SANBAG's funds is governed by the California Government Code, Sections 53600 et seq. and 53635 et seq. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

The following investment vehicles are permitted for the investment of operating funds.

- A. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 40% of SANBAG's investment portfolio may be invested in the obligations of any one federal agency or United States government-sponsored enterprise.
- C. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations of the State of California or any California local agency may not represent more than 20% of SANBAG's portfolio and no more than 10% may be invested in the obligations of any one issuer.

D. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations of the other 49 states may not represent more than 20% of SANBAG's portfolio and no more than 10% may be invested in the obligations of any one issuer.

E. Repurchase Agreements used solely as short-term investments not to exceed 30 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in par. IX. A and B, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANBAG's custodian bank by book entry, physical delivery, or held by a third party custodial agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds borrowed against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

SANBAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

SANBAG may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York.

SANBAG will have specific written agreements with each firm with which it enters into Repurchase Agreements.

Reverse repurchase agreements will not be allowed.

Repurchase agreements may not represent more than 20% of SANBAG's investment portfolio.

F. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical-rating organization.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40% of SANBAG's investment portfolio. No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

G. Commercial paper rated in the highest short-term rating category, as provided by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); (c) has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

(2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 25% of SANBAG's investment portfolio. No more than 3% of SANBAG's investment portfolio may be invested in the securities on any one non-government issuer regardless of security type.

H. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "**AA**"-"**A**", or its equivalent or better, by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 30% of SANBAG's investment portfolio. No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- I. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a **federally or** state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated **"AA" "A" or its equivalent or** better by a nationally recognized statistical-rating organization.

Purchase of negotiable certificates of deposit may not exceed 30% of SANBAG's investment portfolio. No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- J. State of California's Local Agency Investment Fund (LAIF)
Investment in LAIF may not exceed 60% of SANBAG's operating funds or \$50 million, whichever is less.

- K. San Bernardino County Investment Pool.

- L. Insured savings accounts.

- M. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares of beneficial interest purchased shall not include any commission that the companies may charge and shall not exceed 20% of SANBAG's investment portfolio. Further, no more than 10% of SANBAG's investment portfolio may be invested in shares of beneficial interest of any one money market fund.

For purposes of determining compliance with this policy, where this section specifies a percentage limitation for a particular category of investment, that percentage is applied on the date of purchase. Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS ONLY

- A. California Asset Management Program (CAMP)'s money market pool, which is rated AAAM and has an average maturity of 60 days or less and its separately managed portfolio.
- B. Investment agreement with an AA rated bank or collateralized investment agreement with an A rated bank or an investment acceptable to a bond insurance company and approved specifically by the SANBAG Board.
- C. Debt service reserve funds and debt service funds may be invested longer than five years as long as they are permitted by state law and investments are readily available for bond payments and other bond purposes (refundings, defeasance, etc.).
- D. U.S. Treasury Securities and State and Local Government Securities having a maturity longer than five years are permitted for escrowed defeasances.
- E. Forward purchase agreements, forward delivery agreements and debt service reserve agreements approved specifically by the SANBAG Board.
- F. Other investments as permitted by bond indentures.
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XI PROHIBITED INVESTMENT TRANSACTIONS

Any investment not specifically allowed by this policy is prohibited.

XII. INVESTMENT IN "DERIVATIVE" SECURITIES

Direct investment in derivative securities is prohibited. A "derivative security" is any investment the value of which is derived from an underlying security, commodity or index. For purposes of this policy, a derivative is any security that has principal and/or interest payments which are subject to significant uncertainty as to timing, and/or amount.

It is understood that the County Pool and LAIF may invest in certain derivative securities.

XIII. LEVERAGING

All forms of portfolio leverage, including, but not limited to, securities lending programs, reverse repurchase agreements, and margin accounts, are prohibited.

XIV. SAFEKEEPING OF SECURITIES

SANBAG shall enter into an agreement with a bank trust department to serve as the safekeeping agent for all direct investments. The safekeeping agent shall hold all investments in an account for the sole benefit of SANBAG. All direct investments shall be delivered by the broker to SANBAG's safekeeping account on a delivery versus payment basis.

XV. COMPETITIVE BIDDING OF INVESTMENTS

The investment procedures require that approved broker/dealers compete for direct investment purchases and sales to ensure that all investment transactions are free from favoritism. The CFO in conjunction with SANBAG's investment advisor shall determine the best execution price for SANBAG, and act accordingly.

XVI. BROKER/DEALERS

If a third party investment advisor is authorized to conduct investment transactions on SANBAG's behalf, the investment advisor may use their own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to SANBAG upon request.

For any investment transactions conducted by the Treasurer on behalf of SANBAG, the Treasurer shall comply with the following requirements:

Transactions initiated by SANBAG shall be executed through government securities dealers reporting as primary dealers to the New York Federal Reserve Bank of New York or direct issuers (defined as corporations that issue their own securities) and through secondary dealers who have received prior approval to do business with SANBAG.

Primary dealers wishing to do business with SANBAG must meet the following criteria:

1. The primary dealer representative must have demonstrated experience providing investment services to public agencies in California.
2. The primary dealer representative must provide SANBAG with a minimum of three references of finance officials from public agencies in California.

Secondary dealers must complete a broker/dealer application provided by SANBAG, and must meet the following criteria to the satisfaction of SANBAG's Chief Financial Officer:

1. The broker/dealer must qualify under SEC Rule 15C3-1 (uniform net capital rule).
 2. The broker/dealer and the broker/dealer representative must be properly registered with the appropriate state and federal regulatory bodies.
 3. The broker/dealer should be a market maker and have a strong market presence in one or more product areas that are pertinent to SANBAG's investment goals.
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- The broker/dealer and its representative should be well established in the business and have an acceptable track record.

Each broker/dealer will be sent a copy of this Policy, a broker/dealer application, and a list of persons authorized to execute transactions on SANBAG's behalf. In order to be considered for investment business opportunities with SANBAG, each firm must acknowledge receipt of such materials.

XVII. REPORTING

A. Quarterly Report

The CFO will provide a quarterly report to the Administrative Committee and to the Board of Directors providing the following information:

- Breakout of all securities, investments and moneys held by SANBAG by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.
- A description of all SANBAG's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
- A statement of compliance with investment policy and a statement denoting the ability of SANBAG to meet all expenditures for the next six months.

B. Monthly Report

The CFO will provide a monthly list of investment transactions to the Board of Directors as required by the California Government Code §53607 when investment authority has been delegated by the Board.

XVIII. ANNUAL SUBMISSION OF INVESTMENT POLICY

SANBAG's CFO shall render a statement of investment policy to the Board of Directors annually. The Board shall consider the policy, with any changes, in a public meeting.

XIX. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	10/02/96
1	20100: Added paragraph starting with "It shall be SANBAG's long term objective . . .".	09/03/97
2	No changes.	12/02/98
3	20100.10: Changed percentage of operating funds amount to 20%. 20100.10: Changed percentage of San Bernardino portfolio to 20%.	11/03/99
4	No changes. Re-approved by the Board of Directors.	11/01/00
5	Added Para. 20100.16 Qualifications of Broker/Dealers; re-sequenced existing paragraphs. 20100.16, 20100.17, 20100.18, 20100.19, 20100.20, and 20100.21 to 20100.17, 20100.18, 20100.19, 20100.20, and 20100.22. Revised Par. 20100.10: Revised "...not to exceed 20% of SANBAG's operating funds..." to "...not to exceed 30% of SANBAG's operating funds...", and "Portion of Portfolio: 20% maximum" to "Portion of Portfolio: 30% maximum".	11/07/01
6	Changed paragraph numbering style from 20100.1,20100.2, 20100.3 etc. to I, II, III, etc. Par. IX: Changed "one year" to "two years". Par. X.4: Changed "1 year maximum" to "2 year maximum". Par. X.5: Changed "1 year maximum" to "2 year maximum". Par. X.6: Changed "180 days maximum" to "270 day maximum".	11/06/02
7	No changes. Re-approved by the Board of Directors	11/05/03
8	No changes. Re-approved by the Board of Directors	01/05/05
9	No changes. Re-approved by the Board of Directors	11/02/05
10	Paragraphs on DEFINITIONS, ANNUAL MANAGEMENT REVIEW AND AUDIT, AND SEGREGATED INVESTMENT, and EXECUTION AND RECORD KEEPING: Deleted. Paragraphs III, IV, IX, and XVII: Minor revisions. Paragraphs VIII, IX, and XVI: Major revisions.	07/05/06

Revision No.	Revisions	Adopted
11	Par. IX.J: Removed limitation.	09/13/06
12	No changes. Re-approved by the Board of Directors	01/09/08
13	<p>Par. VI: Delete "In addition, the CFO, under the direction and oversight of the Executive Director, and consultation with SANBAG's investment advisor, shall review the alternatives for the investment of bond proceeds, and shall recommend such investments to the SANBAG Board for approval". The investment of bond proceeds is identified under par. X. and will be authorized by bond covenant.</p> <p>Par. IX: Add (C) Obligations of the State of California or any local agency within the state and (D) Registered treasury notes or bonds of other states in addition to California to diversify the number of sectors and issuers; revise (C) to be (E) and add "held" before "by a third party custodial agreement". Also add "Repurchase agreements may not represent more than 20% of SANBAG's investment portfolio", to limit the amount to be invested in repurchase agreements; delete "(G) "provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by a nationally recognized statistical rating organization." This is also stated in paragraphs (G) (1) and (2); increase (J) from \$40 million to \$50 million limitation on LAIF investment per State Treasurer's Office authorization to increase the dollar amount for investment.</p> <p>Par. X: Change (A) For CAMP, rating from AAA to AAAM and average maturity from one year to 60 days or less. This is to improve safety and liquidity.</p> <p>Par. XV: Add "in conjunction with SANBAG's investment advisor" for clarification purposes.</p>	09/01/10
14	<p>Par. VIII: Changed four years to five years and added "unless otherwise noted in Par. IX.</p> <p>Par. IX.B: Changed 10% to 40%.</p> <p>Par. IX.F: Changed 20% to 40% and changed "No more than 5% of SANBAG's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. IX.G: Changed "No more than 5% of SANBAG's investment portfolio may be invested in commercial paper of one issuer." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities on any one non-government issuer regardless of security type.</p> <p>Par. IX.H: Changed 20% to 30 and changed "No more than 5% of SANBAG's investment portfolio may be invested in a medium-term note of any one corporation." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. IX.I: Changed 20% to 30% and added "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. XVII: Removed 'QUARTERLY' from title, renumbered paragraphs, and added "B. Monthly Report. The CFO will provide a monthly list of investment transactions to the Board of Directors as required by the California Government Code 53607 when investment authority has been delegated by the Board.</p>	07/06/11
15	<p>Par. IX.H: Changed rating of "AA" to "A".</p> <p>Par. IX.I: Changed "... by a state-licensed branch ..." to "... by a federally or state-licensed branch ..." and changed "... rated AA ..." to "... rated A or its equivalent ...".</p>	



- 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: July 18, 2012

Subject: Amendment No. 2 to Contract C10193 with GCAP Services, Inc. for Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services

Recommendations:* That the Committee recommend the Board Approve Amendment No. 2 to Contract C10193 with GCAP Services, Inc. for Disadvantaged Business Enterprise Services to exercise a one-year option of the Contract through August 31, 2013 and to increase the contract amount by \$25,000 for a total not-to-exceed amount of \$77,500.

Background: On September 1, 2010, the SANBAG Board of Directors approved Contract C10193 with GCAP Services, Inc. to provide Disadvantaged Business Enterprise (DBE) annual goal preparation and additional DBE services. The original term of the contract was one year, with three one-year options to extend the contract. The original contract amount was \$25,000 with a \$2,500 contingency amount.

On August 3, 2011, Amendment No. 1 was approved by the Board of Directors, which increased the contract by \$25,000 and extended the contract expiration date to August 31, 2012.

*

	<p><i>Approved</i> <i>Administrative Committee</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>
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COG	X	CTC	X	CTA	X	SAFE		CMA	
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Check all that apply.
 ADM1207b-dab

During this past year, GCAP Services, Inc. has assisted us with the preparation of Underutilized Disadvantaged Businesses (UDBE) goals on the following contracts:

C12002	Architectural & Engineering On-Call Services
C10027	Right of Way On-Call Services
C12218	Ranchero Road Construction Management
C13001	Ranchero Road Construction
C13002	SR210 Landscaping, Segment 11, Construction
C12098	SR210 Landscaping, Segment 10, Construction
C11169	SR210 Landscaping, Segment 9, Construction
C11184	Hunt's Lane, Construction
C11215	Tippecanoe, Phase 1, Construction Management
C12196	Tippecanoe, Phase 1, Construction
C12036	I-10 Citrus Interchange, Construction
C12224	I-10 Cherry Interchange, Construction
C12214	I-215 Washington/Mt. Vernon Interchange, Improvement Project
C12010	I-15 LaMesa/Nisqualli Interchange, Construction
C10079-4	Redlands First Mile
C10079-3	Redlands First Mile
C12077	Architectural & Engineering San Bernardino Transit Center
C12009	SBX Project, Construction Management
C12027	Signal Synchronization, Tiers 3 & 4

GCAP has also provided SANBAG with assistance in the revision of the good faith efforts program and the preparation of the revised standardized DBE/UDBE contract language.

On June 22, 2012, Caltrans provided notice that the Federal Highway Administration (FHWA) required Caltrans to modify their program to modify the underutilized disadvantaged business enterprise categories. This in turn will require SANBAG to modify contract language, reporting forms, and revise its method of contract goal development. GCAP Services, as the SANBAG DBE consultant, is actively involved in the revisions.

In addition, we are in the process of preparing a new transit DBE/UDBE program in anticipation of receiving funds in the future directly from the Federal Transit Administration (FTA).

Staff recommends exercising the second option term to extend the term of the contract for an additional year through August 31, 2013 and to increase the Not-To-Exceed amount by \$25,000 for a total contract amount of \$77,500.

Financial Impact: This contract amendment for \$25,000 is consistent with the proposed Fiscal Year 2012/2013 budget Task No. ISF12 – Indirect. Approval of this Amendment No. 2 will bring the contract total since September 2010, to \$77,500.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012, and by the Board of Directors on August 1, 2012. SANBAG Counsel and Contract Administrator are currently reviewing this item and Amendment.

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

CONTRACT SUMMARY SHEET

Contract No. C 10193 Amendment No. 2

By and Between

San Bernardino Associated Governments and GCAP Services, Inc.

Contract Description Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services

Board of Director's Meeting Date: August 1, 2012

Overview of BOD Action: Approve Amendment #2 to Contract No. 10193, for a second one-year extension until August 31, 2013 with GCAP Services, Inc. for DBE Services in the not-to-exceed amount of \$77,500.

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$	25,000	Original Contingency Amount	\$	2,500
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	50,000	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$	25,000	Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	75,000	TOTAL CONTINGENCY VALUE	\$	2,500
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 77,500

Contract Start Date September 1, 2010	Current Contract Expiration Date August 31, 2012	Revised Contract Expiration Date August 31, 2013
--	---	---

Has the contract term been amended? No Yes - please explain.
 Amendment No. 1 previously extended the contract until 8/31/12. Amendment No. 2 will extend the contract until 8/31/13.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0120.

A Budget Amendment is required.

How are we funding current FY? 0120

Federal Funds
 State Funds
 Local Funds
 TDA Funds
 Measure I Funds

Provide Brief Overview of the **Overall Funding** for the duration of the Contract:

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal 0 %

Underutilized DBE (UDBE) Goal 0 %

Ellen Pollema
 Task Manager (Print Name)
DUANE A. SAKER
 Project Manager (Print Name)

Ellen Pollema 7/10/12
 Signature Date
Duane A. Saker 7-11-12
 Signature Date

 Contracts Manager (Print Name)

 Signature Date

 Chief Financial Officer Signature (Print Name)

 Signature Date

AMENDMENT NO. 2

TO

CONTRACT NO. C10193

BY AND BETWEEN

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

GCAP SERVICES, INC.

FOR

**DISADVANTAGED BUSINESS ENTERPRISE (DBE)
ANNUAL GOAL PREPARATION AND ADDITIONAL DBE SERVICES**

THIS AMENDMENT No. 2, entered into and effective on the date executed by SANBAG (“Effective Date”), is made by and between San Bernardino Associated Governments, hereinafter called “SANBAG”, and GCAP Services, Inc., hereinafter called “CONSULTANT”.

RECITALS:

WHEREAS, on October 1, 2009, SANBAG and CONSULTANT entered into Contract No. C10123 for Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services on the terms and conditions set forth in the Contract, and

WHEREAS, the parties desire to amend the Contract to extend the contract term for one additional year at an increase cost of \$25,000.00.

NOW, THEREFORE, the parties hereto do mutually agree to amend Contract No. C10193 as follows:

1. Amend Article 2, entitled, "Performance Schedule and Force Majeure", to delete August 31, 2012, and replace with August 31, 2013.
2. Amend Article 3, entitled "Contract Price and Cost Principles", paragraph 3.1, to delete \$52,500 as the not-to-exceed amount and replace with \$77,500 as the revised not-to-exceed amount.,
3. All other provisions of Contract No. C10193 shall remain in full force and effect.

Signatures on next page

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the day and year written below, and this Amendment is effective as of the day and year executed by SANBAG.

GCAP SERVICES, INC.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

By: _____
Edward Salcedo, Jr.
President

By: _____
Janice Rutherford
SANBAG President

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Eileen Monaghan Teichert
General Counsel

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator



- 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: July 18, 2012

Subject: Contract for Information and Communications Technology Services

Recommendation:* That the Committee recommend that the Board approve Contract C12174 with SIGMAnet, Inc. for Information and Communications Technology Services in an amount not to exceed \$409,200 for an initial three year term.

Background: On March 21, 2012, SANBAG issued a Request for Proposal (RFP) for Information and Communications Technology Services.

These services are to assist SANBAG in managing and administering SANBAG's computer network. SANBAG does not have a dedicated Information Technology (IT) Department and has relied on contract firms to provide that service. By contracting for this service, SANBAG has been able to take advantage of the expertise that comes from a dedicated IT firm that is always up-to-date with the ever changing environment of business computing and networking without the overhead costs associated with having dedicated staff.

This arrangement has worked very well for SANBAG for its entire history. SANBAG has experienced a very stable computer network environment and has been able to migrate to more advanced technology as appropriate. SANBAG's contract was with TH Enterprises, Inc. who has provided these services for many years. This contract expired on June 30, 2012. IT services are now being

.*

*Approved
 Administrative Committee*

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
-----	---	-----	---	-----	---	------	---	-----	---

Check all that apply.
 ADM1207a-dab
 Attachment: C12174

provided on a time and materials basis through a Purchase Order while this procurement process is completed.

On March 21, 2012, SANBAG released RFP 12174 and sent 42 notifications to firms on SANBAG's vendor list. On March 26, 2012, this RFP opportunity was advertised in the *Los Angeles Times* to maximize the number of potential firms that would know of this RFP. On April 2, 2012, a non-mandatory pre-proposal conference was held to answer any questions that proposers might have about the RFP and about SANBAG's existing network and hardware. Two firms took advantage of this opportunity.

By April 24, 2012, three proposals were received in response to the RFP. An initial responsiveness review was conducted to ensure responsiveness to the RFP requirements. The firms who submitted are:

- Inland Productivity Solutions
- SIGMANet, Inc.
- TH Enterprises, Inc.

An Evaluation Committee ("Committee") was convened consisting of the Director of Management Services, the Director of Project Delivery, the Accounting Manager, the Procurement Administrator, the Information Services Administrator, and the acting IT Director from the City of Hesperia to evaluate the proposals

The Committee reviewed all of the proposals and recommended that two firms be interviewed: SIGMANet, Inc. and TH Enterprises, Inc. The firms selected to be interviewed demonstrated that they had the necessary expertise, experience and resources to meet SANBAG's needs. During the interview, the Committee scored each firm on information provided in their presentation and their response to questions during the question and answer period. Some of the criteria used in the evaluation were experience with Sharepoint, the number and availability of technicians to respond to SANBAG, the certifications and experience of key personnel with systems and networks similar to SANBAG's. Each of the firms was well prepared and clearly presented their qualifications to the Committee. After the interviews, the consensus of the Committee was that SIGMANet, Inc. best met the needs of SANBAG.

Some of the reasons cited by the Committee in recommending SIGMANet, Inc. are their experience with agencies of SANBAG's size or larger, their organized service response protocols, the close proximity of their service center, the professional certifications of key staff members, and their experience with IT environments similar to SANBAG's.

Based on the recommendation of the Evaluation Committee, it is recommended that the Administrative Committee recommend that the Board of Directors approve Contract C12174 with SIGMAnet, Inc. This contract is for a term of three years with options for an additional two years.

Financial Impact: The proposed contract is for a not to exceed amount of \$409,200, will be funded in Task 0130 (Indirect Management Services), and is consistent with the approved SANBAG Fiscal Year 2012/13 budget. With the approval of this contract, SANBAG's professional services costs for IT services will be approximately 29.5% lower than in fiscal year 2011/2012.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012. SANBAG's General Counsel and Contract Administrator are reviewing this item and Contract.

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

CONTRACT SUMMARY SHEET

Contract No. **C 12174** Amendment No. _____

By and Between

San Bernardino Associated Governments and SIGMAnet, Inc.

Contract Description | Information & Communications Technology Services

Board of Director's Meeting Date: August 1, 2012
Overview of BOD Action:

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$	409,200.00	Original Contingency Amount	\$	0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$		Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	409,200.00	TOTAL CONTINGENCY VALUE	\$	0
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 409,200.00

Contract Start Date August 1, 2012	Current Contract Expiration Date June 30, 2015	Revised Contract Expiration Date
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Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0130.
 A Budget Amendment is required.
 How are we funding current FY? Included in approved SANBAG Budget Indirect Task 0130
 Federal Funds State Funds Local Funds TDA Funds Measure I Funds
 Provide Brief Overview of the Overall Funding for the duration of the Contract:
 Included each year in budget for Indirect Task 0130
 Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:
 Retention? If yes, indicate % _____.
 Disadvantaged Business Enterprise (DBE) Goal _____ % Underutilized DBE (UDBE) Goal _____ %

DUANE A. BAKER
Task Manager (Print Name)
DUANE A. BAKER
Project Manager (Print Name)

Contracts Administrator (Print Name)

Chief Financial Officer (Print Name)

Duane A Baker 7-11-12
Signature Date
Duane A Baker 7-11-12
Signature Date

Signature Date

Signature Date

ATTACHMENT A

“SCOPE OF SERVICES”

Attachment A

Scope of Services for Information Communications Technology (ICT) Services

San Bernardino Associated Governments (“SANBAG”), is requesting proposals from Microsoft Gold or Silver Certified Partners who are qualified firms to provide Information and Communications Technology (ICT) Services to manage and administer the SANBAG Computer Network.

Proposals will include, but not be limited to, the following: network administration, managing and configuring server resources, installing and configuring workstations and applications, troubleshooting hardware/software, maintenance of communication devices, database servers, finance system software, email system, and user profiles. Periodic on-site visits to SANBAG for installation of new servers or upgrading of servers and special projects are required.

It is the general intent of the SANBAG that the consultant will become SANBAG’s adjunct IT staff, performing routine maintenance and updates to the system, as well as providing a needed resource for both end users of the system and management staff. Duties include planning, designing, developing, implementing, supervising, and performing a variety of project tasks to maintain the ongoing trouble-free operation of networking and IT services on SANBAG’s network; serving as a technical advisor for SANBAG projects that involve information technology operations; participating in the SANBAG’s information technology strategic planning process; and performing related duties as required.

The consultant will be required to submit a monthly report of all services provided, together with an invoice for these services on the firm’s/individual’s letterhead or standard invoice, to SANBAG.

In addition, the consultant shall respond to the reasonable inquiries and requests of, and shall report to, the Agency’s Information Services Administrator.

- a. **Ongoing Maintenance of Existing System**: Proposer must demonstrate the experience and knowledge necessary to maintain the existing system. A description of the system is shown in Figure 1. Specification information on servers is listed in Figure 2.
- b. **Infrastructure Assessment and Procurement**: Proposer must demonstrate the experience and qualifications:
 - To analyze the infrastructure – including hardware, software, wiring and Internet connectivity currently in place; and
 - To prepare an assessment for any need to upgrade and/or replace equipment and services. Proposer must have the knowledge to assist in the coordination of procurement of said upgrade/replacements. The assessment and plan must prioritize system security, disaster recovery and stability.
 - To provide the installation services required for hardware associated software, and Internet connectivity devices.
 - To train key users in day-to-day operations of the installed infrastructure.

Current SANBAG Network Environment

1. There are currently 60 network users with workstations running:
 - Windows 7 operating system and Office 2010 Professional
 - SharePoint 2010
 - Eden Financial System

- Regional Council Management System (RCMS).
 - Eden Financial System
 - PS-NEXUS (Customer Relationship Management System)
2. There are 8 servers, 4 of which are virtual servers. All are HP servers.
 3. There is a mix of HP and Xerox printers on the network for users – currently 4 HP printers, 1 HP plotter, and 6 Xerox printers (printing, copying, and scanning).
 4. Exchange 2010 is SANBAG’s mail and calendaring system.
 5. All SANBAG work is done in a SharePoint environment. Users may connect to the SANBAG Portal 24/7 both internally and remotely via the Internet to add/revise/review documents and email/calendars.
 6. There are a few third-party programs used only by specific SANBAG groups:
 - Oracle Primavera Enterprise Project Portfolio Management
 - Oracle Contract Management
 - EcoSys
 - Parsons Program Controls Systems
 - Epic Land Solutions
 - Microsoft Project 2007

Sharepoint Clarification

Support Covered Under Monthly Rate	Not Covered Under Monthly Rate
Trouble shooting and incident triage	Version migrations
Sharepoint Administration	Site creation
Sharepoint web part additions (ex. Document site or module)	Major site modifications
Text or photos added to sites	Programming additions/modifications
	Dashboard creation and modification
	Access Services

Figure 2 - Server Specifications

Server	Description
	<p>Project Delivery Server HP ProLiant DL380 G6 rack-mount server with two Quad-Core Xeon 2.53.ghz processors, 24 Gig RAM, six 300 Gig hard drives in RAID-5 array with one on-board spare and gigabit network cards. APC Power Distribution Unit with “reboot bar” to allow remote “hard boot” of server. Windows 2008 Server Enterprise 64-bit Version with 5 users CALs and Software Assurance SQL Server Standard – 1 processor license with Software Assurance VMware VsPHERE Essentials Plus 4.0 with 1 year Gold support Backup Exec Agent for SQL Server Backup Exec Remote Agent</p>
	<p>SharePoint Server DHP ProLiant DL380 G6 Server with two Quad Core 2.8 ghz processors, total of 20 GB of RAM, five 300 GB hard drives in RAID-5 array and one additional 300 GB hard drive as an on-board spare. Also includes a DVD-ROM and four gigabit network connections and 3-year manufacturer’s warranty. VMware Essentials Bundle with 1-year maintenance.</p>
	<p>Epic Land Solutions Server (Rail) HP ProLiant DL380 G7 Server w/two 6-core/2.8 ghz processors, 24 gig of RAM, six 300-gig hard drives in RAID 5 array plus an onboard spare, DVD and 3 year manufacturer’s warranty Windows Server 2008 Standard w/ 2 yrs Software Assurance SQL Standard 2008 R2 for 1 processor with 2 yrs Software Assurance Double-Take with 1 year maintenance Backup Exec System Recovery for server w/1 yrs maintenance</p>
	<p>Exchange Server HP ProLiant DL380 G5 Server with one Quad Core E5440/1.83 processor, DVD Drive, Raid Controller, Redundant Power supply. Includes 4 Gig RAM, 4 146 gig hard drives in RAID-5 Array with one additional on-board spare for data and two 72 gig mirrored hard drives for operating system redundancy. Windows Server 2010 and 65 Client Licenses with Software Assurance Microsoft Exchange 2010 and 65 Client Licenses with Software Assurance Additional 16 Gig RAM for Server (Hardware)</p>
	<p>Eden Server HP ProLiant DL380 Server – Two Quad Core Xeon E5440/2.83 Processor, 4 gig RAM, two gigabit network cards, redundant power supplies. Includes two 72 gig SCSI hard drives in RAID 1 for Operating System and system hardware and four 146 gig SCSI hard drives in RAID 5 array with one on-board spare. Includes three year onsite manufacturer’s warranty. Microsoft Windows Server Standard with Software Assurance*. SQL Server Standard 2005 Edition with Software Assurance* for a dual-processor server.</p>
	<p>RCMS Server HP DL360 G5 Server with Dual Core Xeon processor/2.33 ghz, 4 gig RAM, Dual Gigabit NICs, four 146 Gig 10K hard drives in RAID 5.</p>
	<p>Support Server (Fax Server, Antivirus Server, Windows Update Server, Wireless Access Server (Controls authentication to SANBAG wireless network) HP ProLiant DL320 G6, Intel Xeon, Intel(R) Xeon(R) CPU E5502 @ 1.87GHz, RAM: 4085MB</p>
	<p>Eden HRWeb Server HP ProLiant DL 160 GB Server – One Quad Core/2.0 ghz processor with 4 gig RAM, DVD, Redundant power supply and mirrored 146 Gig hard drives. Microsoft Windows Server 2008 Standard with Software Assurance</p>

Server	Description
 GIS Server	GIS Server HP ProLiant DL380 G5 – one Quad core E5440/2.83 processor, 4 gig RAM, 4 gig RAM, dual network card. Includes two 72 gig SCSI hard drives in RAID 1 for Operating System and system software and five 300 gig hard drives with 4 in RAID-5 and one on-board spare.
 Edens	Eden TOPS (Tyler Output Processor Server) HP Business Desktop dc5800 to serve as machine; Intel Core Duo/3 ghz processor, 2 gig RAM, 160 gig hard drive, DVD±RW, gigabit network card, Windows XP Pro operating system and 3 year onsite manufacturer's warranty.
 SANBAG	SANBAG Disaster Recovery Server HP ProLiant DL380 G6 Server with one Quad Core/2.4 ghz processor, 26 Gig RAM, and seven 300 Gig hard drives in RAID 5 array. Includes DVD drive, network card, and 3 year manufacturer's warranty. Stored in Texas in Level Three Off-Site Colocation facility (in Texas).

Summary of Required Network Administration Services

The network administration services needed by SANBAG are:

- 1) Provide day-to-day network administration for the SANBAG Computer Network.
- 2) Support internal clients (help desk).
- 3) Manage the nightly backups.
- 4) Manage the protection of the SANBAG Computer Network from viruses, spamming, and hacking.
- 5) Administer upgrades to existing servers and business applications and to all client workstations.
- 6) Provide management and technical consultation for design and upgrade of the SANBAG Computer Network.
- 7) Manage SANBAG's Disaster Recovery Server at a Level Three Off-Site Colocation facility.
- 8) Manage any computer network "disaster" occurrences.
- 9) Advise and manage the use of any third party software.
- 10) Coordinate with other SANBAG partners and vendors for integration of proprietary software into the SANBAG Computer Network.
- 11) Advise and manage the SANBAG SharePoint collection of sites. Provide guidance and design for new SharePoint Sites.
- 12) Advise and manage the implementation of new servers and business applications.
- 13) Visit the SANBAG Office (onsite) a minimum of four management visits (meet with management to discuss ongoing/new projects) and four technical staff visits (review equipment setup and implement new equipment/software) per year.



- 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: July 18, 2012

Subject: Revise Policy 11000, "Contracting and Procurement Policy" to reflect an increase to the maximum contract term from three years to five years

Recommendation:* That the Committee recommend the Board approve changes to the existing SANBAG Contracting and Procurement Policy 11000, Section V., Paragraph F., increasing the maximum contract term from three years to five years.

Background: On January 3, 1997, the SANBAG Board of Directors approved Policy 11000, "Contracting and Procurement Policy". The Policy has been revised several times since 1997, with the most recent update being approved by the Board in 2010. Recent discussion by Committee and Board members raised questions as to the number of contracts being considered for award where staff was requesting an exemption to this Policy regarding the contract term. Policy 11000 states, "The maximum term for standard SANBAG contracts, unless otherwise authorized by the Board of Directors, shall be three years."

In response to the Board's questions, Staff has reviewed the current policy and recommends the following modification:

Section V. STANDARD PROCEDURES, paragraph F. "The maximum term for SANBAG contracts, unless otherwise authorized by the Board of Directors, shall be for five years."

*Approved
 Administrative Committee*

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
-----	---	-----	---	-----	---	------	---	-----	---

Check all that apply.

In reviewing the current Policy, Staff reviewed the number of contracts requesting this exemption to the Policy and has found an increase in the number of contracts being awarded that are requesting the exemption. Most of the exemption requests are associated with construction related projects where the time period for construction exceeds three years. Staff also surveyed other public agencies and referenced the Federal Transit Administration Best Practices Procurement Manual and found that most allow for a contract term of five years or more.

Identified below is a table of those agencies surveyed and the results.

Agency	Contract Term
Orange County Transportation Authority	Policy is 5 years
Riverside County Transportation Commission	No policy in place. The term is project specific.
San Diego Association of Governments	No policy in place. Existing standard practice is 7 years.
Southern California Regional Rail Authority (Metrolink)	No policy in place. Standard practice is 5 years.
Federal Transit Administration (FTA), "Best Practices Manual" 4220.1F	"Except for procurements of rolling stock and replacement part contracts, which are limited by law to five (5) years, the recipient's other third party contracts (such as property, services, leases, construction, revenue, and so forth) are not encumbered by Federal requirements restricting the maximum periods of performance. Nevertheless, the duration of the recipient's other contracts must be reasonable."

Financial Impact: This item has no impact on the FY 2012/2013 budget.

Reviewed By: This item is scheduled for review by the Administrative Committee on July 18, 2012. SANBAG General Counsel and Contract Administrator are reviewing this item.

Responsible Staff: Kathleen Murphy-Perez, Contracts Manager

ADM1207d-kmp



- 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: July 18, 2012

Subject: Revise Contracting and Procurement Policy 11000 for Construction Change Orders

Recommendation:* That the Committee recommend the Board approve changes to existing SANBAG Contracting and Procurement Policy 11000, Section IX., Paragraph C., sub-section 2, deleting "Director of Project Delivery" and replacing it with "Director" and deleting "\$150,000" as the limitation of approval and other changes as identified herein.

Background: SANBAG's Board of Directors approved Policy 11000, "Contracting and Procurement Policy" ("Policy"), on January 3, 2007. The Policy as currently written authorizes the Director of Project Delivery to approve construction change orders on all SANBAG construction contracts subject to the limitations of the California Public Contract Code Section 20142.

Currently, SANBAG staff is overseeing construction contracts outside of the Project Delivery work group. An example is the Eastern Maintenance Facility construction project where the Board approved the award of the construction contract in June 2012. The Transit and Passenger Rail work group is managing this construction project. To bring the Policy in sync with current business practices, staff is proposing a modification to the existing Policy to extend the authority of approving construction change orders to all SANBAG Directors subject to the limitations of the California Public Contract Code Section 20142.

*

Approved
Administrative Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
-----	---	-----	---	-----	---	------	---	-----	---

Check all that apply.
 ADM1207c-kmp

Staff is also recommending the deletion of the referenced \$150,000 as the maximum amount of a change order that staff can approve. This recommendation is based on recent changes to the California Public Contract Code ("Code"), which was amended to increase the amount from \$150,000 to \$210,000. A recommendation to reference the Code and not include a specific limitation amount in the Policy would afford flexibility and not require a revision to the Policy whenever the Code is modified.

In keeping with changes to how SANBAG manages construction contracts, Staff is recommending the following changes to Policy 11000:

"C. Public Works/Construction Contracts

1. Amendment and Change Orders to Public Works contracts shall comply with the California Public Contracts Code.
2. ~~The Director of Project Delivery~~ SANBAG Directors is are 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 the Public Contract Code. Change Orders approved by ~~the Director of Project Delivery~~ SANBAG Directors will be presented monthly for review and ratification by to the ~~Major Projects~~ appropriate **Board** Committee. In the event that the \$150,000 limitation of Public Contract Code Section 20142 must be exceeded, prior approval of the SANBAG President ~~be~~ must be obtained."

Financial Impact:

This item has no impact on the Fiscal Year 2012/2013 budget.

Reviewed By:

This item is scheduled for review by the Administrative Committee on July 18, 2012. SANBAG General Counsel and Contract Administrator are reviewing this item.

Responsible Staff:

Kathleen Murphy-Perez, Contracts Manager



- 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: July 18, 2012

Subject: Modification to the subcontractor substitution process for Public Works construction contracts

Recommendation:* That the Committee recommend the Board approve subcontractor substitutions for Public Works construction projects, contingent upon the prescribed process identified in the Public Contract Code Section § 4107 is followed.

Background: SANBAG procures and manages multiple Public Works construction projects in any given year. As such, SANBAG is required to follow the California Public Contract Code ("Code") pertaining to Public Works construction projects. One specific section of the Code is Section §4100 entitled "Subletting and Subcontracting Fair Practices Act". This section of the Code dictates the practices and process when identifying and managing subcontractors for Public Works projects. The Code was enacted as a means to reduce or eliminate general contractors from bid-shopping the subcontractors' bids. Generally, the Code requires the subcontractors to be listed on all state and local public agency contracts and allows substitutions of the listed subcontractors under very limited circumstances. Once a subcontractor has been listed, the general contractor may not substitute another subcontractor for the same work. Section §4107 of the Code, however, provides certain exceptions, that the

*

*Approved
 Administrative Committee*

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
-----	---	-----	---	-----	---	------	---	-----	---

Check all that apply.
 ADM1207e-kmp

awarding body may, consent to the substitution of a subcontractor in the following situations:

- When the listed subcontractor fails or refuses to execute a written contract.
- When the listed subcontractor becomes bankrupt or insolvent.
- When the listed subcontractor fails or refuses to perform.
- When the listed subcontractor fails or refuses to meet the bond requirements.
- When the prime contractor demonstrates to the awarding body that the subcontractor listed was a result of a clerical error.
- When the listed subcontractor is not duly licensed.
- When the awarding body, determines that the work performed by the subcontractor is substantially unsatisfactory.
- When the awarding body determines that a listed subcontractor is not a responsible contractor.

When SANBAG receives a request for a subcontractor substitution, staff follows the prescribed notification process identified in Section §4107 and requests approval from the Board of the subcontractor substitution. This process of garnering Board approval can delay the project by a month or two. In order to eliminate the possibility for additional delays, staff is requesting that the appropriate Director approve subcontractor substitutions, contingent upon the prescribed process identified in the Public Contract Code Section § 4107 is followed.

Financial Impact:

This item has no impact on the SANBAG Fiscal Year 2012/2013 budget.

Reviewed By:

This item is scheduled for review by the Administrative Committee on July 18, 2012. SANBAG General Counsel is reviewing this item as to form.

Responsible Staff:

Kathleen Murphy-Perez, Contracts Manager



- 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: July 18, 2012

Subject: Award On-Call Labor Compliance Service Contracts

Recommendation:* That the Committee recommend the Board:

1. Award Contract C12233 to GCAP Services, Inc., for On-Call Labor Compliance Services for a three year contract with two one-year options for an amount described in Recommendation No. 3 for the initial three year term.
2. Award Contract C13022 to Dynamic Engineering Services, Inc., for On-Call Labor Compliance Services for a three year contract with two one-year options for an amount described in Recommendation No. 3 for the initial three year term.
3. Approve a total not-to-exceed amount of \$300,000 for GCAP Services, Inc. (C12233), and Dynamic Engineering Services, Inc. (C13022).

Background: The San Bernardino Associated Governments, San Bernardino County Transportation Authority the San Bernardino Freeway Service Patrol, and San Bernardino County Transportation Commission (SANBAG) receive funding from federal, state and local funds for various public works construction projects. As a condition of receiving this funding, SANBAG is required to follow federal and state statutes, which impose on SANBAG a wide range of prevailing wage

*

	<p><i>Approved</i> <i>Administrative Committee</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>
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COG		CTC	X	CTA	X	SAFE	X	CMA	
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Check all that apply.
 ADM1207b-kmp
 C12233, C13022

and labor compliance responsibilities. To manage the labor compliance activities, SANBAG contracts with construction management firms to collect and review the certified payrolls. Due to recent changes to the labor compliance requirements, including the passing of Assembly Bill 436, effective January 1, 2012, the California Division of Labor Standards and Enforcement is required to enforce labor compliance on projects, which are funded with proposition monies under their Compliance Monitoring Unit (CMU). As a result, SANBAG reviewed its existing practices and determined that additional labor compliance services are required.

On May 3, 2012, the SANBAG Board of Directors approved the release of a Request For Proposals (RFP) 12233 for On-Call Labor Compliance Services. The RFP was posted on SANBAG's website and RFP notifications were sent to approximately 15 vendors who specialize in these services. A Pre-Proposal Meeting was conducted on May 17, 2012, and six firms were in attendance. Three Addendums were issued to respond to proposers written questions and to make minor administrative changes to the RFP. On May 30th, seven proposals were received by the date and time specified in the RFP. One proposal, received after the date and time specified in the RFP, was deemed non-responsive and returned unopened. A responsive review was conducted for the seven proposals received on time. All seven proposals were found to be responsive to the RFP.

An Evaluation Committee was established to review the proposals. The Evaluation Committee consisted of three SANBAG staff representing the various departments most affected by prevailing wage requirements. The proposals were evaluated based on the evaluation criteria stated in the RFP, which were: qualifications of the firm; related experience and client references; the qualifications and experience of the staffing proposed; work plan; and price. Three firms demonstrated significant experience in providing labor compliance services to the public sector, including experience managing Caltrans Labor Compliance requirements. The staff proposed all had extensive labor compliance experience, positive references, and fair and reasonable pricing. The Evaluation Committee agreed to interview the following four firms (listed in alphabetical order):

DYNAMIC ENGINEERING SERVICES, INC.

GCAP SERVICES, INC.

LABOR COMPLIANCE PROVIDERS, INC.

PADILLA AND ASSOCIATES, INC.

On June 18, 2012, the Evaluation Committee conducted oral interviews with the four firms. The interviews were one hour long and consisted of an opening presentation followed by 45 minutes of questions and answers. Each firm responded well to the questions and presented an overall understanding of the labor compliance process. The firms Dynamic Engineering Services, Inc., and GCAP Services, Inc., clearly understood SANBAG's needs. Both firms had extensive experience managing Caltrans projects, and had a depth of understanding of labor compliance, prevailing wages, and the CMU requirements. Each of the firms responded very well to the questions posed, with each key person providing detailed responses. Based on the combination of technical strength and responses to the questions asked during the interview, and positive references, the Evaluation Committee selected Dynamic Engineering Services, Inc., and GCAP Services Inc., to provide On-Call Labor Compliance Services. The two contracts will have an initial term of three years with two one-year options and a not-to-exceed budget of \$300,000, which will be shared by both firms for the three-year term.

Financial Impact: This item is consistent with SANBAG's Fiscal Year 2012/13 budget. Labor Compliance activities under these On-Call contracts are budgeted under the project tasks.

Reviewed By: This item will be reviewed by the Administrative Committee on July 18, 2012. SANBAG General Counsel and Contract Administrator are reviewing this item and Contracts.

Responsible Staff: Kathleen Murphy-Perez, Contracts Manager



CONTRACT SUMMARY SHEET

Contract No. C 12233 & C13022 Amendment No. _____

By and Between

GCAP Services, Inc. & Dynamic
Engineering Services, Inc.

and

San Bernardino County
Transportation Authority

Contract Description On Call Labor Compliance Services

Board of Director's Meeting Date: August 1, 2012	
Overview of BOD Action: Approve award of two contracts; C12233 to GCAP Services, Inc., and C13022 to Dynamic Engineering Services, Inc. for a three year contract in a not-to-exceed amount of \$300,000 for both contracts for all 3 years.	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

CONTRACT OVERVIEW			
Original Contract Amount	\$	300,000	Original Contingency Amount
			\$ N/A
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>
			\$
Current Amendment Amount	\$		Contingency Amendment
			\$
TOTAL CONTRACT VALUE	\$	300,000	TOTAL CONTINGENCY VALUE
			\$
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 300,000

Contract Start Date 8/1/2012	Current Contract Expiration Date 8/31/15	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION	
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>TBD</u> .	
<input type="checkbox"/> A Budget Amendment is required.	
How are we funding current FY?	
<input type="checkbox"/> Federal Funds	<input type="checkbox"/> State Funds
<input type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds
<input checked="" type="checkbox"/> Measure I Funds	
Provide Brief Overview of the Overall Funding for the duration of the Contract: As each Contract Task Order is issued, a funding Task will be identified.	
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable	

CONTRACT MANAGEMENT INFORMATION		
Check all applicable boxes:		
<input type="checkbox"/> Retention? If yes, indicate % _____.		
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %	<input type="checkbox"/> Underutilized DBE (UDBE) Goal _____ %	
<u>ATHLEEN PEREZ</u>		7-11-12
Task Manager (Print Name)	Signature	Date
<u>ATHLEEN PEREZ</u>		7-11-12
Project Manager (Print Name)	Signature	Date
<u>Jeffery Hill</u>		7/11/12
Contracts Administrator (Print Name)	Signature	Date
Chief Financial Officer (Print Name)	Signature	Date

GCAP SERVICES – CONTRACT C12233

“SCOPE OF SERVICES”

INDEX

- A. DESCRIPTION OF SERVICES
- B. PERFORMANCE REQUIREMENTS
- C. DUTIES AND RESPONSIBILITIES
 - 1. Project Administration
 - 2. Preconstruction Conference
 - 3. Document Tracking
 - 4. Field Activity
 - 5. Billing Review
 - 6. Certified Payroll Reviews and/or Owner Operator Listings
 - 7. Labor Requirements Enforcement
- D. DELIVERABLES
- E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT
- F. MATERIALS TO BE FURNISHED BY AUTHORITY
- G. STANDARDS
- H. AVAILABILITY AND WORK HOURS
- I. LIMITATIONS TO AUTHORITY
- J. THIRD PARTY RELATIONSHIPS
- M. PERSONNEL QUALIFICATIONS

A. DESCRIPTION OF SERVICES

The San Bernardino County Transportation Authority (AUTHORITY) receives Federal, State and Local funds for the construction of various Public Works projects. As a condition of receiving this funding, AUTHORITY is required to follow Federal and State statutes and guidelines, which impose upon AUTHORITY a wide range of prevailing wage labor compliance responsibilities. The prevailing wage requirements are identified in the Public Works contracts issued by AUTHORITY and by Federal (if applicable) and State labor codes. A prime consultant and contractor and any tier subcontractor, by entering into or performing work under AUTHORITY Public Works projects, agree to comply with all provisions of Federal (if applicable) and State labor codes applicable to Public Works projects.

AUTHORITY will utilize CONSULTANT services on an "On-Call" basis to act as AUTHORITY's Labor Compliance Officer (LCO) and provide labor compliance oversight and technical support associated with various types (construction and pre-construction activities) of public works projects. The LCO will demonstrate detailed knowledge of Caltrans and California Division of Labor Standards Enforcement (DSLE) Compliance Monitoring Unit (CMU), the United States Department of Labor Regulations and Guidelines, requirements and equal employment opportunity compliance monitoring as well as knowledge of the Davis Bacon Act, the Copeland "Anti-Kickback" Act, the Contract Work Hour and Safety Standards Act.

AUTHORITY's LCO is to coordinate, audit, train, advise and oversee agency wide labor compliance and equal employment opportunity (EEO) compliance for all projects overseen by AUTHORITY, that includes requirements of the United State Department of Labor (DOL) and the California Division of Labor Standards Enforcement (DSLE) Compliance Monitoring Unit (CMU). The LCO will also provide labor compliance review and monitoring of consultant services (Pre-Construction activities) covered by prevailing wage requirements.

Federal and State oversight agencies provide intermittent audits/reviews of AUTHORITY's labor compliance monitoring activities to assess AUTHORITY's compliance with these requirements. It's AUTHORITY's responsibility to ensure these requirements are being met by the consultants and prime contractors and any tier subcontractor, and to take appropriate corrective action when these requirements have not been met. The AUTHORITY's LCO will take the lead in coordinating and addressing any State or Federal compliance review and monitoring.

CONSULTANT shall provide qualified personnel to perform a wide variety of labor compliance services, EEO and contract administration duties as outlined in this Scope of Services for the Project.

AUTHORITY designates a Project Manager to coordinate all construction and construction related activities. The CONSULTANT shall receive direction from AUTHORITY through the Project Manager, or designee. The AUTHORITY's Project

Manager will be the main contact and primary source of information between AUTHORITY, CONSULTANT, cities, outside agencies, supporting consultants and the public.

B. PERFORMANCE REQUIREMENTS

Labor Compliance Officer: CONSULTANT shall furnish a Project Manager to coordinate CONSULTANT operations with AUTHORITY. The Project Manager shall be responsible for all matters related to CONSULTANT personnel and operations. The Project Manager shall also serve as the Labor Compliance Officer (LCO). The LCO shall be assigned to direct and coordinate activities under this contract. Staff may be assigned to each specific project responsibilities as needed.

Labor Compliance Monitoring Staff: The number of CONSULTANT personnel assigned to the contract will vary throughout the duration of the Contract. CONSULTANT personnel will be assigned, in varying levels of responsibility, as needed by the CONSULTANT to meet the AUTHORITY's various construction activities and schedules.

CONSULTANT shall be knowledgeable of and comply with all applicable local, state, and federal regulations. CONSULTANT personnel shall cooperate and consult with AUTHORITY, State, and City officials during the course of the contract. CONSULTANT personnel shall keep accurate and timely records and document all work performed by the CONSULTANT.

Many of the Public Works projects undertaken by AUTHORITY are funded by United States Department of Transportation including, Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). Depending on the funding source, AUTHORITY relies upon the guidance and protocol established by the Federal government and State of California and Caltrans for monitoring prevailing wage labor compliance, as specified in the following documents:

1. All applicable Federal requirements, including, but not limited to U.S. Department of Labor guidelines Sections 5333(b) Federal Transit Law; U.S. Department of Labor regulations; 29 CFR Part 5, Davis Bacon Act, 40 USC 276 a-276a(7) and the Contract Work Hour and Safety Standards Act, 40 USC 327 – 332; and Fair Labor Standards Act, as amended, 29 USC 206-207.
2. All applicable California Department of Transportation, Caltrans manuals, including, but not limited to, Labor Compliance Manual, Construction Manual and Local Assistance Procedures Manual.
3. All applicable State of California requirement, including, but not limited to the Department of Labor.

While these documents are very thorough in prescribing the protocol to be implemented in monitoring labor compliance, it is often difficult to discern how the defined responsibilities translate to AUTHORITY and AUTHORITY Labor Compliance

Consultants. It is the responsibility of the CONSULTANT to ensure that AUTHORITY is compliant with and adheres to all necessary State and Federal requirements.

C. DUTIES AND RESPONSIBILITIES

1. Project Administration:

The following roles and responsibilities are prescribed for AUTHORITY Public Works construction projects:

- a. **Resident Engineer:** The Resident Engineer (RE) is part of the AUTHORITY Construction Management team and is responsible for the enforcement of the labor contract provisions at the project level. The Resident Engineer may have additional staff and/or consultants to assist in this task.
- b. **AUTHORITY Project Manager-** For Architectural & Engineering contracts, certain labor categories requires the payment of prevailing wages. Consultant is to review and monitor these contracts for labor compliance activities and proper payment of prevailing wages.
- c. **AUTHORITY Labor Compliance Officer:** AUTHORITY Labor Compliance Officer is responsible for providing quality assurance on all labor compliance activities undertaken by AUTHORITY and its consultants and coordinating with the CMU.

This role includes the following duties participation in the Pre-Proposal/Pre-Bid Meeting, Preconstruction Conference, Document Tracking, Field Activity review, Certified Billing Review, Contractor Certified Payroll Reviews and/or Owner Operator Listings, Labor Requirements Enforcement and other related activities.

Other duties include the periodic review of project specific labor compliance monitoring activities performed by AUTHORITY and/or construction management labor compliance consultants and preparation of an internal report documenting the review findings. The report findings are to be used by AUTHORITY as an instrument to continually improve labor compliance practices on AUTHORITY Public Works projects. LCO duties include, but are not limited to document reviews, field activity support, billing reviews, certified payroll review, investigations of labor complaints, enforcement of labor compliance requirements, training, and supporting AUTHORITY during administrative hearings.

- d. **The Compliance Monitoring Unit or "CMU":** Is a new component within the California Division of Labor Standards Enforcement (DLSE) that was created to monitor and enforce prevailing wage requirements on public works projects that receive state bond funding and on other projects that are legally required to use the CMU. The CMU began operations on January 1, 2012, following the recent

adoption of AB 436 and approval of revisions to program regulations. By actively monitoring compliance on an ongoing basis while work is being performed, the CMU will play a special role in ensuring that public works construction workers are promptly paid the proper prevailing wage rates and in helping maintain a level playing field for contractors who comply with the law. The CONSULTANT shall assist the AUTHORITY in managing and implementing this new requirement on all Prevailing Wage projects.

2. Pre-Proposal/ Pre Bid Conference:

As requested by AUTHORITY, CONSULTANT may need to attend the Pre-Proposal/Pre-Bid meeting to discuss Labor Compliance requirements with attendees. During the procurement process, CONSULTANT may be asked to draft responses to written questions submitted by proposers or bidders related to Prevailing Wage requirements.

3. Preconstruction Conference:

AUTHORITY, the RE and the LCO shall participate in the project preconstruction conference to disseminate prevailing wage requirements to the project's prime contractor and its subcontractor team.

The content of the prevailing wage presentation shall be coordinated with AUTHORITY and the RE prior to the preconstruction meeting, and shall cover the topics presented in the Caltrans Labor Compliance Manual (CLCM) Chapter 4 and as required by the CMU.

The preconstruction package should be provided to the general contractor and subcontractors' staff responsible for labor compliance that includes, but is not limited to the following items:

- Checklist
- Posters
- State and Federal wage determinations
- Labor Compliance Address labels and email addresses
- Forms

Items to cover during the presentation include the following:

- Explain correct payroll procedures
- Describe any recent labor law changes
- Obtain contractor's signature on preconstruction checklist
- Explain the CMU process and registration

4. Document Tracking:

AUTHORITY is responsible for monitoring the submittal of all required labor compliance documents submitted by the prime contractor and any tier subcontractor. The

LCO in coordination with AUTHORITY shall monitor and audit this documentation on periodic basis. The following items provide the mechanism by which AUTHORITY, LCO are to monitor compliance with the document tracking requirements of AUTHORITY Public Works Projects:

A. Maintain project labor compliance files in accordance with the filing system prescribed in the Caltrans Labor Compliance Manual (CLCM), (CLCM § 1-204). These files are to be maintained for three years from final payment.

B. Assess Resident Engineer's Daily Reports and Resident Engineer's Weekly Status Reports (CLCM § 1-207). The Resident Engineer's Daily Reports provide a daily account of the activity on a project. From the Daily Reports, the Resident Engineer shall review and determine the contractors performing on the project for each day. Special attention shall be paid to the identification of lower tier subcontractors on the Daily Reports. These reports shall also provide information on the number and classification of workers performing daily on the project. The RE's Daily Reports shall be reviewed and assessed to ensure this information is appropriately captured by the RE. Weekly status reports provide a list of contractors and owner operators working on the project during the reporting week.

C. Labor Compliance Document Tracking System (CLCM § 1-208): AUTHORITY and the RE are required to implement the use of a document tracking system to track the submittal of all required labor compliance forms/documents from each contractor performing on the project. The document tracking system may be in hardcopy or softcopy format, or a computer-based database may be used. Forms to be tracked include, but are not limited the following:

- a. Payroll Report
- b. Statement of Compliance
- c. Fringe Benefit Statement
- d. Owner Operator Listing (OOL)
- e. OOL Statement of Compliance
- f. Training Fund Contribution Report (CAC 2)
- g. Agreement to Train Apprentices (DAS Form 7)
- h. Apprentices on Public Works (DAS Form 10)
- i. Application of Certificate of Exemption (DAS Form 11)
- j. Public Works Contract Award Information (DAS Form 140)
- k. Federal-Aid Highway Construction Contractors EEO Report (FHWA Form 1391)
- l. PWC-100 Form
- m. Summary of 1391 (FHWA Form 1392)
- n. DBE Substitution Report
- o. DBE Utilization Final Report
- p. DVBE Utilization Final Report

The prime contractor must furnish weekly certified payrolls to AUTHORITY or to the CMU, depending, (including certified payrolls for each project subcontractor), who in turn will provide these documents to AUTHORITY or AUTHORITY's Labor Compliance Consultant. The due dates for these documents are specified in the contract documents. The RE shall process document intake in accordance with CLCM § 1-209A.

D. Missing Document Request Process: Resident Engineer shall request, any missing/delinquent labor compliance documents either by the prime or any tier subcontractor by oral or written request to the prime contractor; per the requirements identified in the Public Works contract document. The LCO shall work with the project Resident Engineer to enforce the contract requirements in the event of untimely or inadequate responses. CLCM § 1-301 Deductions and Withholds provide guidance on how to use withholding of funds to enforce the submittal of required labor compliance documents.

E. Process 3rd party requests for Certified Payroll information, in accordance with the guidance provided at CLCM §§ 1-401 through 403.

5. Field Activity:

Key information for the prime and subcontractor performance in meeting prevailing wage requirements is attained from the field by the RE or the CMU either through passive monitoring such as receiving an employee complaint, or through active monitoring, such as through the performance of site visits to verify posting requirements or to perform employee interviews. The following activities are to be undertaken by Resident Engineer/CMU with oversight by the LCO.

A. Process Employee Complaints: AUTHORITY shall document all labor compliance related complaints received. All complaints are to be taken seriously, and must be investigated with findings documented in the labor compliance files for the project, consistent with the procedures specified in CLCM §§ 1-601 through 603. Any investigation resulting in the determination of non-compliance by the prime or any tier subcontractor must be dealt with through enforcement actions defined in the contract documents.

B. Verify Prime Contractor Job Site Postings: The prime contractor is required to post various labor compliance posters and documents at the job site. LCO must verify these postings at the start of the project and reverify the postings through the life of the project. The required postings will be identified at the beginning of the project.

C. Assess Accuracy of Resident Engineer Daily Reports: It is anticipated that the Resident Engineer's Daily Logs will provide an accurate account of the contractors performing on the job site as well as the number and classification of workers performing on the job site. As an added level of assurance, AUTHORITY and the LCO shall, during any site visit, compare their findings with the information contained in the Resident

Engineer's Daily Logs. Any discrepancies shall be addressed with the Resident Engineer, leading to improved record keeping by both parties in the future.

D. Worker and Owner Operator Interviews: AUTHORITY and LCO shall perform employee interviews at a quantity, frequency and manner consistent with that prescribed in the CLCM §§ 1-501 through 502. Worker interviews shall account for at least 10% of all work-hours performed on the project.

6. Billing Review:

As part of LCO responsibility, the assessment of prime contractor change order invoicing against information submitted in certified payroll reports are to be performed, following the procedures identified in CLCM § 2-108.

AUTHORITY and LCO* shall review change order invoicing that uses man hour counts as its basis for billing against certified payroll reports for the period covered in the invoice to assess accuracy of the invoicing.

** The Resident Engineer may perform this task if responsible for reviewing invoicing documentation.*

7. Certified Payroll Reviews

Certified payroll reviews are to be performed to identify errors in the payment of prevailing wages to workers employed on the project, as reported on certified payroll, and to identify the accuracy of information reported by comparing information gained from other sources and from the field. The certified payroll review activities to be performed on a monthly basis (complete weeks will be reviewed) by AUTHORITY and its Labor Compliance Consultant include:

A. From field reviews and inspection of Resident Engineer Daily Reports, identify the complete list of contractors (prime and any tier subcontractors) performing on the project during the audit month.

B. For any contractor new to the project identified above, audit all certified payroll and related information for a complete one month period. An audit of each worker for this period will help identify and resolve human error issues in the reporting of prevailing wage payments on the project. For other contractors, those that have previously performed on the project, perform spot audits at a rate of at least 10% of the work-hours for the monthly period. Complete procedures for performing certified payroll audits are provided in the CLCM §§ 2-101 through 107. These procedures include the following items:

- Check total workforce and their classifications against Resident Engineer Daily Reports

- Check hours against Resident Engineer Diaries and Employee interviews for that period, if any.
- Check prevailing wage rates based on worker classifications.
- Assess applicability and appropriateness of overtime pay, including weekends and holidays.
- Check the ratio of apprentices on project and their pay scale. (see CLCM §§ 2-301 through 305 for procedures).
- Validate other aspects of Certified Payroll data including deductions against supporting information submitted for all certified payrolls including
 - Assess all payroll deductions against supporting documentation
 - Assess applicability and appropriateness of travel and subsistence pay
 - Review appropriate paperwork for all apprentices on project.
- Check appropriateness of payments to owner operators on project as reported in owner operator listings.

In the event inadequate certified payroll and related documentation has been identified through the audit process above, AUTHORITY and its LCO shall work with the Resident Engineer to resolve the inadequate certified payroll matter consistent with the enforcement requirements identified in the project contract.

8. Labor Requirement Enforcement

AUTHORITY and the LCO shall work with the project Resident Engineer to enforce the prevailing wage labor compliance requirements of the project. The activities to be performed by LCO include:

- A. Prepare report on potential prevailing wage violation(s) identified through monitoring activity.
- B. Working with the Resident Engineer, prepare written notification to prime contractor of potential prevailing wage violations and a provide list of remedies with timeframes for prime contractor to respond. Sanctions for the potential prevailing wage violations shall also be identified in the notification, consistent with the sanctions prescribed in the project contract.
- C. Provide on-going support to Resident Engineer in resolving the potential prevailing wage violations.

D. DELIVERABLES

1. Quarterly Audits of construction management labor compliance services on all projects in format approved by AUTHORITY.
2. Monthly review of all consultant certified payroll review and fringe benefit statements for all employees, who are subject to the State and/or Federal prevailing wage rates.

3. Monthly Status Report of all pending issues and the status of said issues.

E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT

CONSULTANT shall provide all necessary office space, equipment including software, materials, supplies, miscellaneous tools, and safety equipment required for its personnel to perform the services accurately, efficiently, and safely.

F. MATERIALS TO BE FURNISHED BY AUTHORITY

None

G. STANDARDS

1. Federal and State of California requirements.
2. Caltrans standards.

H. LIMITATIONS TO AUTHORITY

CONSULTANT does not have the authority to:

1. Assume any of the responsibilities of the Consultants, Contractors, Contractors' Superintendent, or subcontractors.
2. Communicate directly with consultants, contractors, subcontractors or material suppliers without the prior consent of the Contractor.
3. Offer or receive incentives, inducements, or other forms of enumeration to or from the consultant, contractor to perform services or work outside the terms of any executed contracts for this Project.

J. THIRD PARTY RELATIONSHIPS

This Contract is intended to provide unique services for specific duties. AUTHORITY, however, is solely responsible for and will be the sole point of contact for all contractual matters related to the Labor Compliance duties. CONSULTANT shall take direction only from AUTHORITY and shall regularly inform only AUTHORITY of progress, outstanding issues, and all labor compliance and EEO related matters.

During the course of the Project, CONSULTANT may find occasion to meet with State CMU, Caltrans, City or County representatives, the design engineer, Project consultants, or other third parties who have assisted with the various projects. These entities may, from time to time, offer suggestions and/or recommendations regarding the Project or

elements of the Project.

While AUTHORITY enjoys a close relationship with and has considerable confidence in the capabilities of these other parties, CONSULTANT shall not act on any suggestions, solicited or unsolicited, without obtaining specific direction from AUTHORITY. All oral and written communication with outside agencies or consultants related to the contract shall be directed only to AUTHORITY. Distribution of contract or labor compliance review related communication and information should be at the sole discretion of AUTHORITY representatives.

M. PERSONNEL QUALIFICATIONS AND RESPONSIBILITIES

The quantity and qualifications of field personnel to be assigned will be determined by the scope of the Project and the degree of difficulty of required tasks to be performed. All personnel and personnel assignments are subject to approval by AUTHORITY. While some areas of responsibility may overlap, as a guideline, CONSULTANT personnel assigned to the Project should have the following minimum qualifications or a combination of education and experience:

1. Project Manager
 - a. A minimum of six (6) years' experience on similar LCO role is desired.
 - b. Accessible to AUTHORITY at all times during regular business hours.
 - c. The LCO will demonstrate detailed knowledge of Caltrans, Federal Department of Labor and State of California Division of Labor Standards Enforcement (DSLE) Compliance Monitoring Unit (CMU) requirements and equal employment opportunity compliance monitoring
 - d. A thorough understanding of Caltrans Labor compliance practices and procedures.
 - e. The Project Manager will assume the following functional responsibilities:
 - 1) Review, monitor, train, and provide general direction for CONSULTANT personnel.
 - 2) Assign personnel to on an as-needed basis.
 - 3) Administer personal leave.
 - 4) Prepare monthly reports for delivery to AUTHORITY.

DYNAMIC ENGINEERING SERVICES, INC. – CONTRACT C13022

“SCOPE OF SERVICES”

INDEX

- A. DESCRIPTION OF SERVICES
- B. PERFORMANCE REQUIREMENTS
- C. DUTIES AND RESPONSIBILITIES
 - 1. Project Administration
 - 2. Preconstruction Conference
 - 3. Document Tracking
 - 4. Field Activity
 - 5. Billing Review
 - 6. Certified Payroll Reviews and/or Owner Operator Listings
 - 7. Labor Requirements Enforcement
- D. DELIVERABLES
- E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT
- F. MATERIALS TO BE FURNISHED BY AUTHORITY
- G. STANDARDS
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A. **DESCRIPTION OF SERVICES**

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Many of the Public Works projects undertaken by AUTHORITY are funded by United States Department of Transportation including, Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). Depending on the funding source, AUTHORITY relies upon the guidance and protocol established by the Federal government and State of California and Caltrans for monitoring prevailing wage labor compliance, as specified in the following documents:

1. All applicable Federal requirements, including, but not limited to U.S. Department of Labor guidelines Sections 5333(b) Federal Transit Law; U.S. Department of Labor regulations; 29 CFR Part 5, Davis Bacon Act, 40 USC 276 a-276a(7) and the Contract Work Hour and Safety Standards Act, 40 USC 327 – 332; and Fair Labor Standards Act, as amended, 29 USC 206-207.
2. All applicable California Department of Transportation, Caltrans manuals, including, but not limited to, Labor Compliance Manual, Construction Manual and Local Assistance Procedures Manual.
3. All applicable State of California requirement, including, but not limited to the Department of Labor.

While these documents are very thorough in prescribing the protocol to be implemented in monitoring labor compliance, it is often difficult to discern how the defined responsibilities translate to AUTHORITY and AUTHORITY Labor Compliance

Consultants. It is the responsibility of the CONSULTANT to ensure that AUTHORITY is compliant with and adheres to all necessary State and Federal requirements.

C. DUTIES AND RESPONSIBILITIES

1. Project Administration:

The following roles and responsibilities are prescribed for AUTHORITY Public Works construction projects:

- a. Resident Engineer: The Resident Engineer (RE) is part of the AUTHORITY Construction Management team and is responsible for the enforcement of the labor contract provisions at the project level. The Resident Engineer may have additional staff and/or consultants to assist in this task.
- b. AUTHORITY Project Manager- For Architectural & Engineering contracts, certain labor categories requires the payment of prevailing wages. Consultant is to review and monitor these contracts for labor compliance activities and proper payment of prevailing wages.
- c. AUTHORITY Labor Compliance Officer: AUTHORITY Labor Compliance Officer is responsible for providing quality assurance on all labor compliance activities undertaken by AUTHORITY and its consultants and coordinating with the CMU.

This role includes the following duties participation in the Pre-Proposal/Pre-Bid Meeting, Preconstruction Conference, Document Tracking, Field Activity review, Certified Billing Review, Contractor Certified Payroll Reviews and/or Owner Operator Listings, Labor Requirements Enforcement and other related activities.

Other duties include the periodic review of project specific labor compliance monitoring activities performed by AUTHORITY and/or construction management labor compliance consultants and preparation of an internal report documenting the review findings. The report findings are to be used by AUTHORITY as an instrument to continually improve labor compliance practices on AUTHORITY Public Works projects. LCO duties include, but are not limited to document reviews, field activity support, billing reviews, certified payroll review, investigations of labor complaints, enforcement of labor compliance requirements, training, and supporting AUTHORITY during administrative hearings.

- d. The Compliance Monitoring Unit or "CMU": Is a new component within the California Division of Labor Standards Enforcement (DLSE) that was created to monitor and enforce prevailing wage requirements on public works projects that receive state bond funding and on other projects that are legally required to use the CMU. The CMU began operations on January 1, 2012, following the recent

adoption of AB 436 and approval of revisions to program regulations. By actively monitoring compliance on an ongoing basis while work is being performed, the CMU will play a special role in ensuring that public works construction workers are promptly paid the proper prevailing wage rates and in helping maintain a level playing field for contractors who comply with the law. The CONSULTANT shall assist the AUTHORITY in managing and implementing this new requirement on all Prevailing Wage projects.

2. Pre-Proposal/ Pre Bid Conference:

As requested by AUTHORITY, CONSULTANT may need to attend the Pre-Proposal/Pre-Bid meeting to discuss Labor Compliance requirements with attendees. During the procurement process, CONSULTANT may be asked to draft responses to written questions submitted by proposers or bidders related to Prevailing Wage requirements.

3. Preconstruction Conference:

AUTHORITY, the RE and the LCO shall participate in the project preconstruction conference to disseminate prevailing wage requirements to the project's prime contractor and its subcontractor team.

The content of the prevailing wage presentation shall be coordinated with AUTHORITY and the RE prior to the preconstruction meeting, and shall cover the topics presented in the Caltrans Labor Compliance Manual (CLCM) Chapter 4 and as required by the CMU.

The preconstruction package should be provided to the general contractor and subcontractors' staff responsible for labor compliance that includes, but is not limited to the following items:

- Checklist
- Posters
- State and Federal wage determinations
- Labor Compliance Address labels and email addresses
- Forms

Items to cover during the presentation include the following:

- Explain correct payroll procedures
- Describe any recent labor law changes
- Obtain contractor's signature on preconstruction checklist
- Explain the CMU process and registration

4. Document Tracking:

AUTHORITY is responsible for monitoring the submittal of all required labor compliance documents submitted by the prime contractor and any tier subcontractor. The

LCO in coordination with AUTHORITY shall monitor and audit this documentation on periodic basis. The following items provide the mechanism by which AUTHORITY, LCO are to monitor compliance with the document tracking requirements of AUTHORITY Public Works Projects:

A. Maintain project labor compliance files in accordance with the filing system prescribed in the Caltrans Labor Compliance Manual (CLCM), (CLCM § 1-204). These files are to be maintained for three years from final payment.

B. Assess Resident Engineer's Daily Reports and Resident Engineer's Weekly Status Reports (CLCM § 1-207). The Resident Engineer's Daily Reports provide a daily account of the activity on a project. From the Daily Reports, the Resident Engineer shall review and determine the contractors performing on the project for each day. Special attention shall be paid to the identification of lower tier subcontractors on the Daily Reports. These reports shall also provide information on the number and classification of workers performing daily on the project. The RE's Daily Reports shall be reviewed and assessed to ensure this information is appropriately captured by the RE. Weekly status reports provide a list of contractors and owner operators working on the project during the reporting week.

C. Labor Compliance Document Tracking System (CLCM § 1-208): AUTHORITY and the RE are required to implement the use of a document tracking system to track the submittal of all required labor compliance forms/documents from each contractor performing on the project. The document tracking system may be in hardcopy or softcopy format, or a computer-based database may be used. Forms to be tracked include, but are not limited the following:

- a. Payroll Report
- b. Statement of Compliance
- c. Fringe Benefit Statement
- d. Owner Operator Listing (OOL)
- e. OOL Statement of Compliance
- f. Training Fund Contribution Report (CAC 2)
- g. Agreement to Train Apprentices (DAS Form 7)
- h. Apprentices on Public Works (DAS Form 10)
- i. Application of Certificate of Exemption (DAS Form 11)
- j. Public Works Contract Award Information (DAS Form 140)
- k. Federal-Aid Highway Construction Contractors EEO Report (FHWA Form 1391)
- l. PWC-100 Form
- m. Summary of 1391 (FHWA Form 1392)
- n. DBE Substitution Report
- o. DBE Utilization Final Report
- p. DVBE Utilization Final Report

The prime contractor must furnish weekly certified payrolls to AUTHORITY or to the CMU, depending, (including certified payrolls for each project subcontractor), who in turn will provide these documents to AUTHORITY or AUTHORITY's Labor Compliance Consultant. The due dates for these documents are specified in the contract documents. The RE shall process document intake in accordance with CLCM § 1-209A.

D. Missing Document Request Process: Resident Engineer shall request, any missing/delinquent labor compliance documents either by the prime or any tier subcontractor by oral or written request to the prime contractor; per the requirements identified in the Public Works contract document. The LCO shall work with the project Resident Engineer to enforce the contract requirements in the event of untimely or inadequate responses. CLCM § 1-301 Deductions and Withholds provide guidance on how to use withholding of funds to enforce the submittal of required labor compliance documents.

E. Process 3rd party requests for Certified Payroll information, in accordance with the guidance provided at CLCM §§ 1-401 through 403.

5. Field Activity:

Key information for the prime and subcontractor performance in meeting prevailing wage requirements is attained from the field by the RE or the CMU either through passive monitoring such as receiving an employee complaint, or through active monitoring, such as through the performance of site visits to verify posting requirements or to perform employee interviews. The following activities are to be undertaken by Resident Engineer/CMU with oversight by the LCO.

A. Process Employee Complaints: AUTHORITY shall document all labor compliance related complaints received. All complaints are to be taken seriously, and must be investigated with findings documented in the labor compliance files for the project, consistent with the procedures specified in CLCM §§ 1-601 through 603. Any investigation resulting in the determination of non-compliance by the prime or any tier subcontractor must be dealt with through enforcement actions defined in the contract documents.

B. Verify Prime Contractor Job Site Postings: The prime contractor is required to post various labor compliance posters and documents at the job site. LCO must verify these postings at the start of the project and reverify the postings through the life of the project. The required postings will be identified at the beginning of the project.

C. Assess Accuracy of Resident Engineer Daily Reports: It is anticipated that the Resident Engineer's Daily Logs will provide an accurate account of the contractors performing on the job site as well as the number and classification of workers performing on the job site. As an added level of assurance, AUTHORITY and the LCO shall, during any site visit, compare their findings with the information contained in the Resident

Engineer's Daily Logs. Any discrepancies shall be addressed with the Resident Engineer, leading to improved record keeping by both parties in the future.

D. Worker and Owner Operator Interviews: AUTHORITY and LCO shall perform employee interviews at a quantity, frequency and manner consistent with that prescribed in the CLCM §§ 1-501 through 502. Worker interviews shall account for at least 10% of all work-hours performed on the project.

6. Billing Review:

As part of LCO responsibility, the assessment of prime contractor change order invoicing against information submitted in certified payroll reports are to be performed, following the procedures identified in CLCM § 2-108.

AUTHORITY and LCO* shall review change order invoicing that uses man hour counts as its basis for billing against certified payroll reports for the period covered in the invoice to assess accuracy of the invoicing.

** The Resident Engineer may perform this task if responsible for reviewing invoicing documentation.*

7. Certified Payroll Reviews

Certified payroll reviews are to be performed to identify errors in the payment of prevailing wages to workers employed on the project, as reported on certified payroll, and to identify the accuracy of information reported by comparing information gained from other sources and from the field. The certified payroll review activities to be performed on a monthly basis (complete weeks will be reviewed) by AUTHORITY and its Labor Compliance Consultant include:

A. From field reviews and inspection of Resident Engineer Daily Reports, identify the complete list of contractors (prime and any tier subcontractors) performing on the project during the audit month.

B. For any contractor new to the project identified above, audit all certified payroll and related information for a complete one month period. An audit of each worker for this period will help identify and resolve human error issues in the reporting of prevailing wage payments on the project. For other contractors, those that have previously performed on the project, perform spot audits at a rate of at least 10% of the work-hours for the monthly period. Complete procedures for performing certified payroll audits are provided in the CLCM §§ 2-101 through 107. These procedures include the following items:

- Check total workforce and their classifications against Resident Engineer Daily Reports

- Check hours against Resident Engineer Diaries and Employee interviews for that period, if any.
- Check prevailing wage rates based on worker classifications.
- Assess applicability and appropriateness of overtime pay, including weekends and holidays.
- Check the ratio of apprentices on project and their pay scale. (see CLCM §§ 2-301 through 305 for procedures).
- Validate other aspects of Certified Payroll data including deductions against supporting information submitted for all certified payrolls including
- Assess all payroll deductions against supporting documentation
- Assess applicability and appropriateness of travel and subsistence pay
- Review appropriate paperwork for all apprentices on project.
- Check appropriateness of payments to owner operators on project as reported in owner operator listings.

In the event inadequate certified payroll and related documentation has been identified through the audit process above, AUTHORITY and its LCO shall work with the Resident Engineer to resolve the inadequate certified payroll matter consistent with the enforcement requirements identified in the project contract.

8. Labor Requirement Enforcement

AUTHORITY and the LCO shall work with the project Resident Engineer to enforce the prevailing wage labor compliance requirements of the project. The activities to be performed by LCO include:

- A. Prepare report on potential prevailing wage violation(s) identified through monitoring activity.
- B. Working with the Resident Engineer, prepare written notification to prime contractor of potential prevailing wage violations and a provide list of remedies with timeframes for prime contractor to respond. Sanctions for the potential prevailing wage violations shall also be identified in the notification, consistent with the sanctions prescribed in the project contract.
- C. Provide on-going support to Resident Engineer in resolving the potential prevailing wage violations.

D. DELIVERABLES

1. Quarterly Audits of construction management labor compliance services on all projects in format approved by AUTHORITY.
2. Monthly review of all consultant certified payroll review and fringe benefit statements for all employees, who are subject to the State and/or Federal prevailing wage rates.

3. Monthly Status Report of all pending issues and the status of said issues.

E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT

CONSULTANT shall provide all necessary office space, equipment including software, materials, supplies, miscellaneous tools, and safety equipment required for its personnel to perform the services accurately, efficiently, and safely.

F. MATERIALS TO BE FURNISHED BY AUTHORITY

None

G. STANDARDS

1. Federal and State of California requirements.
2. Caltrans standards.

H. LIMITATIONS TO AUTHORITY

CONSULTANT does not have the authority to:

1. Assume any of the responsibilities of the Consultants, Contractors, Contractors' Superintendent, or subcontractors.
2. Communicate directly with consultants, contractors, subcontractors or material suppliers without the prior consent of the Contractor.
3. Offer or receive incentives, inducements, or other forms of enumeration to or from the consultant, contractor to perform services or work outside the terms of any executed contracts for this Project.

J. THIRD PARTY RELATIONSHIPS

This Contract is intended to provide unique services for specific duties. AUTHORITY, however, is solely responsible for and will be the sole point of contact for all contractual matters related to the Labor Compliance duties. CONSULTANT shall take direction only from AUTHORITY and shall regularly inform only AUTHORITY of progress, outstanding issues, and all labor compliance and EEO related matters.

During the course of the Project, CONSULTANT may find occasion to meet with State CMU, Caltrans, City or County representatives, the design engineer, Project consultants, or other third parties who have assisted with the various projects. These entities may, from time to time, offer suggestions and/or recommendations regarding the Project or

elements of the Project.

While AUTHORITY enjoys a close relationship with and has considerable confidence in the capabilities of these other parties, CONSULTANT shall not act on any suggestions, solicited or unsolicited, without obtaining specific direction from AUTHORITY. All oral and written communication with outside agencies or consultants related to the contract shall be directed only to AUTHORITY. Distribution of contract or labor compliance review related communication and information should be at the sole discretion of AUTHORITY representatives.

M. PERSONNEL QUALIFICATIONS AND RESPONSIBILITIES

The quantity and qualifications of field personnel to be assigned will be determined by the scope of the Project and the degree of difficulty of required tasks to be performed. All personnel and personnel assignments are subject to approval by AUTHORITY. While some areas of responsibility may overlap, as a guideline, CONSULTANT personnel assigned to the Project should have the following minimum qualifications or a combination of education and experience:

1. Project Manager
 - a. A minimum of six (6) years' experience on similar LCO role is desired.
 - b. Accessible to AUTHORITY at all times during regular business hours.
 - c. The LCO will demonstrate detailed knowledge of Caltrans, Federal Department of Labor and State of California Division of Labor Standards Enforcement (DSLE) Compliance Monitoring Unit (CMU) requirements and equal employment opportunity compliance monitoring
 - d. A thorough understanding of Caltrans Labor compliance practices and procedures.
 - e. The Project Manager will assume the following functional responsibilities:
 - 1) Review, monitor, train, and provide general direction for CONSULTANT personnel.
 - 2) Assign personnel to on an as-needed basis.
 - 3) Administer personal leave.
 - 4) Prepare monthly reports for delivery to AUTHORITY.



- 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: July 18, 2012

Subject: State Legislative Update

Recommendation:* Receive State Budget update and legislative bill matrix.

Background: Last month the Legislature passed, and the Governor signed, the 2012-13 State Budget (AB 1464). The \$16.2 billion budget, and the accompanying trailer bills, will result in approximately \$92 billion in expenditures and a reserve of approximately \$500 million in the 2012-13 budget year.

With the exception of \$1.2 billion in various social services, the budget is fundamentally the same as the Governor's May Revision. The budget relies on the Department of Finance (DOF) revenue estimates, and is based on the passage of the Governor's tax proposal. The Governor's tax proposal is a Constitutional amendment that would raise the personal income tax and the sales and use tax on a temporary basis. Together, the proposed increase in the two taxes is expected to raise an additional \$8.4 billion through the budget year. In the event that the voters do not approve the Governor's tax proposal in November, the Legislature's joint plan, like the Governor's, includes a series of trigger cuts, primarily to education and social services.

*

Approved
Administrative Policy Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
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Check all that apply.

There are a significant number of budget trailer bills implementing the entire budget plan. For transportation, these bills include AB 1465 and SB 1006, which were signed by the Governor on June 27.

Specifically these budget bills contain:

- Gas Tax Swap - Transfers funding from the Motor Vehicle Fuel Account to the General Fund, resulting in a General Fund savings of \$312.2 million in 2012-13 and \$128.8 million in savings in ongoing fiscal years.
- Weight Fee Revenue Transfer - Transfers additional weight fee revenues to the General Funds, resulting in a \$385.2 million in General Savings in 2012-13 and \$47.5 million in General Fund savings 2013-14.
- Project Initiation Documents (PIDs) - Restores State Highway Account funding for PIDs staffing, in lieu of using local reimbursement funds.
- Public-Private Partnerships - Rejects Administration proposal to allow Caltrans to seek additional reimbursement if additional Public-Private Partnerships move forward in the budget year.

The Legislature has also approved a budget for High Speed Rail (HSR) and is awaiting the Governor's signature. Southern California is anticipated to receive \$500 million to be used in the SCAG region on connectivity projects. SANBAG has signed onto the regional Memorandum of Understanding (MOU). The MOU is a list of regional transit projects that will eventually link into the Southern California HSR corridors.

The Legislature is on Summer Recess until August 6th. Attached, please find an updated bill matrix.

Financial Impact: This item has no impact to the FY 2012/2013 SANBAG Budget.

Reviewed By: This item is scheduled for review by the Administrative Committee on July 18, 2012.

Responsible Staff: Eric Haley, Interim Legislative Director

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
Bills that have been to a SANBAG Board						
AB 441 (Monning) Sen. Appropriations	Health	This bill requires the Governor's Office of Planning and Research to voluntarily develop guidelines for local and regional agencies to incorporate health issues into local or regional general plans and requires the CTC to include health issues in guidelines circulated by the CTC for the preparation of regional transportation plans.	Oppose	SANBAG supports budget and CTC allocations to fully fund projects for San Bernardino County included in the State Transportation Improvement Program, State Highway Operation and Protection Program, and the Measure I Expenditure Plan.	Support: California Pan-Ethnic Health Network & AQMD	Approved 5/2/2012
AB 890 (Olsen & Perea) Sen. Environmental Quality Hearing 7/2	CEQA	This bill, until January 1, 2016, would exempt city roadway improvement projects from the requirements of the California Environmental Quality Act (CEQA) if the project is within the existing right-of-way.	Support	SANBAG will advocate for reforms to ensure projects are delivered faster with more coordination.	Support: CSAC, League of California Cities Opposition: The Planning and Conservation League & Sierra Club CA	Approved 5/2/2012
AB 1600 (Torres) Sen. Appropriations	Gold Line	Extends Metro Gold Line Foothill Extension Construction Authority's light rail project to include the City of Montclair; and requires the Los Angeles County Metropolitan Transportation Authority (LAMTA) to assume responsibility for operation of all completed phases of the Gold Line.	Support w/ Amendments	SANBAG will advocate for high speed, and higher speed rail investment in San Bernardino County and connectivity with local and regional transit.	Support: City of Montclair, City of Ontario, County of San Bernardino, LAMTA	Approved 5/2/2012

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
AB 1665 (Galgiani) Sen. Environmental Quality	CEQA	Specifies that CEQA does not apply to the closure of a railroad grade crossing by order of the PUC when the PUC has found the crossing to present a threat to public safety.	Recommend Support	SANBAG will advocate for a safe, funded, and growing rail system in Southern California.	Support: PUC (sponsor), American Council of Engineering Companies of CA & CA State Council of Laborers	Approved 6/6/12
AB 1780 (Bonilla) Sen. Appropriations Hearing 8/6	PIDs	This bill amends Caltrans protocols for conducting project study reports (PSR) for transportation projects on the state highway system and assigns cost-sharing responsibilities for the completion of PSR's. This bill assigns Caltrans with the responsibility to develop PIDs and to pay for costs to review and approve those locally-produced PIDs for projects on the state highway system that are in established programming documents. For all other projects, Caltrans's costs for review and approval of the PIDs are to be paid by the entity performing the work.	Recommend Support	SANBAG will advocate for reforms to ensure projects are delivered faster with more coordination.	Support: Self-Help Counties Coalition (sponsor) & Santa Clara Valley Transportation Authority	Approved 6/6/12
SB 446 (Dutton) Asm. Local Government	ONT Airport	Local control of ONT Airport.	Support	Support local control of the Ontario International Airport in recognition of its goods movement and passenger impacts on San Bernardino County.	Support: City on Ontario (sponsor), County of San Bernardino...	Approved 5/1/2011

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
Bills being reviewed						
AB 2405 (Blumenfeld) Sen. Transportation & Housing	HOT Lanes	Exempts qualifying clean alternative fuel vehicles from toll charges imposed on single-occupant vehicles in HOT lanes, unless prohibited by federal law. The bill specifically provides that this exemption does not apply to the imposition of tolls on toll roads, toll highways, or toll bridges.	Tracking	Not Applicable	Support: AQMD, CA Natural Gas Vehicle Coalition, CA Electric Transportation Coalition, CALSTART & Clean Energy Opposed: RCTC, CTA & American Council of Engineering Companies	
SB 1003 (Wolk) Asm. Local Government	Brown Act	Amends the Brown Act to specify that a district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief to determine whether the Brown Act applies to a local legislative body's past actions, as well as threatened future actions. The bill establishes a procedure for filing an action, limiting filings for past actions to one year, requiring a letter be submitted to the local agency setting forth the alleged violation, and allowing the local agency 30 days to respond prior to proceeding with a legal action.	Tracking	Not Applicable	Opposed: League of CA Cities, CSAC & Regional Council of Rural Counties	

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
SB 1117 (Desaulnier) Asm. Appropriations	Rail	This bill places new responsibility on the CTC to provide state overview of all rail operations through a new expanded rail plan. Caltrans would continue to do the actual support work, with policy guidance and approval by the CTC. Currently the CTC relies on Caltrans to prepare its various documents; this has allowed the CTC to maintain a small staff that focuses on the needs of the commissioners to address transportation policy issues, without the inevitable distractions of managing a large staff. This bill is silent on where the responsibility rests for preparing the rail transportation plan.	Tracking	Support equitable distribution of the funding for bus and rail services in California.	Support: Sen. Desaulnier (Sponsor)	
SB 1151 (Steinberg) Asm. Housing & Community Development	RDA	The bill requires joint powers authorities to develop Long Range Asset Management Plans to maximize the social and economic value of the former redevelopment agency assets for the public sector. The plans would include detailed valuation and environmental contamination information on a parcel-by-parcel basis and facilitate the integration of properties into local land use plans. The bill authorizes the use of the trust funds to finance public and private infrastructure needed for infill development.	Tracking	Support continued regional decision making governing the use of all current funding sources.	Support: BRIDGE Housing, California Infill Builders Association, California Labor Federation, CSAC, DMB Pacific Ventures, Los Angeles Alliance for a New Economy & Mission Bay Development Group. CSAC is "Supporting w/ Amendments"	

Attachment #1 State Bills

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
ACA 23 (Perea) Asm. Appropriations	Voting Requirement	Would change the vote requirement for local transportation taxes from 2/3 to 55% of the voters within the jurisdiction. This would apply to cities, counties and special districts. As for taxes, it does not specify, other than to exclude sales taxes on property sales. Any tax authority granted to a local government would be eligible under this measure to be approved under the 55%.	Tracking	Not Applicable	Support: League of Cities	

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist SANBAG Board Members and partners as they participate in deliberations at SANBAG Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. SANBAG staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
ADT	Average Daily Traffic
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DEMO	Federal Demonstration Funds
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICTC	Interstate Clean Transportation Corridor
IEEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds

SANBAG Acronym List

MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PSE	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 st Century
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
TSSDRA	Transit System Safety, Security and Disaster Response Account
USFWS	United States Fish and Wildlife Service
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

San Bernardino Associated Governments



MISSION STATEMENT

To enhance the quality of life for all residents, San Bernardino Associated Governments (SANBAG) will:

- Improve cooperative regional planning

- Develop an accessible, efficient, multi-modal transportation system

- Strengthen economic development efforts

- Exert leadership in creative problem solving

To successfully accomplish this mission, SANBAG will foster enhanced relationships among all of its stakeholders while adding to the value of local governments.

Approved June 2, 1993
Reaffirmed March 6, 1996