

AGENDA

Administrative Committee Meeting

August 8, 2012

9:00 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

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

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

West Valley Representatives

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

Council Member Ed Graham
City of Chino Hills

Supervisor Gary Ovitt
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

August 8, 2012

9:00 a.m.

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

CALL TO ORDER 9:00 a.m.
(Meeting chaired by Mike Leonard)

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

1. Possible Conflict of Interest Issues for the Administrative Committee Meeting August 8, 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. 7

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. July 2012 Procurement Report Pg. 9

Receive July 2012 Procurement Report. **Hilda Flores**

Notes/Actions

Discussion Items

Administrative Matters

4. **Budget to Actual Report for third quarter ending Pg. 11
March 31, 2012**

Receive and file Budget to Actual Report for third quarter ending March 31, 2012. **Hilda Flores**

5. **California Department of Transportation Audits and Pg. 15
Investigation audit findings and Management Responses**

That the Committee receive and review the audit findings from California Department of Transportation and management response. **Hilda Flores**

6. **Policy Committee Meetings Going Dark in July and Board Pg. 40
Meeting Going Dark in August**

That the Committee recommend that the Board of Directors adopt a policy to have the SANBAG Board of Directors meeting go dark in August and the Policy Committee meetings go dark in July. **Duane Baker**

7. **Elimination of the Plans and Programs Committee Pg. 42**

That the Committee recommend that the Board of Directors eliminate the Plans and Programs Committee and direct staff to modify Policy 10000 "Policy Committee Relationships and Procedures" and Policy 10002 "SANBAG Policy Committee Membership" to be consistent with this action. **Duane Baker**

8. **Repeal Policy No. 34504, "Major Projects Program, Pg. 45
Contract Negotiation Guidelines"**

That the Committee recommend the Board of Directors:

1. Repeal Policy 34504, "Major Projects Program, Contract Negotiation Guidelines."
2. Direct staff to develop Contract Negotiation Guidelines and staff training. **Kathleen Murphy-Perez**

Discussion Items Continued....Program Support/Council of Governments**9. Inland Empire Economic Partnership Pg. 48**

Receive a presentation on the efforts of the Inland Empire Economic Partnership (IEEP) to promote economic activity in the Inland Empire and provide direction on SANBAG's participation. **Duane Baker**

10. Inland Empire Annual Survey Pg. 50

Based on discussions with SANBAG's Executive Staff and acknowledgement that the survey results are not being utilized by staff, it is recommended that SANBAG discontinue its \$20,000 annual sponsorship of the Inland Empire Annual Survey conducted by California State University San Bernardino (CSUSB) Institute of Applied Research and Policy Analysis. **Jane Dreher**

11. Legislative Update Pg. 56

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

Comments from Committee Members

Brief Comments from Committee Members

Public Comment

Brief Comments by the General Public

Adjourn to:**Closed Session**

Conference with Labor Negotiator Ray Wolfe
Regarding Unrepresented Employees of SANBAG
pursuant to Government Code section 54957.6

ADJOURNMENTAdditional Information

Acronym List

Pg. 62

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: August 8, 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
		None	

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.

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	<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	<input checked="" type="checkbox"/>	CTC	<input checked="" type="checkbox"/>	CTA	<input checked="" type="checkbox"/>	SAFE	<input checked="" type="checkbox"/>	CMA	<input checked="" type="checkbox"/>
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Check all that apply.

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	X					
Julie McIntyre City of Barstow	X	X	X	X	X	X	X					
Bill Jahn City of Big Bear Lake	X	X	X	X	X	X	X					
Dennis Yates City of Chino	X	X	X	X	X	X	X					
Mike Leonard City of Hesperia	X	X	X	X	X	X	X					
Larry McCallon City of Highland	X	X	X	X	X	X	X					
Rhodes Rigsby City of Loma Linda	X	X	X	X	X	X	X					
Ed Scott City of Rialto	X	X	X	X	X	X	X					
Ed Graham City of Chino Hills	X	X	X	X	X	X	X					
L. Dennis Michael City of Rancho Cucamonga	X	X	X	X	X	X	X					
Patrick Morris City of San Bernardino	X	X	X	X	X	X	X					
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X					
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X					
Janice Rutherford Board of Supervisors	X	X	X	X	X	X	X					
Josie Gonzales Board of Supervisors	X	X	X	X	X	X	X					
Brad Mitzelfelt Board of Supervisors	X	X	X	X	X	X	X					
Gary Ovitt Board of Supervisors	X	X	X	X	X	X	X					
Neil Derry Board of Supervisors	X	X	X	X	X	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
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: August 8, 2012

Subject: July 2012 Procurement Report

Recommendation:* Receive July 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 July 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 not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff: Hilda Flores, Accounting Manager

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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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July 2012 Report of Purchase Orders

PO No	PO Issue Date	Vendor	Purpose	Amount
4000852	7/16/12	GM Business Interiors	Purchase furniture for new office at top of marble staircase.	\$10,720.85
4000853	7/16/12	Southern California Association of Governments	Membership dues for FY 2012-13.	\$25,000.00
4000879	7/31/12	Raymond Gorski	CMAQ reporting and Air Quality Analysis for SANBAG projects	\$7,802.00
*Note: Sole Source justification is noted in the Purpose statement, if applicable.				Total
				\$43,522.85



- 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: 4

Date: August 8, 2012

Subject: Budget to Actual Report for third quarter ending March 31, 2012

Recommendation:* Receive and file Budget to Actual Report for third quarter ending March 31, 2012.

Background: SANBAG's Budget for Fiscal Year 2011/2012 for new activity was adopted by the Board of Directors on June 1, 2011. This report provides a summary of program activity and task activity compared to budget. Budgetary information includes the original and revised budgets, and year to date expenditures.

Financial Impact: This item reports the status of expenditures against budget and imposes no financial impact on the Fiscal Year 2011/2012 Budget.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff: Hilda Flores, Accounting Manager

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	<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	X	CMA	X
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Check all that apply.
 ADM1208b-ws
 Attachment: ADM1208b1-ws

AIR QUALITY & TRAVELER SERVICES PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL			REVISED			TASK		
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0102	Air Quality Activities	140,177	-	-	140,177	54,664	85,513	39,00%		
0406	Rideshare Management	2,106,653	25,000	600	2,132,253	798,364	1,333,889	37.44%		
0702	Call Box System	1,720,467	-	159,950	1,880,417	581,948	1,298,469	30.95%		
0704	Freeway Service Patrol/State	1,813,207	-	231,045	2,044,252	1,109,780	934,472	54.29%		
0706	Intelligent Transportation Systems	96,820	-	-	96,820	9,874	86,946	10.20%		
0812	Clean Fuels Implementation	4,990,148	-	11,403,503	16,393,651	4,336,950	12,056,701	26.46%		
TOTAL AIR QUALITY & TRAVELER SERVICES PROGRAM		10,867,472	25,000	11,795,098	22,687,570	6,891,580	15,795,990	30.38%		

TRANSPORTATION PLANNING & PROGRAMMING PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL			REVISED			TASK		
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0110	Regional Transportation Planning	180,599	35,958	-	216,557	171,583	44,974	79.23%		
0111	Freight Movement Planning	118,921	(35,958)	-	82,963	26,892	56,071	32.41%		
0112	Growth Forecasting & Planning	152,844	(35,958)	-	116,886	64,865	52,021	55.49%		
0202	Transportation Modeling & Forecasting	184,083	10,000	53,478	247,561	92,624	154,937	37.41%		
0203	Congestion Management	131,271	-	-	131,271	77,712	53,559	59.20%		
0213	High Desert Corridor Studies	21,856	292,808	-	314,664	4,559	310,105	1.45%		
0373	Federal/State Fund Administration	890,576	(71,529)	-	819,047	476,846	342,201	58.22%		
0404	Subregional Transportation Planning	291,764	200,000	-	491,764	130,991	360,773	26.64%		
0409	Data Development & Management	228,129	61,129	-	289,258	189,249	100,009	65.43%		
0500	Transportation Improvement Program	237,447	42,071	-	279,518	214,944	64,574	76.90%		
0526	Subregional Transportation Monitoring	427,909	189,458	16,000	633,367	266,473	366,894	42.07%		
0609	Strategic Planning/Delivery Planning	2,204,486	1,050,000	2,348,588	5,603,074	2,764,142	2,838,932	49.33%		
0701	Valley Signal Coordination	221,668	(17,979)	-	203,689	146,962	56,727	72.15%		
0941	Mt./Desert Planning & Project Development	5,340,626	1,720,000	2,418,066	9,478,692	4,631,692	4,847,000	48.86%		
TOTAL TRANSPORTATION PLANNING & PROGRAMMING PROGRAM		11,720,000	2,418,066	2,418,066	14,556,132	7,069,714	7,486,418	48.86%		

MAJOR PROJECT DELIVERY PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL			REVISED			TASK		
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0815	Measure I Program Management	6,053,511	(507,464)	303,904	5,849,951	2,312,834	3,537,117	39.54%		
0817	SR-60 Sound Wall	945,754	(76,870)	36,576	905,460	36,259	869,201	4.00%		
0819	Hwy 62 & Rotary Way Traffic Signal Project	-	450,000	-	450,000	-	450,000	0.00%		
0820	SR 210 Final Design	205,388	(30,000)	151,821	327,209	26,491	300,718	8.10%		
0822	SR 210 Right of Way Acquisition	2,085,045	-	269,127	2,354,172	1,070,577	1,283,595	45.48%		
0824	SR 210 Construction	8,922,958	38,000	4,661,934	13,622,892	4,462,092	9,160,800	32.75%		
0825	I-10 Corridor Project Development	1,979,255	-	1,274,705	3,253,960	334,166	2,919,794	10.27%		
0826	I-10 Citrus/Cherry Interchanges	42,396,327	-	4,929,102	47,325,429	274,026	47,051,403	0.58%		
0830	I-215 San Riv Project Development	16,758	-	-	16,758	-	16,758	0.00%		
0834	I-215 Final Design	276,160	-	192,251	468,411	46,092	422,319	9.84%		
0836	I-215 Right of Way Acquisition	4,123,124	-	2,560,096	6,683,220	371,306	6,311,914	5.56%		
0838	I-215 Construction	45,115,858	135,000	17,697,240	62,948,098	25,908,553	37,039,545	41.16%		
0839	I-215 Bi-County HOV Gap Closure Project	8,725,178	-	576,595	9,301,773	2,011,954	7,289,819	21.63%		
0840	I-215 Barton Road Interchange	840,597	-	5,935	846,532	325,783	520,749	38.48%		
0841	I-10 Riverside Interchange	5,625,035	10,787	8,314,117	13,949,939	9,291,570	4,658,369	66.61%		
0842	I-10 Tippecanoe Interchange	5,980,901	2,387,522	6,488,967	14,857,390	1,242,443	13,614,947	8.36%		
0843	I-10 Live Oak Canyon	-	-	8,653	8,653	-	-	100.00%		

0845	Mt. Vernon/Washington Interchange	345,004	-	338,060	683,064	39,925	643,139	5.84%
0850	Alternative Project Financing	3,127,299	(160,000)	29,400	2,996,699	116,529	2,880,170	3.89%
0862	I-10 Westbound Lane Addition - Yucaipa	6,042,662	-	6,046,638	12,089,300	7,788,131	4,301,169	64.42%
0869	Glen Helen Parkway Grade Separation	6,144,418	-	-	6,144,418	1,909,050	4,235,368	31.07%
0870	Hunts Lane Grade Separation	14,143,498	4,047,717	634,652	18,825,867	1,195,974	17,629,893	6.35%
0871	State St./University Parkway Grade Separation	350,956	1,291	-	352,247	1,472	350,775	0.42%
0874	Palm Avenue Grade Separation	7,000,602	1,507,464	3,022,429	11,530,495	1,076,606	10,453,889	9.34%
0875	Main Street Grade Separation	50,000	-	-	50,000	-	50,000	0.00%
0876	South Milliken Avenue Grade Separation	5,713,901	-	764,598	6,478,499	524,801	5,953,698	8.10%
0877	Vineyard Avenue Grade Separation	7,347,188	-	24,586	7,371,774	154,160	7,217,614	2.09%
0879	Colton Crossing BNSF/UPRR Grade Separation	36,495,511	44,688	-	36,540,199	75,871	36,464,328	0.21%
0880	I-15/I-215 Devore Interchange	12,098,571	(560,000)	9,800	11,548,371	1,070,846	10,477,525	9.27%
0881	Lerwood Avenue Grade Separation	6,465,500	37,250	413,568	6,916,318	945,927	5,970,391	13.68%
0882	North Milliken Avenue Grade Separation	26,649,224	(20,000)	12,004,553	38,633,777	14,161,424	24,472,353	36.66%
0883	SR 210 Pepper Avenue Interchange	813,252	-	800,000	1,613,252	269,883	1,343,369	16.73%
0884	Laurel Avenue Grade Separation	7,563,452	760,873	53,125	8,377,450	1,583,647	6,793,803	18.90%
0885	9th Street Rail Improvements	104,437	-	-	104,437	2,044	102,393	1.96%
0886	Colton Quiet Zone Project	2,442,707	-	-	2,442,707	168,010	2,274,697	6.88%
0887	SR 210 Lane Addition	1,045,061	-	-	1,045,061	1,853	1,043,208	0.18%
0888	I-15 La Mesa/Nisqualli Interchange	6,000,000	12,131,247	23,809	18,155,056	616,893	17,538,163	3.40%
0889	Yucca Loma Bridge	4,300,000	-	-	4,300,000	3,480	4,296,520	0.08%
0890	I-5 Ranchero Interchange	-	100,000	-	100,000	351	99,649	0.35%
0960	2009 A Sales Tax Revenue Note	261,335,100	-	-	261,335,100	261,335,100	-	100.00%
0965	2012 A Sales Tax Revenue Bond	-	-	-	-	-	-	0.00%
TOTAL MAJOR PROJECT DELIVERY PROGRAM		548,870,192	20,297,505	71,636,241	640,803,938	340,764,776	300,039,162	53.18%

TRANSIT & PASSENGER RAIL PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL			REVISED			TASK	
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	% OF BUDGET EXPENDED	
0309	General Transit	309,401	154,619	-	464,020	172,657	291,363	37.21%	
0315	Omnitrans	3,976,523	3,304,213	4,433,798	11,714,534	4,019,999	7,694,535	34.32%	
0316	Barstow-County- Transit	49,710	105,942	70,069	225,721	103,784	121,937	45.98%	
0317	Victor Valley Transit	107,223	601,588	-	708,811	332,312	376,499	46.88%	
0318	Morongo Basin Transit	52,913	107,892	-	160,805	123,437	37,368	76.76%	
0319	Social Service Transportation Plan	448,315	-	200,000	648,315	120,859	527,456	18.64%	
0320	Needles Transit	21,202	(1,933)	-	19,269	634	18,635	3.29%	
0321	Mountain Area Transit	60,727	52,442	86,809	199,978	132,393	67,585	66.20%	
0352	General Commuter Rail	573,308	-	76,326	649,634	155,114	494,520	23.88%	
0377	Commuter Rail Operating Expenses	10,417,103	1,571,106	287,712	12,275,921	7,962,687	4,313,234	64.86%	
0379	Commuter Rail Capital Expenses	-	(1,282,799)	12,118,946	10,836,147	1,867,618	8,968,529	17.24%	
0380	Redlands Rail Extension	15,171,583	12,187,019	-	27,358,602	5,667,130	21,691,472	20.71%	
0381	Gold Line Phase II	265,451	-	-	265,451	6,511	258,940	2.45%	
0382	San Bernardino Transit Center	-	8,943,261	-	8,943,261	9,660	8,933,601	0.00%	
0501	Federal Transit Act Programming	24,545	-	14,083	38,628	12,973	25,655	33.58%	
TOTAL TRANSIT & PASSENGER RAIL PROGRAM		31,478,004	25,743,350	17,287,743	74,509,097	20,687,768	53,821,329	27.77%	

TRANSPORTATION FUND ADMINISTRATION PROGRAM										
TASK#	TASK DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	TASK BALANCE	% OF BUDGET EXPENDED	TASK BALANCE	% OF BUDGET EXPENDED
0502	TDA Administration	598,599	44,000	26,505	669,104	115,667	553,437	17.29%	553,437	17.29%
0504	Measure I Administration	360,851	56,972	-	417,823	171,870	245,953	41.13%	245,953	41.13%
0506	Local Transportation Fund	52,977,596	-	64,387,308	117,364,904	44,404,356	72,960,548	37.83%	72,960,548	37.83%
0507	State Transit Assistance Fund	6,900,000	-	36,732,954	43,632,954	3,794,668	39,838,286	8.70%	39,838,286	8.70%
0513	Measure I Valley Senior & Disabled	5,300,000	1,750,250	-	7,050,250	4,675,437	2,374,813	66.32%	2,374,813	66.32%
0515	Measure I Valley Apportionment & Allocation	8,541,550	-	4,568,426	13,109,976	548,283	12,561,693	4.18%	12,561,693	4.18%
0610	Measure I 2010-2040 Project Advancement	10,889,226	-	-	10,889,226	6,328,944	4,560,282	58.12%	4,560,282	58.12%
0615	Measure I Local Stimulus	-	(775,975)	17,359,597	16,583,622	6,632,357	9,951,265	39.99%	9,951,265	39.99%
0918	Measure I Local Pass-through	31,001,230	-	-	31,001,230	22,052,693	8,948,537	71.13%	8,948,537	71.13%
TOTAL TRANSPORTATION FUND ADMINISTRATION PROGRAM		116,569,052	1,075,247	123,074,790	240,719,089	88,724,275	151,994,814	36.86%	151,994,814	36.86%

GENERAL - COUNCIL OF GOVERNMENTS SUPPORT PROGRAM										
TASK#	TASK DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	TASK BALANCE	% OF BUDGET EXPENDED	TASK BALANCE	% OF BUDGET EXPENDED
0104	Intergovernmental Relations	365,865	-	-	365,865	142,167	223,698	38.86%	223,698	38.86%
0490	Council of Governments New Initiatives	125,854	31,970	446,636	604,460	37,505	566,955	6.20%	566,955	6.20%
0503	Legislation	647,827	12,106	-	659,933	341,411	318,522	51.73%	318,522	51.73%
0601	County Transportation Commission-General	454,052	-	-	454,052	335,462	118,590	73.88%	118,590	73.88%
0605	Publications & Public Outreach	509,237	5,394	-	514,631	265,220	249,411	51.54%	249,411	51.54%
0805	Building Operations	81,039	-	14,392	95,431	13,799	81,632	14.46%	81,632	14.46%
0806	Building Improvements	18,272	-	-	18,272	925	17,347	5.06%	17,347	5.06%
0942	Financial Management	713,834	-	402,548	1,116,382	1,097,281	19,101	98.29%	19,101	98.29%
TOTAL COUNCIL OF GOVERNMENTS SUPPORT PROGRAM		2,915,980	49,470	863,576	3,829,026	2,233,770	1,595,256	58.34%	1,595,256	58.34%
GRAND TOTAL ALL PROGRAMS		716,041,326	48,910,572	227,075,514	992,027,412	463,933,861	528,093,551	46.77%	528,093,551	46.77%

CONSOLIDATED BY PROGRAM										
PROGRAM DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	PROGRAM BALANCE	% OF BUDGET EXPENDED	PROGRAM BALANCE	% OF BUDGET EXPENDED	
AIR QUALITY & TRAVELER SERVICES PROGRAM	10,867,472	25,000	11,795,098	22,687,570	6,891,580	15,795,990	30.38%	15,795,990	30.38%	
TRANSPORTATION PLANNING & PROGRAMMING PROGRAM	5,340,626	1,720,000	2,418,066	9,478,692	4,631,692	4,847,000	48.86%	4,847,000	48.86%	
MAJOR PROJECT DELIVERY PROGRAM	548,870,192	20,297,505	71,636,241	640,803,938	340,764,776	300,039,162	53.18%	300,039,162	53.18%	
TRANSIT & PASSENGER RAIL PROGRAM	31,478,004	25,743,350	17,287,743	74,509,097	20,687,768	53,821,329	27.77%	53,821,329	27.77%	
TRANSPORTATION FUND ADMINISTRATION PROGRAM	116,569,052	1,075,247	123,074,790	240,719,089	88,724,275	151,994,814	36.86%	151,994,814	36.86%	
GENERAL - COUNCIL OF GOVERNMENTS SUPPORT PROGRAM	2,915,980	49,470	863,576	3,829,026	2,233,770	1,595,256	58.34%	1,595,256	58.34%	
GRAND TOTAL ALL PROGRAMS	716,041,326	48,910,572	227,075,514	992,027,412	463,933,861	528,093,551	46.77%	528,093,551	46.77%	



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

Minute Action

AGENDA ITEM: 5

Date: August 8, 2012

Subject: California Department of Transportation Audits and Investigation audit findings and Management Responses

Recommendation:* That the Committee receive and review the audit findings from California Department of Transportation and management response.

Background: The California Department of Transportation (Caltrans) Audits and Investigations audited costs claimed by San Bernardino Associated Governments (SANBAG), totaling \$47,759,636 for the period from July 1, 2008, to December 31, 2009. Caltrans determined that reimbursed costs totaling \$37,467,349 were supported and in compliance with agreement provisions, and State and Federal regulations. However, reimbursed costs totaling \$2,179,869 were not adequately supported and were not in compliance with Agreement provisions, and State and Federal regulations. In addition, Caltrans determined that SANBAG did not have adequate procurement and contract management procedures. Due to the exceptions noted in SANBAG's procurement procedures, Caltrans was not able to express an opinion whether \$8,112,419 of consulting and professional service costs procured using the Request for Proposal (RFP) or Requests for Qualifications (RFQ) process were in compliance with federal procurement regulations.

The Caltrans Audit Report, Attachment 1 includes the follow four audit findings:

*

	<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	X	CMA	X
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Check all that apply.

1. SANBAG did not follow procurement practices as required by Title 49, Code of Federal Regulations (CFR) Part 18.36 and the Master Agreements between SANBAG and Caltrans.
2. SANBAG did not maintain a contract administration system to ensure consultants perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.
3. SANBAG did not include required contract provisions in five contracts audited.
4. SANBAG's contracting and procurement Policy No. 11000 dated December 3, 2008, lacked clear guidance to ensure that the Federal Uniform Administrative Requirements set forth in 49 CFR Part 18 are followed in procurement transactions.

SANBAG's response to the Caltrans audit, Attachment 2, details SANBAG management's immediate actions taken to remediate the issues identified in the Caltrans audit findings and is summarized below.

Response to Finding 1:

- Contracts Manager and Contract Administrator are dedicated to ensure that procurement policies and procedures are followed.
- SANBAG has conducted several procurement-training sessions with management and staff and will continue to do so on a regular basis. A procurement manual is being developed as a resource for all staff and is anticipated to be completed in early 2013.
- A contract file process has been implemented whereby staff has specific information of what must be included in the contract file which when completed is audited by the Contract Administrator.
- SANBAG will provide Caltrans with a written plan that identifies the process that will be used to review the billing records, and other procurement transactions for compliance. The plan will be submitted to Caltrans for review prior to the implementation of the audit. Upon completion of the audit, SANBAG will prepare a written report indicating the findings of the audit, which will be submitted to Caltrans by a date mutually agreed to by SANBAG and Caltrans.

Response to Finding 2:

- With the additional support from the Contract Administrator as well as additional staff training, SANBAG believes that the project managers will have the training and resources to effectively manage the contracts according to the terms and conditions of those contracts.

- A procurement manual is currently in process, which will document all procurement policies and procedures. Upon completion, training will be conducted regularly for all SANBAG staff that manages contracts.
- Currently, SANBAG is soliciting proposals for on-call audit support that will be available to assist SANBAG in reviewing invoices for correct payment. The contract for the audit services will be in place by September.

Response to Finding 3:

- In 2011, SANBAG revised and updated all contract templates to include appropriate contract provisions required by the Master Agreements and 49 CFR Part 18. SANBAG regularly reviews the contract documents and will continue to update them as appropriate. For contracts that were let prior to 2011 and are being amended, staff is reviewing them on a case-by-case basis to see if they require updating to include requisite contract provisions.

Response to Finding 4:

- SANBAG's Policy No. 11000 is undergoing review and as early as this August, SANBAG will be taking several modifications to SANBAG's Board of Directors (Board) for approval of those changes. The Board will also consider staff's request to rescind the Major Projects Program Contract Negotiations Guidelines in August. Staff will then prepare Contract Negotiations Guidelines for all of SANBAG and will supplement the guidelines with additional training.

SANBAG acknowledges that in 2008 and 2009, its procurement practices were in need of strengthening at the time that Caltrans conducted this review. Since then, SANBAG has aggressively addressed those areas that were noted in the report. In 2010, SANBAG hired a Contracts Manager with extensive public agency experience to review existing procurement policies and practices. A comprehensive review was conducted by the Contracts Manager who has revised SANBAG's contract and procurement templates to ensure compliance with State and federal requirements and inclusion of evaluation criteria weighting; conducted multiple staff training sessions regarding procurements; and is in the process of completing a major revision of the RFP evaluation process which includes control logs, consistent score sheets, and all other relevant evaluation documentation.

In 2012, SANBAG added and hired a new Contract Administrator to manage the contracts and procurement functions and to ensure consistent application of SANBAG's Contracts and Procurement Policy. The Contract Administrator is also responsible for managing the RFP evaluation process to ensure consistent application of SANBAG's procurement policies.

Other improvements that are on-going include: implementation of a centralized procurement filing system; and expanding SANBAG's process regarding the advertisement of procurements in newspapers and trade journals to include all formal procurements. SANBAG has already developed an internal filing system of all contract documents which will be centrally located and maintained by limited SANBAG staff. Also, SANBAG is in the process of awarding an Audit contract to assist SANBAG in pre-award and post-award audits of Architectural & Engineering procurements. A continual review of SANBAG's Procurement Policies and Procedures is under way with initial modifications to the SANBAG Contracts and Procurement Policy being presented to a Board committee beginning this month and continuing throughout the next 12 months. A Procurement Manual will be created incorporating all changes approved by SANBAG's Board of Directors. Completion date of the Procurement Manual is early 2013.

SANBAG will be submitting to Caltrans a detailed plan in which to address the audit of the contracts noted in the report and the timelines in which SANBAG anticipates completing that review, as noted above under SANBAG's response to Finding #1. SANBAG staff anticipates the completion of the audit and preparing a summary report of their findings by December 31, 2012. SANBAG staff will continue working with Caltrans to ensure that all of the procurement processes are in compliance with State and federal requirements.

Caltrans' audit of audited costs finding SANBAG to be non-compliant with Agreement provisions, and State and Federal regulations was for the time period of July 1, 2008 to December 31, 2009.. Since 2010, SANBAG's Board approved retention of a Contracts Manager who has made many improvements to address the issues noted by Caltrans and who will continue working with the Board of Directors and Executive Staff to bring SANBAG's procurement policies and procedures into compliance with federal and State guidelines.

Financial Impact: This item has no current direct impact on the budget. Caltrans will notify SANBAG if SANBAG must return any of the \$2,179,869 in reimbursed costs due to the Caltrans' audit findings.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel has approved this item as to form.

Responsible Staff: Hilda Flores, Accounting Manager

ATTACHMENT 1

P1580-0013
Draft Incurred Cost Audit San Bernardino Associated Governments (SANBAG)
March 14, 2012

DRAFT

**Zilan Chen, Chief
External Audits - Local Governments
Audits and Investigations
California Department of Transportation**

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AUDIT REPORT

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ATTACHMENTS

DRAFT

✓ = Revised

Summary

The California Department of Transportation (Department) Audits and Investigations (A&I) audited costs claimed by the San Bernardino Associated Governments (SANBAG), totaling \$47,759,636 from July 1, 2008 to December 31, 2009 (see Attachment V for a list of Agreements included in the audit). Based on our audit, we determined that reimbursed costs totaling \$37,467,349[✓] were supported and in compliance with agreement provisions, and State and federal regulations. However, reimbursed costs totaling \$2,179,869[✓] were not adequately supported and were not in compliance with Agreement provisions, and State and federal regulations. In addition, we determined that SANBAG did not have adequate procurement and contract management procedures. Due to the exceptions noted in SANBAG's procurement procedures, we cannot express an opinion on whether \$8,112,419[✓] of consulting and professional service costs procured using the Requests for Proposal (RFP) or Requests for Qualification (RFQ) process were in compliance with federal procurement regulations.

Objectives

The audit was performed to determine whether costs claimed and reimbursed were adequately supported and in compliance with the respective agreement provisions, and State and federal regulations. The audit was performed as a management service to the Department to assist in fulfilling its fiduciary responsibility.

SANBAG is responsible for the claimed costs, compliance with applicable Agreement provisions, State and federal regulations, and the adequacy of its financial management system to accumulate and segregate reasonable, allocable, and allowable costs.

Methodology

Our audit was conducted in accordance with the Standards for Performance Audits set forth in the Government Auditing Standards issued by the Comptroller General of the United States of America. The audit was less in scope than an audit performed for the purpose of expressing an opinion on the financial statements of SANBAG. Therefore, we did not audit and are not expressing an opinion on SANBAG's financial statements.

The standards require that we plan and perform the audit to obtain reasonable assurance about whether the data and records reviewed are free of material misstatement, as well as material noncompliance with fiscal provisions relative to the Agreements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the data and records reviewed. An audit also includes assessing the accounting principles used and significant estimates made by SANBAG, as well as evaluating the overall presentation.

Scope

The scope of the audit was limited to financial and compliance activities. Our audit of SANBAG's financial management system included interviews

✓ = Revised

Scope (Continued)

of SANBAG staff necessary to obtain an understanding of SANBAG's accounting and internal controls. Based on the risk assessment performed, the audit focused on SANBAG's procurement process and contract management of Consultant contracts. The audit consisted of an evaluation of compliance with 2 Code of Federal Regulations (CFR), Part 225; 49 CFR, Part 18; the Department's Local Program Procedures (LPP) 04-10; and the Department's Local Assistance Procedures Manual. Our field work was completed on ___ DATE, and transactions occurring subsequent to this date were not tested and, accordingly, our conclusion does not pertain to costs or credits arising after this date. We believe that our audit provides a reasonable basis for our conclusion.

Because of inherent limitations in any financial management system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the financial management system to future periods are subject to the risk that the financial management system may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our findings and recommendations take into consideration SANBAG's response dated _____, to our _____, draft report. Our findings and recommendations, SANBAG's response, and our analysis of the response are set forth in the Findings and Recommendations of this report. A copy of SANBAG's full response is included as Attachment VI.

Background

SANBAG is the council of governments and transportation planning agency for San Bernardino County. SANBAG is responsible for cooperative regional planning, and furthering an efficient multi-modal transportation system. SANBAG serves 1.9 million residents of San Bernardino County. As the County Transportation Commission, SANBAG supports freeway construction projects, regional and local road improvements, train and bus transportation, railroad crossings, call boxes, ride sharing, congestion management efforts, and long-term planning studies. SANBAG administers Measure I, the half-cent transportation sales tax approved by county voters in 1989.

The mayors and city council members of the 24 cities and towns and the five members of the Board of Supervisors within San Bernardino County govern SANBAG. SANBAG staff is a small group of professionals and support personnel who manage and implement the various programs approved by the Board of Directors.

Conclusion

Based on our audit, we determined that reimbursed costs totaling \$37,467,349 were adequately supported and in compliance with Agreement provisions, and State and federal regulations. However, reimbursed costs totaling \$2,179,869 were not adequately supported and were not in

✓ = Revised

compliances with Agreement provisions, and State and federal regulations. In addition, we determined that for certain contracts, SANBAG did not follow proper procurement procedures or comply with federal procurement and contract management regulations. Specific instances of noncompliance are discussed in the findings set forth in this report. Further, due to the exceptions noted in SANBAG's procurement procedures, we cannot express an opinion on whether \$8,112,419 of consulting or professional service costs procured using the RFP or RFQ process, were in compliance with federal procurement regulations.

This report is intended for the information of SANBAG, Department Management, the California Transportation Commission, and the Federal Highway Administration. This report is a matter of public record and its distribution is not limited.

If you have any questions, please contact Barbara Nolan, Auditor, at (916) 323-7880, or Cliff Voss, Audit Manager, at (916) 323-7917.

Zilan Chen, Chief
External Audits – Local Governments
Audits and Investigations

✓ = Revised

FINDINGS AND RECOMMENDATIONS

Finding 1 - Improper Procurement Practices

The San Bernardino Associated Governments (SANBAG) did not follow procurement practices, as required by Title 49, Code of Federal Regulations (CFR) Part 18.36 and the Master Agreements between SANBAG and the California Department of Transportation (Department).

Agreements (see Attachment V) between SANBAG and the Department require SANBAG to comply with 49 CFR Part 18. In addition, section V.E. of SANBAG's Contracting and Procurement Policy 11000 states that *"When utilizing State and federal funds requiring more rigorous or different standards than applied by these policies, such standards will prevail. SANBAG is responsible for ensuring that such standards are met and/or are included in appropriate contracts."*

We reviewed twelve procurement transactions and found that ten had significant exceptions to required procurement provisions. Four of the ten consultant contracts resulted in charges totaling \$2,023,224 to State or federal funds during the audit period (see Attachment I). Without documenting compliance with required procurement practices, SANBAG cannot demonstrate that full and open competition was achieved, and risks entering into contracts that may not be fair and reasonable in cost and/or quality. Specifically, we found the four procurements contain one or more of the following issues:

- SANBAG did not prepare independent estimates before soliciting proposals.
- SANBAG did not maintain evidence that the requests for proposals (RFP) were publicized in a newspaper or trade journal of widespread circulation.
- SANBAG did not identify the relative importance of evaluation factors in RFPs.
- The evaluation factors listed on the score sheets were not the same as those listed in the RFPs.
- One RFP identified a contract type expressly unallowable per federal requirements as "cost reimbursable plus percentage fee contract."
- The consultant's overhead rate for one RFP was not reviewed during contract negotiations.
- Score sheets were not maintained.
- SANBAG did not maintain a control log indicating the date and time of RFP distribution, as required by SANBAG's own policy.

Based on our interviews with staff, review of procurement files, and identification of numerous exceptions, we determined that SANBAG did not demonstrate routine adherence to State and federal funded contract

✓ = Revised

procurement requirements. Staff from SANBAG's various work groups may procure goods or services, but knowledge of applicable regulations among staff performing procurement transactions was inconsistent between various work groups. Therefore, A&I cannot determine whether \$8,112,419[✓] of additional consulting and professional service costs that were not included in the testing were properly procured.

See Attachment I for criteria, funding source and questioned costs for each of the exceptions.

Recommendation

SANBAG should take the following corrective actions:

- Ensure proper procurement procedures are followed in accordance with 49 CFR Part 18.36, Master Agreements between SANBAG and the Department, and SANBAG's written procurement procedures.
- Seek training for management and staff in proper procurement practices.
- Maintain adequate documentation to support proper procurement procedures.
- Review billing records to determine the amount of costs associated with the contracts identified in Attachment I billed outside our audit period.
- Assess similar procurement transactions for compliance and identify any other questionable costs.
- Provide the Department with a plan for and the results of the review and assessment within a reasonable amount of time.

The Department should take the following corrective actions:

- Assess the State-funded transactions relating to the \$1,478,446[✓] and any amount identified by SANBAG and determine if the Department should seek reimbursement from SANBAG. The assessment should include developing an action plan to collect all questioned costs or identify the Department's rationale for acceptance of these costs.
- Consult with the Federal Highway Administration (FHWA) to determine if the Department should seek reimbursement from SANBAG for \$544,778 questioned costs claimed and any other amount identified by SANBAG associated with federally funded procurements.

**SANBAG
Response**

**Auditor's Analysis
of SANBAG
Response**

✓ = Revised

**Finding 2 -
Contract
Administration
Needs
Improvement**

SANBAG did not maintain a contract administration system to ensure consultants perform in accordance with the terms, conditions and specifications of their contracts or purchase orders. As a result, SANBAG risks over or under billing the Department or other funding sources. 49 CFR Part 18.36(b)(2) states, "*Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.*" 49 CFR Part 18.20(b)(3) states in part, "*Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets...*"

We reviewed various payment transactions and noted inadequate contract administration practices related to six contracts (see Attachment II). The exceptions included failure to enforce compensation provisions, amending expired contracts, improper methods of payment, unallowable third party contract provisions and unallowable payments. As a result, SANBAG approved unallowable costs and executed inappropriate contracts. We identified at least \$156,645 of questioned costs that were billed to and reimbursed by the Department due to the issues identified below. This amount does not include costs associated with the procurement concerns identified in Finding 1. Specifically, we found the following:

Federally Funded Contracts

- **Advantec Contract 09-179**
Per Article 3.2 of the contract, specific hourly billing rates identified in the contract were to be reimbursed. However, SANBAG reimbursed hourly rates charged on the July 2009 invoice that did not agree to the specified rates in the contract. (All costs associated with this contract are identified in Finding 1 for procurement exceptions).
- **Republic Electric Contract 06-056**
Contract Change Order 14, approving extra work performed on or about November 14, 2007, was not signed by SANBAG staff until three months after the work was performed. Contract Change Order 14-1 for additional extra work performed in February 2008 was dated by SANBAG on April 8, 2008. The works performed were not emergency or safety related. (\$11,612 is questioned).
- **Albert Grover Associates Contract 04-010**
Per Article 3.2 of the contract, specific hourly billing rates were to be reimbursed. However, SANBAG reimbursed hourly rates charged on the May 2008 invoice that did not agree to the rates specified in the contract. In addition, SANBAG intended to extend the term of the

**Finding 2 –
(Continuous)**

original contract by amendment. However, the amendment excluded reference to the extended contract date. (\$28,650 is questioned).

State Funded Contracts:

- HDR Contract 08-011
Per Article 3.2 of the contract the contractor's fee is described as a "fixed percentage fee." However the contract cost proposal was presented as specific hourly rate contract. We noted that subcontractor services were over-compensated and/or reimbursed for tasks not identified in Attachment B "Detailed Labor and Fee Breakdown" of the contract. (All costs associated with this contract are identified in Finding 1 for procurement exceptions).
- KOA Corporation Contract 08-014
Per Articles 3.2 and 3.4 of the contract, specific hourly billing rates were to be reimbursed. However, SANBAG reimbursed the contractor based on percentage of work complete. SANBAG was unable to support the basis for reimbursement based on percentage of works completed. (All costs associated with this contract are identified in Finding 1 for procurement exceptions).
- San Bernardino County Real Estate Services Department Cooperative Agreement 95-065
The method of payment is not explicitly stated in the Agreement. However, Sections II (3) and (7) of the cooperative agreement imply that payment is to be based on type of service rendered, e.g. \$1,500 per appraisal. The original cooperative agreement expired on June 30, 1998, but SANBAG amended the cooperative agreement in April 2001. In addition, invoices from the Real Estate Services Department dated May 2009 showed payments were based on \$65 per hour. However, SANBAG was unable to provide support to document the basis for this rate. (\$116,383 is questioned).

Local Assistance Procedures Manual, Chapter 10 states in part, "The contract administrator must be a public employee qualified to ensure the work pursued is complete, accurate and consistent with the terms, conditions and specifications of the contract. ...The use of a consultant for a "management" role should be limited to unique or very unusual situations. ..." Based on interviews with SANBAG staff, we found that staff were unfamiliar with the terms of contracts they were managing and/or placed reliance on contracted personnel to assume critical roles of contract managers as a routine practice rather than in unique or unusual situations.

✓ = Revised

Recommendation

SANBAG should take the following corrective actions:

- Ensure that staff assigned as contract managers have knowledge of contract terms, and ensure contractor work is complete, accurate and consistent with terms, conditions and specifications of the contract.
- Train staff who engage in contract management functions on the applicable standards and ensure the standards are followed.
- Document contract management policies and procedures in writing.
- Assess and review other invoices billed under the contracts to identify other questionable costs.

The Department should take the following corrective actions:

- Assess the State-funded transactions relating to the contract costs totaling \$116,383 and determine if the Department should seek reimbursement from SANBAG. The assessment should include developing an action plan to collect all questioned costs or identify the Department's rationale for acceptance of these costs.
- Consult with the Federal Highway Administration (FHWA) to determine if the Department should seek reimbursement from SANBAG for \$40,262 questioned costs claimed associated with the federally funded contracts.

**SANBAG
Response**

**Auditor's Analysis
to SANBAG
Response**

**Finding 3 -
Missing Contracts
Provisions**

SANBAG did not include required contract provisions in five contracts audited. See Attachment III for a summary of contracts and provisions reviewed. The lack of adequate fiscal provisions in SANBAG's consultant contracts increases the risk of unallowable costs and can result in SANBAG's inability to recover unallowable costs from consultants.

The Federal Master Agreement Article V, Paragraph 7 states in part, "Any subcontract entered into by ADMINISTERING AGENCY as a result of this Agreement shall contain all the provisions of Article IV, Fiscal Provisions, and this Article V, Audits, Third Party Contracting Records Retention and Reports, ..." The State Master Agreement Article I, Paragraph 15 states in part, "...ADMINISTERING AGENCY agrees that a reference to Office of Management and Budget (OMB) A-87 or the Code of Federal Regulations,

San Bernardino Associated Governments
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✓ = Revised

ATTACHMENT I - Improper Procurement

	Federally Funded	State Funded			Total
Description	Traffic Signal System	Engineering and Environmental Services	State Route 58 Truck Study	Freeway Service Patrol	
Transaction Number	none noted	07-102	08-014	09-093	
Contract Awardee	Advantec	HDR Engineers	KOA Corporation	Various Tow Companies	
Criteria	49 CFR 18.36(b)(9)	49 CFR 18.36(b)(9)	49 CFR 18.36(b)(9)	49 CFR 18.36(b)(9)	
	49 CFR 18.36(d)(3)(i)	49 CFR 18.36(d)(3)(i)	49 CFR 18.36(d)(3)(i)	49 CFR 18.36(d)(3)(i)	
	49 CFR 18.36(f)	49 CFR 18.36(f)	49 CFR 18.36(f)	49 CFR 18.36(f)	
	LAPM Chapter 10	LAPM Chapter 10	LAPM Chapter 10	LAPM Chapter 10	
	SANBAG Policy 11000 Section VII.A.2.d	SANBAG Policy 11000 Section VII.A.2.d	SANBAG Policy 11000 Section VII.A.2.d	SANBAG Policy 11000 Section VII.A.2.d	
Funding Source Charged	CMTLSPL-6053 (077)	75A0262	74A0319	FSP08- 6053(075)	
Amount tested and Found Questionable in Finding 1	\$544,778	\$164,729	\$86,589	\$43,562	\$839,658
Untested amount billed during audit period	\$0	\$1,002,617 ✓	\$120,947	\$60,002	\$1,183,566 ✓
Total Questioned Cost	\$544,778	\$1,167,346 ✓	\$207,536	\$103,564	\$2,023,224 ✓

Attachment II - Contract Administration

Contract Awardee	Federally Funded				State Funded			
	Contract Number	Funding Source Charged	Amount Reimbursed during audit period	Criteria	Contract Number	Funding Source Charged	Amount Reimbursed during audit period	Criteria
	09-179	CMTLSPL-6053-077	\$544,778 *	49 CFR 18.36(b)(2)	07-102	HDR Engineers	\$164,729 *	49 CFR 18.36(b)(2)
	06-056	CMLG-6053-054	\$11,612	49 CFR 18.36(b)(2) LAPM Chapter 16	04-010	Albert Grover Associates	\$28,650	49 CFR 18.36(b)(2) 49 CFR 18.20(b)(5) SANBAG Policy 11000 Section IX.A.1
	08-014	74A0319	\$86,589 *	49 CFR 18.36(b)(2)	08-014	KOA Corporation	\$86,589 *	49 CFR 18.36(b)(2)
	09-065	TCRP-6053-051	\$116,383	49 CFR 18.36(b)(2) 49 CFR 18.20(b)(5) LAPM Chapter 10	09-065	San Bernardino Real Estate Services	\$116,383	49 CFR 18.36(b)(2) 49 CFR 18.20(b)(5) LAPM Chapter 10

* This amount was identified in Finding 1. Total not included in finding 1 was \$156,645, including \$40,262 for federally funded projects and \$116,383 for State funded projects.

San Bernardino Associated Governments
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Attachment III - Missing Contract Provisions

Required Contract Provisions and Applicable Criteria	Remedies for Breach of Contract (>\$100,000)	Termination for Cause or Convenience (>\$10,000)	Access to Records (audit)	Record Retention	Fiscal Provisions (CFRs: 49 part 18; 48 part 31)
	49 CFR 18.36(i)(1)	49 CFR 18.36(i)(2)	49 CFR 18.36(i)(10)	49 CFR 18.36(i)(11)	Article IV of the Master Agreement
08-145 Tyler Technologies, Inc.	Y	Y	N	N	N
06-043 Jacobs	Y	Y	Y	Y	N
C09-196 Skanska-Rados, A Joint Venture	N	N	N	N	N
C10005 Kinder Morgan (aka SFPP)	N	N	N	Y	N
95-065A-01 Real Estate Services	N	N	N	N	N

San Bernardino Associated Governments
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Attachment IV
Regulating Criteria

2 CFR Part 225, Appendix A, Section C states in part, "... To be allowable under Federal awards, costs must meet the following general criteria: ... j. Be adequately documented."

2 CFR Part 225, Appendix B.9 states in part, "Contributions to a contingency reserve or similar provision made events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable."

49 CFR Part 18.20(b)(5) states in part, "Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of cost."

49 CFR Part 18.36(b)(1) states "Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

49 CFR Part 18.36(b)(2) states "Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders."

49 CFR 18.36(b)(9) states in part, "Grantees ... will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

49 CFR Part 18.36(c)(4) states in part, "Grantees and subgrantees will ensure that all prequalified lists of persons, firms or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. ..."

49 CFR Part 18.36(d)(3)(i) states in part, "Requests for proposals will be publicized and identify all evaluation factors and their relative importance..."

49 CFR Part 18.36(f) states in part, "Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or

change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation...”

49 CFR Part 18.36(f)(4) states, *“The cost plus percentage of cost and percentage of construction cost methods of contracting shall not be used.”*

49 CFR Part 18.36(i) states in part, *“A grantee’s and subgrantee’s contracts must contain provisions in paragraph (i) of this section... (1) Administrative, contractual or legal remedies in instances where contractors violate or breach contract terms... (2) Termination for cause or convenience... (10) Access by the grantee, ... or any of their duly authorized representatives to any books, documents, papers, and records of the contractor... (11) Retention of all required records for three years...”*

Article IV, Paragraph 17 of the Federal Master Agreement states in part, *“Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors ... shall not exceed rates authorized to be paid rank and file STATE employees...”*

The Department’s Local Assistance Procedures Manual (LAPM) Chapter 10, page 10-24 states in part, *“The frequency and format of the invoices/progress payments are to be determined by the contract. ...”* See Attachment II for details on exceptions in this area.

LAPM Chapter 16, Page 16-18 states in part, *“Any change of work required which was not included in the contract must be covered by a contract change order. All change orders are to be approved by the administering agency in advance of any work being done on the change...”*

SANBAG’s Contracting and Procurement Policy, Section VII.A.2.d states in part, *“SANBAG will maintain a control record as RFP packets are distributed indicating the date and time of distribution...”*

SANBAG’s Contracting and Procurement Policy, Section IX.A.1 states in part, *“In those instances where it has been determined that professional services are required beyond the term of the existing contract, the standard practice shall be for the contract to be reviewed prior to the end of the contract performance period and assessed relative to (1) the scope and continued need for the function performed, (2) the adequacy of performance under the contract, and (3) other terms and conditions of the agreement. ...”*

Common contract law prohibits amending an expired contract.

San Bernardino Associated Governments
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Attachment V - List of Agreements included in Audit Period

Agreement Number	Federal or State Funding	Participating Costs
STPLN-6053(037)	Federal	2,204.64
TCRP-6053(051)	State	14,641,236.59
CMLG-6053(054)	Federal	1,050,920.85
TCRP-6053(055)	State	3,277,125.86
HP21LN-6053(057)	Federal	108,446.92
CMLN-6053(059)	Federal	569,009.88
CMLN-6053(060)	Federal	3,103,585.57
STPLN-6053(063)	Federal	422,881.86
CML-6053(065)	Federal	1,141,036.13
STPLNER-6053(067)	Federal	8,262.60
CML-6053(071)	Federal	270,935.00
CMLN-6053(072)	Federal	10,203,620.86
FSP08-6053(075)	State	1,557,308.97
PPM09-6053(076)	State	1,200,000.00
CMTLSPL-6053(077)	Federal	544,777.88
CMLG-6053(078)	Federal	2,462.54
FSP09-6053(079)	State	39,796.15
75A0262	State	1,167,346.21
74A0319	State	256,139.70
75GS6106	State	5,297,409.38
TCRP 06-059	State	2,895,128.86
	Total	47,759,636.45

Attachment 2

July 16, 2012

Zilan Chen, Chief
External Audits-Local Governments
Audits and Investigations
California Department of Transportation
P.O. Box 942874
MS-2
Sacramento, California 94274-0001

SUBJECT: INCURRED COST AUDIT, P-1580-0013

Dear Ms. Chen:

San Bernardino Associated Governments (SANBAG) submits this formal response to the Incurred Cost Audit performed by the California Department of Transportation (Caltrans) dated March 14, 2012, as revised.

As identified in the referenced report, Caltrans Audits and Investigations audited costs claimed by SANBAG totaling \$47,759,636 from the period of July 1, 2008 to December 31, 2009. Based on Caltrans conclusions, it was determined that \$37,467,349 were supported and in compliance with agreement provisions and \$2,179,869 were not adequately supported and were not in compliance with agreement provisions, and State and federal regulations. According to the report, with respect to the additional \$8,112,419 of consulting and professional service costs procured by SANBAG using the Requests for Proposal (RFP) process, Caltrans could not express an opinion as to whether the costs were in compliance with federal procurement regulations.

SANBAG acknowledges that certain procurement processes were not in place in 2009. Since 2009, SANBAG has made significant changes to the contracts and procurement area, which has strengthened its procurement practices. Specifically, SANBAG has brought in a Contracts Manager and a full-time Contract Administrator to provide oversight, guidance and training to SANBAG staff relative to procurement. Existing procurement policies are being strictly enforced by the contracts staff, additions and modifications to procurement policies and procedures have been put in place, and SANBAG has updated all of its contract templates to bring the documents current with State and federal regulations.

SANBAG has committed the necessary resources to address the deficiencies noted in the report and provides the following responses to the findings.

Finding 1 – Improper Procurement Practices- SANBAG did not follow procurement practices, as required by Title 49, Code of Federal Regulations (CFR) Part 18.36 and the Master Agreements between SANBAG and Caltrans.

Recommendation – SANBAG should take the following corrective actions:

- Ensure proper procurement procedures are followed in accordance with 49 CFR Part 18.36, Master Agreements between SANBAG and Caltrans, and SANBAG's written procurement procedures.
- Seek training for management and staff in proper procurement practices.
- Maintain adequate documentation to support proper procurement procedures.
- Review billing records to determine the amount of costs associated with the contracts identified in the report billed outside our audit period.
- Assess similar procurement transactions for compliance and identify any other questionable costs.
- Provide Caltrans with a plan for and the results of the review and assessment within a reasonable amount of time.

SANBAG Response –

- With the addition of SANBAG's Contracts Manager and Contract Administrator, SANBAG has specific staff dedicated to ensure that procurement policies and procedures are being followed.
- SANBAG has conducted several procurement-training sessions with management and staff and will continue to do so on a regular basis. A procurement manual is being developed as a resource for all staff and is anticipated to be completed in early 2013.
- A contract file process has been implemented whereby staff has specific information of what must be included in the contract file which when completed is audited by the Contract Administrator.
- SANBAG will provide Caltrans with a written plan that identifies the process that will be used to review the billing records, and other procurement transactions for compliance. The plan will be submitted to Caltrans for review prior to the implementation of the audit. Upon completion of the audit, SANBAG will prepare a written report indicating the findings of the audit, which will be submitted to Caltrans by a date mutually agreed to by SANBAG and Caltrans.

Ms. Chen
July 16, 2012
Incurred Cost Audit Response

Finding 2 -- Contract Administration Needs Improvement- SANBAG did not maintain a contract administration system to ensure consultants perform in accordance with the terms, conditions and specification of their contracts and purchase orders.

Recommendation - SANBAG should take the following corrective actions:

- Ensure that staff assigned as contract managers have knowledge of contract terms, and ensure contractor work is complete, accurate and consistent with terms, conditions and specifications of the contract.
- Train staff who engage in contract management functions on the applicable standards and ensure the standards are followed.
- Document contract management policies and procedures in writing.
- Assess and review other invoices billed under the contracts to identify other questionable costs.

SANBAG Response –

- With the additional support from the Contract Administrator as well as additional staff training, we believe that the contract (project) managers will have the training and resources to effectively manage the contracts according to the terms and conditions of those contracts.
- A procurement manual is currently in process, which will document all procurement policies and procedures. Upon completion, training will be conducted regularly for all SANBAG staff who manage contracts.
- Currently, SANBAG is soliciting proposals for on-call audit support that will be available to assist SANBAG in reviewing invoices for correct payment. The contract for the audit services will be in place by September.

Finding 3 – Missing Contract Provisions – SANBAG did not include contract provisions in five contracts audited.

Recommendation – SANBAG should take the following actions:

- SANBAG shall ensure that all contracts and/or consultant agreements contain the contract provisions required by the Master Agreements and 49 CFR Part 18.

SANBAG Response –

- In 2011, SANBAG revised and updated all contract templates to include appropriate contract provisions required by the Master Agreements and 49 CFR Part 18. SANBAG regularly reviews the

contract documents and will continue to update them as appropriate. For contracts that were let prior to 2011 and are being amended, staff is reviewing them on a case-by-case basis to see if they require updating to include requisite contract provisions.

Finding 4 -- Unclear Contracting and Procurement Policies, Procedures and Guidance – SANBAG's Contracting and Procurement Policy 11000 dated December 3, 2008, lacked clear guidance to ensure that the Federal Uniform Administrative Requirements set forth in 49 CFR Part 18 are followed in procurement transactions.

Recommendation – SANBAG should take the following actions:

- Revise the Contracting and Procurement Policy and Major Projects Program Contract Negotiations Guidelines to ensure they meet the minimum standards set forth in 49 CFR Part 18.36 and Local Assistance Procedures Manual, Chapter 10.
- Revise the Contract Negotiations Guidelines Policy so that it provides useful guidance for staff, and eliminates artificial limitations for consultant/contractor overhead rates.
- Train staff who engage in procurement transactions to ensure applicable State and federal requirements, as well as SANBAG's own policies are followed.

SANBAG Response –

SANBAG's Policy 11000 is undergoing review and as early as this August, SANBAG will be taking several modifications to SANBAG's Board of Directors (Board) for approval of those changes. The Board will also consider staff's request to rescind the Major Projects Program Contract Negotiations Guidelines in August. Staff will then prepare Contract Negotiations Guidelines for all of SANBAG and will supplement the guidelines with additional training.

Conclusion –

SANBAG acknowledges that its procurement practices were in need of strengthening at the time that Caltrans conducted this review. Since then, SANBAG has aggressively addressed those areas that were noted in the report. In 2010, SANBAG hired a Contracts Manager with extensive public agency experience to review existing procurement policies and practices. A comprehensive review was conducted by the Contracts Manager who has; revised SANBAG's contract and procurement templates to ensure compliance with State and federal requirements and inclusion of evaluation criteria weighting; conducted multiple staff training sessions regarding procurements; and completed a major revision of the RFP evaluation process which includes control logs, consistent score sheets, and all other relevant evaluation documentation.

Ms. Chen
July 16, 2012
Incurred Cost Audit Response

In 2012, SANBAG added and hired a new Contract Administrator to assist the Contract Manager in managing the contracts and procurement area and to ensure consistent application of SANBAG's Contracts and Procurement Policy. The Contract Administrator is also responsible for managing the RFP evaluation process to ensure consistent application of SANBAG's procurement policies.

Other improvements that are on going include: implementation of a centralized procurement filing system; and expanding SANBAG's process regarding the advertisement of the procurement in newspapers and trade journals to include all formal procurements. SANBAG has already developed a internal filing system of all contract documents which will be centrally located and maintained by limited SANBAG staff. Also, SANBAG is in the process of awarding an Audit contract to assist SANBAG in pre-award and post-award audits of Architectural & Engineering procurements. A continual review of SANBAG's Procurement Policies and Procedures is under way with initial modifications to the SANBAG Contracts and Procurement Policy being presented to a Board committee beginning this month and continuing throughout the next 12 months. A Procurement Manual will be created incorporating all changes approved by SANBAG's Board of Directors. Completion date of the Procurement Manual is early 2013. In the next few weeks, SANBAG will be submitting to you a detailed plan in which to address the audit of the contracts noted in the report and the timelines in which we anticipate completing that review, as noted above under SANBAG's response to Finding #1.

SANBAG appreciates the opportunity to respond to this report and identify where we have made significant improvements since 2010. We are committed to improving all of our business practices as required under State and federal guidelines.

Please contact me should you have any questions.

Sincerely,

Raymond Wolfe, PhD
SANBAG Executive Director



- 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: August 8, 2012

Subject: Policy Committee Meetings Going Dark in July and Board Meeting Going Dark in August

Recommendation:* That the Committee recommend that the Board of Directors adopt a policy to have the SANBAG Board of Directors meeting go dark in August and the Policy Committee meetings go dark in July.

Background: With at least five meetings every month requiring the attendance of Board Members and the preparation of an agenda and agenda items by SANBAG staff, almost every week of each month has deadlines. This makes it very difficult for leave and vacation to be planned, especially during the summer months, without impacting these deadlines in some fashion.

If SANBAG were to go dark with the Board of Directors and Policy Committee meetings one month in the summer, it would remove the potential impact to deadlines and allow staff and Board Members to plan for vacation time and not impact the work flow at SANBAG. If a decision is made in advance to go dark in a particular month, matters requiring Board action could be scheduled before or after that month. As always, the Board President has the ability to call a special meeting if a matter comes up that requires immediate action.

*

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.
 ADM1208b-dab

SANBAG staff is requesting that the Policy Committee meetings go dark in July and the Board meeting go dark in August of each year. The Policy Committee meetings feed into the Board Meeting of the following month and that is why the request is for the Policy Committee meetings going dark in July and the Board meeting going dark in August.

Financial Impact: This item will not impact the current adopted budget. This item has the potential to reduce future SANBAG budgets by \$11,200 due to one less month of Board stipends.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

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



- 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: August 8, 2012

Subject: Elimination of the Plans and Programs Committee

Recommendation:* That the Committee recommend that the Board of Directors eliminate the Plans and Programs Committee and direct staff to modify Policy 10000 "Policy Committee Relationships and Procedures" and Policy 10002 "SANBAG Policy Committee Membership" to be consistent with this action.

Background: SANBAG currently has five Policy Committees that meet each month in addition to the monthly Board Meeting. This number of committees dictates that SANBAG staff spend a great deal of time simply preparing agendas and the materials that go with each of those agendas.

SANBAG staff believes that the current work of the Plans and Programs Committee can be effectively distributed among the remaining four committees and continue to allow for sufficient time for discussion and debate in the remaining committees while eliminating the need for one more agenda to be prepared. This will free up some staff time, particularly among the administrative support staff, that can be utilized for other functions.

SANBAG's committees were created to insure that Board Members are able to discuss and debate items in a smaller setting with fewer agenda items than would be possible at the full Board meeting. Due to the size of our Board of Directors and the number of items, it would be impractical to have full discussion of each

*

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.
 ADM1208c-dab

item at the Board of Directors meeting. For this reason, SANBAG has placed great importance on participation in the Policy Committees.

As staff looked for ways to be more effective, each of the committees was evaluated to see if staff efforts could be consolidated and duplication eliminated. Below is a list of the committees and their general areas of responsibility.

- The Mountain/Desert Committee is required by Measure I and is the forum to discuss matters specific to the Mountain/Desert Region.
- The Major Projects Committee has a very full work load and is the committee where items specific to the Valley and the various freeway and interchange projects can be discussed.
- The Commuter Rail and Transit Committee deals specifically with that subject area and includes as members SANBAG Board Members that sit on the Metrolink Board of Directors and two members from the Mountain/Desert region that sit on transit agency boards.
- The Administrative Committee includes the Board Officers, the Chairs of the other Policy Committees, and representation by two city members and one county member from each of the three SANBAG subregions: Mountain/Desert, West Valley, and East Valley. This committee is responsible for policy direction for general organizational oversight, audit, finance, legislative affairs, personnel, and any item that is not covered by another committee.
- The Plans and Programs Committee provides policy direction on the Comprehensive Transportation Plan, the Congestion Management Plan, and programming issues related to the Regional Transportation Improvement Plan. The membership of this Committee includes all five members of the Board of Supervisors and three members each from the cities in the three SANBAG subregions.

After examining this information, staff felt that the Plans and Programs Committee could have its work divided among the other committees with the least impact to the way in which our Board members provide policy direction. Items that are specific to the Valley or the Mountain/Desert could go to the Major Projects Committee or the Mountain/Desert Committee respectively. Items that are of a more general nature or that affect the County as a whole could go to the Administrative Committee. Like the Plans and Programs Committee, the Administrative Committee has representation from across all three subregions and now has the Chairs of the other Policy Committees as members which make

this an even more ideal venue. In this way items would still get the review and discussion necessary so that Board Members could give proper policy direction.

Although professional staff would still need to prepare the same agenda items that would normally go to the Plans and Programs Committee, there would be one less agenda and one less meeting to prepare for and set up each month. This will have a positive impact on the ability of the administrative support staff to provide more quality control in putting together the remaining agendas and would provide them with more time to attend to the other routine items required for the daily operation of SANBAG.

Financial Impact: This item could reduce expenditures in the adopted SANBAG budget by up to \$14,000 for the remainder of the year due to reduced stipend payments.

Reviewed By: This item is scheduled for review by the Administrative Committee on August 8, 2012, and by the Plans and Programs Committee on August 15, 2012.

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



- 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: August 8, 2012

Subject: Repeal Policy No. 34504, "Major Projects Program, Contract Negotiation Guidelines"

Recommendation:* That the Committee recommend the Board of Directors:

1. Repeal Policy 34504, "Major Projects Program, Contract Negotiation Guidelines."
2. Direct staff to develop Contract Negotiation Guidelines and staff training.

Background: The SANBAG Board of Directors approved Policy 34504, "Major Projects Program, Contract Negotiation Policy" on June 7, 1995, a policy amendment in 2001 to increase an hourly labor rate, and another policy amendment in 2006 to remove an hourly labor rate. The Policy as amended, which is attached to this Agenda Item as Attachment A, identifies maximum allowable overhead rates for Architectural and Engineering (A&E) firms when submitting a cost proposal in response to SANBAG's Request For Proposals for A&E services. The Policy also identifies maximum hourly rates for computer aided design and drafting "CADD" work and computer services. Major Projects staff has followed the Policy since 1995 when negotiating A&E contracts.

	<p><i>Approved</i> Administrative Committee</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	X	CMA	X
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Check all that apply.

Recently, the California Department of Transportation (Caltrans) Office of Audits and Investigations, conducted an audit of SANBAG's incurred costs for contracts that were awarded between July 1, 2008 and December 31, 2009. Caltrans released the Audit report (Caltrans Audit Report) in March 2012. One of the findings in this report is that Policy 34504, which limits consultants' overhead rates is not in compliance with 23 CFR Part 172.7(b), which states in part, "indirect cost rates shall not be limited by any administrative or *de facto* ceilings...." Caltrans recommended that SANBAG's Policy be amended to remove the limitations on consultant's overhead costs.

SANBAG's response to the Caltrans Audit Report stated that SANBAG concurred with the finding in the report and that we would be requesting the SANBAG Board to repeal the Policy. Prior to the release of the Caltrans Audit Report, the Policy had been identified as one of several procurement items that required modification. To address this issue, the Contracts Manager worked with staff to release Request For Proposals (RFP) 12238, for On-Call Audit Services, which was approved by the Board on June 6th. Staff anticipates bringing the contract award to the Board in October. The firm who is awarded the On-Call Audit Services contract will be available on an as-needed basis to assist staff with the review of consultant's cost proposals including auditing their overhead rates to ensure compliance with state and federal Cost Guidelines.

As a result of the Caltrans Audit Report, staff is recommending that Policy 34504 be repealed and that the Board direct staff to develop Negotiation Guidelines compliant with state and federal guidelines for all SANBAG staff to use when negotiating contract costs. Upon the development and Board approval of those Negotiation Guidelines, training will be conducted with staff to ensure that they understand the Guidelines and the negotiation process. It is anticipated that the new Guidelines and training will be completed by December 31st.

In summary, staff is requesting the Committee recommend the Board repeal Policy 34504, and direct staff to develop Negotiation Guidelines and a staff-training component by approximately December 31, 2012.

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

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel and Contract Administrator have approved this item as to form.

Responsible Staff: Kathleen Murphy-Perez, Contracts Manager

ATTACHMENT "A"

San Bernardino Associated Governments	Policy No.	34504
Adopted by the Board of Directors June 7, 1995	Revised	9/21/06 5/2/01
Major Projects Program, Contract Negotiation Guidelines	Revision No.	2 1

Table of Contents
Maximum Overhead Rates Other Maximum Charges Revision History

I. MAXIMUM OVERHEAD RATES

Major Consulting Firms	150%
Geotechnical Firms	170%
Small Engineering Firms	155%
Small Engineering Firms With Surveying Emphasis	160%

II. OTHER MAXIMUM CHARGES

Maximum Direct Salary Rate	\$60.00
Maximum CADD Computer Rate	\$15.00 per hour
Maximum General Computer Rate	\$10.00 per hour

The rates represent maximums, and are intended to constitute policy guidance for staff in the negotiation of contracts. These policy maximums may be exceeded if specially justified. On the other hand, lower rates may also be negotiated, and prime contractors may demand lower overhead rates for their subcontractor.

III. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted.	06/07/95
1	Para. 34502.2: Maximum Direct Salary Rate changed to \$60.00 per hour from \$47.00 per hour.	05/02/01
2	Par. III: Deleted Maximum Direct Salary Rate Changed Par. 34504.1 to I, Par. 34504.2 to II, and Par. 34504.3 to III to conform to current paragraph formatting standards.	



- 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: August 8, 2012

Subject: Inland Empire Economic Partnership

Recommendation:* Receive a presentation on the efforts of the Inland Empire Economic Partnership (IEEP) to promote economic activity in the Inland Empire and provide direction on SANBAG's participation.

Background: The IEEP was formed to provide a regional voice to promote and enhance the economic vitality of the Inland Empire. The IEEP is a partnership that includes business, government, and academic leaders to develop and carry out initiatives to benefit the region.

SANBAG has been a member of the IEEP in the past but has deferred making a membership decision for this year. The reason for deferring the decision was that the IEEP was transitioning their organizational structure and programs and the SANBAG Board of Directors wanted more information about these changes before committing to membership.

Mr. Paul Granillo, President and Chief Executive Officer of the IEEP, will make a presentation to the Board of Directors on the IEEP's efforts and initiatives.

Financial Impact: This item is consistent with the adopted Fiscal Year 2012/2013 budget. Membership in the IEEP ranges from \$5,000 to \$25,000 depending on the level of participation. Funds for participation are included in the adopted

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*Approved
 Administrative Committee*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.
 ADM1208a-dab

Administrative Committee Agenda Item
August 8, 2012
Page 2

Fiscal Year 2012/2013 budget in Task 0104 – Intergovernmental Relations, should that be the direction of the Board of Directors.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

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



- 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: August 8, 2012

Subject: Inland Empire Annual Survey

Recommendation:* Based on discussions with SANBAG's Executive Staff and acknowledgement that the survey results are not being utilized by staff, it is recommended that SANBAG discontinue its \$20,000 annual sponsorship of the Inland Empire Annual Survey conducted by California State University San Bernardino (CSUSB) Institute of Applied Research and Policy Analysis.

Background: Since 1997, as part of SANBAG's role as a Council of Governments (COG), SANBAG has helped sponsor an annual survey about quality of life and transportation issues in San Bernardino County. The 15th Annual Inland Empire Survey was conducted in 2012 by the CSUSB Institute of Applied Research and Policy Analysis and the report summary was presented to the SANBAG Board of Directors at their June 6, 2012, meeting. Dr. Barbara Sirotnik of CSUSB presented results from the 15th Annual Inland Empire Survey as a means to provide information to public and private sector decision-makers.

The survey spans subject matter ranging from public sentiment on issues in the county, to driving information for daily commuters. Of the 66 questions in the 2012 survey, SANBAG sponsored 20 questions that were custom-created to address topics of current concern to SANBAG. The development of the 2012

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*Approved
 Administrative Committee*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.

ADM1208a-jed

Attachment:

ADM1208a1-jed

questions involved several members of the SANBAG Board, along with several SANBAG staff. Special efforts were taken to incorporate elements of the Countywide Vision Project.

In previous years, SANBAG developed a variety of questions related to transportation in the county, housing choices, lifestyle habits, vehicle choices, and other topics. During SANBAG's efforts to renew Measure I for 30 years (2010-2040), the questions were specifically crafted to provide insight into public support of these transportation funding efforts.

The general purpose of the annual survey has been to produce information for both public and private sector decision-makers by measuring:

- Public optimism or skepticism regarding the regional economy, personal economic well-being, and employment issues;
- Information relative to the Countywide Vision Project Elements currently under analysis;
- Commuting distances and destinations for employed county residents;
- Lifestyle choices as they may pertain to transportation planning;
- Public perception of key policy issues and the quality of public services in the Inland Empire;
- Customized transportation-related questions for the current times and economic conditions;
- Demographic characteristics of the public that have important policy implications, as well as views on amenities like shopping, educational opportunities, entertainment, and recreation; and
- Statistical differences between subareas of San Bernardino County.

However, since the survey results are not used by SANBAG staff, continuance of this sponsorship is now being reconsidered.

Following are two alternate approaches to consider:

- Because the data trends do not generally exhibit major fluctuations on an annual basis, SANBAG could sponsor the Inland Empire Annual Survey every four years or some other reduced frequency; or

- SANBAG could look for other surveys to include specific questions when we need them.

Additional information is provided on the following pages by CSUSB Institute of Applied Research and Policy Analysis Professors, Barbara Sirotnik, Ph.D., and Shel Bockman, Ph.D.

Financial Impact: SANBAG's contribution share to sponsor the Annual Survey is \$20,000 per year. Funding for the survey is consistent with the adopted 2012-2013 Budget for Publications and Public Outreach, Project No. 0605.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff: Jane Dreher, SANBAG Public Information Officer

ATTACHMENT

THE INLAND EMPIRE ANNUAL SURVEY: A VEHICLE TO PROMOTE GOOD GOVERNMENT

Why should SANBAG continue to be the major sponsor of the Inland Empire Annual Survey?

As noted in the quote below, survey research can provide decision makers with data invaluable for helping to make informed decisions.

“Citizen surveys have become a well-established tool across the United States. More and more jurisdictions are using structured mechanisms... to assess citizen priorities, get a sense of whether voters are happy with city services and solicit feedback about specific program and service areas.”

<http://www.governing.com/topics/mgmt/Citizen-Surveys.html>

For SANBAG, this means acquiring information relative to (1) concrete transportation decisions and policy, (2) its mission as a COG, (3) its accountability to the general public, (4) helping to document San Bernardino County’s unique identity, and (5) engaging the community.

(1) Concrete transportation decisions and policy

In the past, the Inland Empire Annual Survey has been one of the most important and cost effective ways to elicit citizens views regarding SANBAG transportation projects. Here are but a few examples of transportation issues addressed in recent Annual Surveys:

- Awareness of and use of Freeway Service Patrol program (in Valley area)
- Support for fees on goods moved through So Cal ports to pay for less polluting cargo trucks and trains
- Attitudes toward toll roads
- Willingness to rideshare, ride a bike to work, take a bus to work, or ride a train
- Support for ballot measures (including Measure I)

(2) SANBAG’s Mission as a COG

The Annual Survey has provided a wealth of data regarding the citizens’ views relative to SANBAG’s mission as a COG, including ongoing measurement of quality of life, evaluation of respondents’ economic well-being, evaluation of county services, and confidence in elected public officials.

Other than the Annual Survey, what mechanism is available to decision makers to accurately measure whether progress has been made in these areas? What better way is there to demonstrate to the public that the decision makers are concerned about constituents’ opinions and insights? If the Annual Survey goes away, who speaks for the community?

(3) **Accountability**

Every year the annual survey addresses citizen's evaluations of various services, including police/sheriff, maintenance of local streets and roads, entertainment, parks and recreation, and much more. In addition, this survey is one of the few vehicles to measure citizen's confidence that their elected officials will adopt policies that will benefit the general community.

"When government officials have good information on citizen service expectations and satisfaction, they have the potential to substantially improve government management. In the private sector, failing to provide managers with information on their bottom-line performance is almost unthinkable. For governments that are serious about "reinventing" themselves, failing to provide managers with information on citizen satisfaction should be equally unthinkable."

How Are We Doing? Using Citizen Surveys to Improve Government Management" by Michael H. Walker

"With improved accountability measures...citizens will be in a better position to make decisions regarding the effectiveness of their elected representatives because they will have more meaningful information on what is achieved with their tax dollars."

Robert H. Atmore, Chairman Governmental Accounting Standards Board, 3/2012
http://www.seagov.org/citizen/citizen_surveys.shtml

(4) **Documenting San Bernardino County's Unique Identity**

We've heard over and over again that San Bernardino County's identity is often "lost" in statistics that are produced for Southern California or the Greater Los Angeles Metropolitan Statistical Area (MSA). The San Bernardino chapter of the Inland Empire Annual Survey provides *an identity for the county*, both in terms of its strengths and its needs. For example, typically the Community Foundation includes some of the Annual Survey findings in its Community Indicators Report. The Annual Survey provides an important database about San Bernardino County which won't exist anywhere if the survey ceases to exist. Yes, there are other sponsors of the Annual Survey, and yes, the Annual Survey will continue with or without SANBAG's support. But without SANBAG's support the sample size (1,000 respondents in the county) will have to be severely curtailed and information regarding regional breakouts will no longer be available.

(5) **Engaging the Community**

SANBAG is a major sponsor of the Annual Survey, but it is not the only sponsor. Other organizations have used this vehicle to engage the community and help citizens to feel a part of decision making. In short, SANBAG and other survey sponsors have given the citizens of the county a voice.

Over the years, many organizations have sponsored the survey to gain information relative to the services, goods or information they provide to County residents and/or their constituents. Some of these sponsors include Riverside County Transportation Commission, CSUSB, UCR, Omnitrans, Charter Communications, San Bernardino International Airport, Superintendent of Schools for both Riverside and San Bernardino Counties, Inland Empire Economic Partnership (IEEP), the City of San Bernardino, First 5 of San Bernardino, San Bernardino Economic Development Agency, Riverside County Economic Development Agency, Mojave Water Agency, Metropolitan Water District, and Western Riverside Council of Governments.

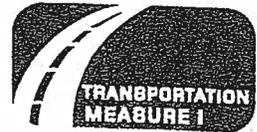
Final Comments

Some might argue that there are other, better, and cheaper, ways to gather information from the community. We respectfully disagree.

“What little customer feedback public sector managers receive typically comes from interest groups and squeaky wheels. Feedback from the bulk of their customers – the silent majority, if you will – comes only at election time and provides little guidance to career government managers who actually manage the day-to-day delivery of public services. To close this feedback gap, some government managers have begun using community needs assessments and other survey techniques to gauge the effectiveness of their operations, identify unmet public needs and improve service delivery.”

How Are We Doing? Using Citizen Surveys to Improve Government Management” by Michael H. Walker

In summary, a high ranking San Bernardino County public official once told us that evaluating the effectiveness of government programs and policies does not just miraculously occur. Strategic planning, a process critical for all organizations in both the private and public sectors, requires “speaking with data.” We hope SANBAG and its board recognizes the need for good, current data and will continue to contribute to this important survey.



- 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: August 8, 2012

Subject: Legislative Update

Recommendation:* Receive update and legislative bill matrix

Background: Last month the Legislature was on Summer Recess and will reconvene on August 6th. During the month of August fiscal committees will meet and report bills to their respective floors. August 31st will be the last day for each house to pass bills before Final Recess begins. Attached is an updated bill matrix.

Congress is on recess until September 7th.

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

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committees.

Responsible Staff: Eric Haley, Acting Director, Legislative Affairs

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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.

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
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	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 Hearing 8/6/12	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 (Blumenfield) 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"	

Bill	Issue	Summary	Recommended Position	Platform	Known Support/Opposition	Position Taken
ACA 23 (Perea) Asm. Appropriations	Voting Requirement	<p>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%.</p>	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