

AGENDA

Board of Directors Meeting

October 2, 2013

Start Time: 10:00 a.m.

LOCATION

**San Bernardino Associated Governments
Santa Fe Depot - SANBAG Lobby 1st Floor
1170 W. 3rd Street, San Bernardino, CA**

Board of Directors

President

Bill Jahn, Council Member
City of Big Bear Lake

Vice-President

L. Dennis Michael, Mayor
City of Rancho Cucamonga

Cari Thomas, Mayor
City of Adelanto

Curt Emick, Mayor
Town of Apple Valley

Julie McIntyre, Mayor
City of Barstow

Dennis Yates, Mayor
City of Chino

Ed Graham, Vice Mayor
City of Chino Hills

Frank Navarro, Council Member
City of Colton

Michael Tahan, Council Member
City of Fontana

Walt Stanckiewicz, Mayor
City of Grand Terrace

Mike Leonard, Council Member
City of Hesperia

Larry McCallon, Mayor
City of Highland

Rhodes "Dusty" Rigsby, Mayor
City of Loma Linda

Paul Eaton, Mayor
City of Montclair

Edward Paget, Mayor
City of Needles

Alan Wapner, Council Member
City of Ontario

Pete Aguilar, Mayor
City of Redlands

Deborah Robertson, Mayor
City of Rialto

Patrick Morris, Mayor
City of San Bernardino

Jim Harris, Council Member
City of Twentynine Palms

Ray Musser, Mayor
City of Upland

Ryan McEachron, Mayor Pro Tem
City of Victorville

Dick Riddell, Council Member
City of Yucaipa

George Huntington, Council Member
Town of Yucca Valley

Robert A. Lovingood, Supervisor
County of San Bernardino

Janice Rutherford, Supervisor
County of San Bernardino

James Ramos, Supervisor
County of San Bernardino

Gary Ovitt, Supervisor
County of San Bernardino

Josie Gonzales, Supervisor
County of San Bernardino

Basem Muallem, Caltrans
Ex-Officio Member

Ray Wolfe, Executive Director

Eileen Teichert, SANBAG Counsel

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
County Congestion Management Agency
Service Authority for Freeway Emergencies**

AGENDA

Board of Directors

**October 2, 2013
10:00 a.m.**

**1170 W. 3rd Street, 1st Floor Lobby
San Bernardino, CA**

To obtain additional information on any items, please contact the staff person listed under each item. You are encouraged to obtain any clarifying information prior to the meeting to allow the Board to move expeditiously in its deliberations. Additional meeting procedures and agenda explanations are attached to the end of this agenda.

Call to Order 10:00 a.m. by Council Member Bill Jahn

- I. Pledge of Allegiance
- II. Attendance
- III. Announcements:
 - Calendar of Events (Pg. 16)
- IV. Agenda Notices/Modifications – Vicki Watson

**1. Possible Conflict of Interest Issues for the Board Meeting of Pg. 17
October 2, 2013**

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

Items listed on the Consent Calendar are expected to be routine and non-controversial. These items have been discussed at SANBAG Policy Committee meetings and made available for public review as noted in the agenda. The Consent Calendar will be acted upon as a single motion. Items on the Consent Calendar may be removed for discussion by Board Member Request. Items pulled from the consent calendar will be brought up under **Agenda Item 27.**

Notes/Actions:

Consent Calendar Continued....

Administrative Matters

2. **Board of Directors Attendance Roster** Pg. 20

3. **August 2013 Procurement Report** Pg. 24

Receive August 2013 Procurement Report. **William Stawarski**

This item was received by the General Policy Committee on September 11, 2013.

4. **Budget to Actual Report for fourth quarter ending June 30, 2013** Pg. 30

Receive and file Budget to Actual Report for fourth quarter ending June 30, 2013. **William Stawarski**

This item was received by the General Policy Committee on September 11, 2013.

5. **Final Encumbrances for Fiscal Year 2013/2014** Pg. 34

Approve final encumbrances in the amount of \$14,773,427.74, listed in Table 1, to be formally incorporated into San Bernardino Associated Government's Fiscal Year 2013/2014 Budget. **William Stawarski**

This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

6. **Approve Financing Team for Investment Banking Services** Pg. 36

1. Approve Bank of America Merrill Lynch, Barclays, Citigroup Global Markets Inc., Goldman Sachs, and RBC Capital Markets as the Financing Team for Investment Banking to serve in an underwriting pool to be used for future bond transactions.

2. Authorize the Executive Director, or his designee, to execute Bond Purchase Contracts at the time of the bond issuance. **William Stawarski**

This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item as to form.

Consent Calendar Continued....

Administrative Matters (Cont.)

7. Assistant General Counsel Contract Amendment Pg. 40

1. Approve the first amendment to legal services agreement C13036 with Robert D. Herrick to provide Assistant General Counsel legal services increasing the agreement amount by \$210,000 for a new not-to-exceed total of \$420,000 and extending the term to October 31, 2014, and authorize General Counsel to execute the agreement amendment on behalf of San Bernardino Associated Governments.

2. Approve Fiscal Year 2013/2014 Budget Amendment to increase Task Number 0120, Indirect-General, in the amount of \$79,000, and increase Task Number 0105, Indirect-Project Management in the amount of \$79,000 which will be funded by various funding sources through indirect cost allocation. Eileen Monaghan Teichert

This item has been reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Amendment as to form.

Regional/Subregional Planning

8. Budget amendment for Task 0495 - Greenhouse Gas Pg. 44

Approve a Fiscal Year 2013-2014 budget amendment increasing Task No. 0495, Greenhouse Gas in the amount of \$100,000, funded by Measure I 1990-2010 Transportation Management and Environmental Enhancement (TMEE) funds. Steve Smith

This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

9. Update on the Integrated Transit and Land Use Planning for the Foothill Boulevard/5th Street Transit Corridor Pg. 47

Receive information on the draft findings from the Foothill Boulevard/5th Street Transit Corridor planning study. Steve Smith

This item was received by the Board of Directors Metro Valley Study Session on September 12, 2013.

Council of Governments

10. State and Federal Legislative Update Pg. 52

Adopt proposed principles related to the establishment of a San Gabriel Mountains National Recreation Area as noted in the background of this agenda item under Federal Update. Wendy Strack

This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

Consent Calendar Continued....

Project Delivery

**11. Interstate 215/Barton Road Interchange Improvement Project Pg. 82
Alternate Delivery Method**

That the Board of Directors, acting as the San Bernardino County Transportation Commission approve using the alternative delivery method of Construction Manager/General Contractor (CM/GC) for the I-215/Barton Road Interchange Project. Garry Cohoe

This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

**12. Interstate 10 Tippecanoe Interchange Improvement Project – Pg. 96
Phase I**

That the Board of Directors, acting as the San Bernardino County Transportation Authority:

1. Approve Amendment No. 1 to Contract No. C11215 with Simon Wong Engineering for Construction Management services for the I-10 Tippecanoe Interchange Improvement Project – Phase I, an increase of \$300,000 for a new not-to-exceed amount of \$2,051,730.00,

2. Approve an increase of contingency to Contract No. C11215 with Simon Wong for the I-10 Tippecanoe Interchange Improvement Project – Phase I, of \$100,000 for a new not-to-exceed contingency amount of \$275,173.00 and authorize the Executive Director or designee to release contingency as necessary for the project.

3. Approve an increase in construction contingency for Contract No. C12196 with Ortiz Enterprises Incorporated for the I-10 Tippecanoe Interchange Improvement Project – Phase I in the amount of \$500,000.00, for a new not-to-exceed Allowance/Contingency amount of \$2,206,154.20. Garry Cohoe

This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the amendment.

Consent Calendar Continued....

Project Delivery (Cont.)

13. Interstate 10 Tippecanoe Interchange Improvement Project – Phase II Pg. 102

That the Board of Directors, acting as the San Bernardino County Transportation Authority:

1. Approve award of Contract No. C13130 with Simon Wong Engineering for Construction Management services for the I-10 Tippecanoe Interchange Improvement Project – Phase II in an amount not-to-exceed \$2,475,000.00, after receipt of the Caltrans Conformance Letter and correction of any deficiencies noted therein, as required by Caltrans' Local Assistance Procedures Manual.
2. Approve a contingency amount of \$247,500.00 for Contract No. C13130 and authorize the Executive Director or designee to release contingency as necessary for the project. **Garry Cohoe**

This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the contract.

14. Interstate 15 Base Line Interchange Improvement Project Pg. 166

That the Board of Directors, acting in its capacity as the San Bernardino County Transportation Authority:

1. Approve Amendment No. 1 to the Advance Expenditure Agreement No. C13030 with the City of Rancho Cucamonga for all phases of the Interstate 15 Base Line Road Interchange Improvement Project to increase the project cost by \$1,745,000.00 for a new total project cost of \$57,503,000.00.
2. Approve Amendment No. 1 to Construction Cooperative Agreement No. R13028 with the City of Rancho Cucamonga for the Interstate 15 Base Line Road Interchange Improvement Project to increase the cost by \$721,000.00 for a new total of \$43,471,000.00; amending the agreement to address invoicing and reimbursement of State Local Partnership Program funds and federal funds; and amending the agreement to address timing and amounts of escrow deposits. **Garry Cohoe**

This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the amendments.

Consent Calendar Continued....

Project Delivery (Cont.)

15. Interstate 10 Tippecanoe Avenue Interchange Project – Phase II Pg. 180

That the Board of Directors acting in its capacity as the San Bernardino County Transportation Commission approve the Plans, Specifications, and Estimate (PS&E) and authorize advertising Invitation for Bids for construction of the Interstate 10 Tippecanoe Phase 2 Interchange Project, and take the award of the construction contract directly to the Board without prior Metro Valley Study Session review. **Garry Cohoe**

This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Transit/Rail

16. Transportation Development Act Triennial Performance Audit for Fiscal Years 2008/2009 to 2010/2011 San Bernardino Associated Governments (SANBAG) Pg. 182

Receive Triennial Performance Audit Report for Fiscal Years 2008/2009 through 2010/2011 for San Bernardino Associated Governments. **Mitch Alderman**

This item was received by the General Policy Committee on September 11, 2013.

17. Receive Financial Audits for Transit Operators Pg. 193

1. Receive Morongo Basin Transit Authority (MBTA) Basic Financial Statements for Fiscal Year 2011/2012.

2. Receive Victor Valley Transit Authority (VFTA) Basic Financial Statements for Fiscal Year 2011/2012. **Mitch Alderman**

This item was received by the Mountain/Desert Committee on September 13, 2013. The finance department has reviewed and approved this item.

18. Measure I Valley Express Bus (VEB) and Bus Rapid Transit (BRT) Funding Report Pg. 283

Approve suspending future allocations of Measure I Valley Express Bus and Bus Rapid Transit funds on the development of bus rapid transit improvements beyond E Street sbX until Fiscal Year 2018/2019. **Mitch Alderman**

This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Consent Calendar Continued....

Transit/Rail (Cont.)

19. **Award of Federal Transit Administration (FTA) Sections 5316 – Job Access Reverse Commute and Section 5317 - New Freedom Grant Program** Pg. 286

Approve the award of FTA Section 5316 and Section 5317 to the following projects:

San Bernardino Valley

Totaling \$3,633,896 in Federal funds, with local matching funds in the amount of \$2,331,755:

- a) Community Senior Services Community Connections - \$374,450 in FTA Section 5317 New Freedom funds for their mileage reimbursement volunteer driver program for seniors and persons with disabilities;
- b) Central City Lutheran Mission/Foothill Aids Project - \$54,727 in FTA Section 5316 and \$98,231 in FTA Section 5317 New Freedom Funds for HIV medical and work transportation;
- c) Victor Valley Transit Authority – \$167,429 in FTA Section 5316 and \$65,332 in FTA Section 5317 New Freedom Funds for the BV Link (Valley Portion);
- d) Pomona Valley Workshop – \$318,751 in FTA Section 5316 and \$123,960 in FTA Section 5317 New Freedom Funds for PVW in Motion;
- e) Valley Transportation Services – \$62,500 in FTA Section 5316 and \$250,000 in FTA Section 5317 New Freedom Funds for Transportation Reimbursement Escort Program (TREP).
- f) Valley Transportation Services – \$426,056 in FTA Section 5316 and \$255,634 in FTA Section 5317 New Freedom Funds for Travel Training Program;
- g) Omnitrans – \$175,518 in FTA Section 5316 for OmniGo 325 (Grand Terrace).
- h) Omnitrans – \$32,000 in FTA Section 5317 New Freedom Funds for Travel Training Bus Operating cost;
- i) Omnitrans – \$24,000 in FTA Section 5317 New Freedom Funds for Travel Training DVD;
- j) Omnitrans – \$370,272 in FTA Section 5316 Job Access Reverse Commute for OmniGo 308, 309 and 310 (Yucaipa).
- k) United Way 211 - \$181,309 in FTA Section 5316 Job Access Reverse Commute and \$60,436 in FTA Section 5317 New Freedom Funds for 211 Access Mobility and Marketing;
- l) OPARC – \$353,776 in FTA Section 5316 Job Access Reverse Commute and \$10,074 in FTA Section 5317 New Freedom Funds for OPARC Connect;

Agenda Item 19 Continued.....

m) Valley Transportation Services – \$100,000 in FTA Section 5316 Job Access Reverse Commute for VTrans Ride;

n) Omnitrans –\$129,441 in FTA Section 5316 Job Access Reverse Commute for OmniGO 365 (Chino Hills).

Victor Valley

Totaling \$692,023 in Federal funds, with local matching funds of \$331,081.

a) Victor Valley Community Service Council - \$74,825 in FTA Section 5317 New Freedom Funds for Senior and Disabled Transportation;

b) Victor Valley Transit Authority – \$443,876 in FTA Section 5316 Job Access Reverse Commute for Mobility Management;

c) Victor Valley Transit Authority – \$88,200 in FTA Section 5316 Job Access Reverse Commute and \$85,122 in FTA Section 5317 New Freedom Funds for a travel training bus. **Mitch Alderman**

This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

20. Amendment No. 1 to Contract No. C12077, A/E Services for the San Bernardino Transit Center Omnitrans Bus Facility, to HDR Engineering, Inc. for Construction Administration, Continuation of Design Support, Environmental & Right of Way Services Through Construction Pg. 291

1. Approve Amendment No. 1 to Contract No. C12077 with HDR Engineering, Inc. for construction administration, continuation of design support, environmental & right of way services thus increasing the contract amount by \$1,079,832 for a new not-to-exceed amount of \$3,953,533 and to extend the contract duration of Contract No. C12077 by one year from December 31, 2014 to December 31, 2015.

2. Authorize the Executive Director to execute Amendment No. 1 to Contract No. C12077 with HDR Engineering, Inc. **Mitch Alderman**

This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Amendment.

Consent Calendar Continued....

Transit/Rail (Cont.)

21. San Bernardino Municipal Water Department Cooperative Agreement Pg. 311

1. Approve Cooperative Agreement R14044 between the San Bernardino Associated Governments, acting in its capacity as County Transportation Commission, and the San Bernardino Municipal Water Department (SBMWD) for Water Capacity Improvements Along Rialto Ave. & I Street and K Street & 3rd Street as part of the Construction of the Downtown San Bernardino Passenger Rail Project.

2. Approve Fiscal Year 2013/2014 budget amendment to increase Task No. 0379 Commuter Rail Capital by \$160,000 for a new task total of \$94,977,941 to be paid through Cooperative Agreement R14044. **Mitch Alderman**

This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Cooperative Agreement.

Transportation Fund Administration

22. Fund Estimate for the 2014 State Transportation Improvement Program Pg. 323

1. Receive report on the 2014 State Transportation Improvement Program Fund Estimate and adoption schedule.

2. Direct staff to compile the 2014 Regional Transportation Improvement Program for Board approval in November, and submit to the California Transportation Commission by December 15, 2013. **Andrea Zureick**

This item was reviewed by the Transportation Technical Advisory Committee on September 9, 2013. The item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013, and reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013.

23. Major Local Highway Program Allocation and Funding Agreement for the City of Needles Pg. 326

1. Approve allocation of \$140,290 in Measure I Colorado River Subarea – Major Local Highway Program funds to the City of Needles for the I-40 Needles Connector Project.

2. Approve Funding Agreement C14021 in the amount of \$140,290 with the City of Needles for the I-40 Needles Connector Project, to be funded with Measure I Colorado River Subarea - Major Local Highway Program funds. **Andrea Zureick**

This item was reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Contract.

Consent Calendar Continued....

Transportation Fund Administration (Cont.)

24. **Major Local Highway Program Funding Agreement for San Bernardino County** Pg. 338

Approve Funding Agreement C14033 in the amount of \$1,006,393.00 with the County of San Bernardino for the Rancho Road at Escondido Avenue Project, funded by Victor Valley Subarea – Major Local Highway Program funds. **Andrea Zureick**

This item was reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the contract.

25. **California Department of Transportation Master Agreement – State Funded Transit Projects** Pg. 348

1. Approve the Master Agreement, C14042, with the California Department of Transportation for State Funded Transit Projects, which establishes general procedures in order to meet the administrative requirements of state-funded projects.

2. Adopt Resolution No. 14-002 authorizing the Executive Director and/or his designee to execute the Master Agreement and all Program Supplements for state-funded transit projects and any amendments thereto with the California Department of Transportation. **Andrea Zureick**

This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel has reviewed this item, the resolution and agreement.

26. **Downtown San Bernardino Passenger Rail Project California Transit Security Grant Application** Pg. 380

1. Authorize staff to submit the Fiscal Year 2011/2012 California Transit Security Grant Program Grant Application to fund security improvements for the Downtown San Bernardino Passenger Rail Project.

2. Authorize, by Resolution No. 14001, the Executive Director and/or his designee of San Bernardino Associated Governments to execute any actions necessary for the purpose of obtaining financial assistance provided by the California Emergency Management Agency under the grant program. **Andrea Zureick**

This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel has reviewed this item and the Resolution.

Consent Calendar Items Pulled for Discussion

27. Items pulled from the consent calendar shall be taken under this item in the order they were presented on the calendar.

DISCUSSION ITEMS

Council of Governments

28. **Alliance for Education** Pg. 384
(10 min.)

Receive a presentation from Leslie Rodden, Director of Higher Education and Workforce Development and the Alliance for Education for the San Bernardino County Superintendent of Schools on the Alliance for Education collaborative. **Duane Baker**

This item has not received prior policy committee or technical advisory committee review.

29. **AT&T Educational Campaign on Texting and Driving** Pg. 385
(5 min.)

Receive presentation by Julio Figueroa, AT&T Director of External Affairs Riverside/San Bernardino Counties, on AT&T's Texting and Driving – It Can Wait campaign. **Duane Baker**

This item has not received prior policy committee or technical advisory committee review.

30. **Service agreements with Samas Capital, LLC and Renovate America, Inc. to assist in the implementation and administration of financing mechanisms for the Home Energy Renovation Opportunity (HERO) Program** Pg. 386

1. Approve Contract #C14052 with Samas Capital, LLC to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for commercial properties in participating cities, towns and unincorporated San Bernardino County.

2. Approve Contract #C14053 with Renovate America, Inc. to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for residential properties in participating cities, towns and unincorporated San Bernardino County. **Duane Baker**

This item has not received prior policy committee or technical advisory committee review. SANBAG General Counsel and Contract Administrator have approved this item and Contract as to form.

Discussion Items Continued....

Council of Governments (Cont.)

31. **Resolution Approving Issuance of Limited Obligation Improvement Bonds as Part of the Commercial and Residential Home Energy Renovation Opportunity (HERO) Program** Pg. 440

1. Approve Resolution No. 14-003 authorizing the issuance of limited obligation improvement bonds (first residential property tranche) and approving and directing the execution of related documents.

2. Approve Resolution No. 14-004 authorizing the issuance of limited obligation improvement bonds (first commercial property tranche) and approving and directing the execution of related documents. **Duane Baker**

This item has not received prior policy committee or technical advisory committee review.

Transit and Rail

32. **Amendment No. 1 to Contract No. C14004 - E Street Storm Drain** Pg. 517

Approve Amendment No. 1 to Contract No. C14004 with GRFCO, Inc. for the E Street Storm Drain project to revise the insurance requirements. **Mitch Alderman**

This item has not received prior policy committee review. This item has been reviewed and approved by SANBAG's Contract Administrator and General Counsel.

Comments from Board Members

Brief Comments from Board of Directors

Executive Director's Comments

Brief Comments from the Executive Director

Public Comment

Brief Comments by the General Public

ADJOURNMENT

Additional Information

Agency Reports/Committee Memberships

South Coast Air Quality Management Report Pg. 522
Mayor Dennis Yates

Mobile Source Air Pollution Reduction Review Committee Pg. 524
Mayor Larry McCallon

SCAG Committees Pg. 528

SCAG Regional Council
SCAG Policy Committees
Community, Economic and Human Development
Energy and Environment
Transportation and Communications

SANBAG Policy Committees Pg. 529

Acronym List Pg. 535

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.

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 SANBAG Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for *each* item when 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. The time limits established in "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.



Important Dates to Remember...

October 2013

SANBAG Meetings – Cancelled: None

SANBAG Meetings – Scheduled:

General Policy Committee	Oct. 9	9:00 am	The Super Chief
Metro Valley Board Study Session	Oct. 10	9:00 am	First Floor Lobby
Commuter Rail & Transit Committee	Oct. 17	10:00 am	The Super Chief
Mountain/Desert Committee	Oct. 18	9:30 am	Town of Apple Valley

Other Meetings/Events:

Morongo Basin Regional Forum Topic: Public Safety	Oct. 3	11:00 am-1:00 pm	Copper Mtn College 6162 Rotary Way Joshua Tree, CA
Southern California Energy Summit SANBAG COG is co-hosting	Oct. 3-4	Times vary each day: www.socalenergysummit.org	Convention Center Palm Springs, CA
SANBAG Vendor Fair "Doing Business with SANBAG"	Oct. 8	9:00 am - Noon	SANBAG 1 st Floor Lobby
Express Lanes Board Workshop	Oct. 10	10:00 am – Noon Following Metro Valley Session	SANBAG 1 st Floor Lobby
Express Lanes Community Advisory Groups (CAGs): East Valley (EV), High Desert (HD), West Valley (WV)	Oct. 15 Oct. 16 Oct. 17	6:00-8:00 pm 6:00-8:00 pm 6:00-8:00 pm	EV, Colton HD, Victorville WV, Rancho Cucamonga
High Desert Opportunity	Oct. 17	7:30 am - 3:00 pm	Victorville Fairgrounds
Mobility 21 Summit 12 th Annual Transportation Summit	Oct. 29	8:00 am – 4:00 pm	J.W. Marriott at L.A. Live

NOTICE: SANBAG Offices will be CLOSED on Monday, October 14, for Columbus Day.

For additional information, please call SANBAG at (909) 884-8276.



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

Minute Action

AGENDA ITEM: 1

Date: October 2, 2013

Subject: Information Relative to Possible Conflict of Interest

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

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

Item No.	Contract No.	Principals & Agents	Subcontractors
6		Bank of America Merrill Lynch <i>Bryon Rockwell</i> Barclays <i>John McCray-Goldsmith</i> CitiGroup Global Markets, Inc. <i>Chris Mukai</i> Goldman, Sachs & Co. <i>Ian Parker</i> RBC Capital Markets, LLC <i>Tom A. Yang</i>	None

*Approved
 Board of Directors*

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
 BRD1310z-aa

Item No.	Contract No.	Principals & Agents	Subcontractors
7	C13036-01	Law Offices of Robert D. Herrick <i>Robert D. Herrick</i>	None
12	C11215-01	Simon Wong Engineering <i>Marc McIntyre</i>	BetKon, Inc. Arcadis, U.S., Inc. Ghirardelli & Associates Leighton Consulting, Inc. AP Engineering Towill, Inc.
12	C12196	Ortiz Enterprises Incorporated <i>Patrick A. Ortiz</i>	A.C. Dike Company ACL All American Asphalt CGO Construction Co. Chrisp Company Cindy Trump Inc. DBA Lindy's Cold Planing Coral Construction Co. DC Hubbs Company Diversified Landscape Co. Dywidag Systems International EBS General Engineering, Inc. Foundation Pile Inc. Harber Companies, Inc. Hard Rock Equipment High Light Electrical, Inc. Integrity Rebar Placers KEC Engineering Malcolm Drilling Co. Maneri Traffic Control R.J. Lalonde Inc. SRD Engineering Statewide Traffic Safety & Signs
13	C13130	Simon Wong Engineering <i>Marc McIntyre</i>	Mendoza & Associates Dynamic Engineerings Services Kleinfelder Leighton Consulting Group Towill, Inc.
20	C12077-01	HDR Engineering, Inc. <i>Rob Klovsky</i>	ROC Solid Energy PAC Engineering Jacobus Elwood & Associates

Item No.	Contract No.	Principals & Agents	Subcontractors
30	C14052	Samas Capital, LLC <i>Mark Allan Aarvig</i>	None
30	C14053	Renovate America, Inc. <i>J.P. McNeill</i>	None
31	C14054	Renovate America, Inc. <i>J.P. McNeill</i>	None
31	C14055	Samas Capital, LLC <i>Mark Allan Aarvig</i>	None
32	C14004-01	GRFCO, Inc. <i>George Frost</i>	None

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

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

BOARD OF DIRECTORS ATTENDANCE RECORD – 2013

Name	Jan	Feb	March	April	May	June	July	Aug DARK	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X	X		X	X	X	X		X			
James Ramos Board of Supervisors	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			
Robert A. Lovingood Board of Supervisors	X	X		X	X	X	X		X			
Cari Thomas City of Adelanto	X	X	X	X	X	X	X		X			
Curt Emick Town of Apple Valley	X	X	X	*	X	X	X		X			
Julie McIntyre City of Barstow		X	X		X	X			X			
Bill Jahn City of Big Bear Lake	X	X	X	X	X	X	X		X			
Dennis Yates City of Chino	X	X	X	X	X	X	X		X			
Ed Graham City of Chino Hills	X	X	X	X	X	X	X		X			
Frank Navarro City of Colton	X	X	X	X	X	X	X		X			
Michael Tahan City of Fontana	X	X	X	X	X	X	X		*			
Walt Stanckiewicz City of Grand Terrace	X	X	X	X	X	X	X		X			
Mike Leonard City of Hesperia	X	X		X		X	X					
Larry McCallon City of Highland	X	X	X	X	X	X	X		X			

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

BOARD OF DIRECTORS ATTENDANCE RECORD – 2013

Name	Jan	Feb	March	April	May	June	July	Aug DARK	Sept	Oct	Nov	Dec
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X		X			
Paul Eaton City of Montclair	X		X		X	X	X		X			
Edward Paget City of Needles	X	X	X	X	X	X	X		X			
Alan Wapner City of Ontario	X	X	X	*	X	X	X		X			
L. Dennis Michael City of Rancho Cucamonga		X	X	*	X	X	*		X			
Pete Aguilar City of Redlands	X	X	X	X	X	X	X		X			
Deborah Robertson City of Rialto	X	X	X	X	X	X	X		X			
Patrick Morris City of San Bernardino	X	X	X	X	X	X	X		X			
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X		X			
Ray Musser City of Upland	X	X		X	*	X	X		X			
Ryan McEachron City of Victorville	X	X	X		X	X	X		X			
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X		X			
George Huntington Town of Yucca Valley	X	X	*	X	X	X	X		X			
Basem Muallem Ex-Official Member	Robert So	Syed Raza	X	Syed Raza	Syed Raza	X	Jesus Galvan		Christy Connors			

BOARD OF DIRECTORS ATTENDANCE RECORD - 2012

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X	X	X	X	X	X	X	X	X	X	X	
Brad Mitzelfelt Board of Supervisors	X	X		X	X		X	X			X	
James Ramos Board of Supervisors												X
Janice Rutherford Board of Supervisors	X	X	X	X	X	X	X	X	X	X	X	X
Josie Gonzales Board of Supervisors	X	X	X	X	X	X	X	X	X	X		X
Neil Derry Board of Supervisors	Self-Suspension as of 5/3/2011	X	X	X	X		X					
Robert A. Lovingood Board of Supervisors												X
Cari Thomas City of Adelanto	X	X	X	X	X	X	X	X	X	X	X	X
Rick Roelle Town of Apple Valley	*	X	X	X	X		X	X	X	X	*	*
Julie McIntyre City of Barstow	X	X	X		X		X	X	X	X	X	X
Bill Jahn City of Big Bear Lake	X	X	X	X	X			X		X		X
Dennis Yates City of Chino	X	X	X	X	X	X	X	X	X	X		X
Ed Graham City of Chino Hills	X	X	X	X	X	X	X	X	X	X	X	X
Sarah Zamora City of Colton	X	*	X	X	X	X	X	X	X	X	*	X
Michael Tahan City of Fontana	X	X		X	X	X		X	X	X	X	X
Walt Stanciewicz City of Grand Terrace	X	X	X	X	X	X			X	X	X	X
Mike Leonard City of Hesperia	X	X	X	X	X	X	X	X		X	X	X

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

BOARD OF DIRECTORS ATTENDANCE RECORD – 2012

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Larry McCallon City of Highland	X	X	X	X	X	X		X		X	X	*
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X	X	X	X	X	X
Paul Eaton City of Montclair	X	X	X		X	X	X		X		X	X
Edward Paget City of Needles	X	X	X	X	X	X	X	X	X			X
Alan Wapner City of Ontario	X	X	X	X	X	X	X	X		X	X	X
L. Dennis Michael City of Rancho Cucamonga	X	X	X	*	X	X		X	X	*	X	X
Pete Aguilar City of Redlands	X	X	X	X	X	X	X	X	X	X	X	X
Ed Scott City of Rialto	X	X	X	X	X	X	X	X	X			
Patrick Morris City of San Bernardino	X	X	X	X	X	X		X	X	X	X	X
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X	X		X	X	X
Ray Musser City of Upland	X	X	X	X	X	X	X	X	X	X	X	X
Ryan McEachron City of Victorville	X	X		X	X	X		X	X	X	X	X
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X	X	X	X	X	X
George Huntington Town of Yucca Valley	X	X	X	X	X	X	X	X	X	X	X	X
Ray Wolfe Ex-Official Member	X	X	X	X								
Syed Raza Ex-Official Member					X							
Basem Muallem Ex-Official Member						X	X	X		X	X	Robert So

X = member attended meeting. * = alternate member attended meeting. Empty box = Did not attend meeting. Crossed out box = not a Board Member at the time.
brdatt12 Page 2 of 2



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

Minute Action

AGENDA ITEM: 3

Date: October 2, 2013

Subject: August 2013 Procurement Report

Recommendation:* Receive August 2013 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 May 1, 2013. On February 6, 2013, the Board of Directors authorized the Executive Director, or designee, to approve: a) contracts and purchase orders up to \$100,000; b) amendments with a zero dollar value; c) amendments to exercise the option term if the option term was approved by the Board of Directors in the original contract; and d) amendments that cumulatively do not exceed 50% of the original contract value or \$100,000, whichever is less and to release Request for Proposal (RFP), Request for Quote (RFQ) and Invitation for Bid (IFB) for proposed contracts from which funding has been approved in San Bernardino Associated Governments (SANBAG's) Annual Budget, and which are estimated not-to-exceed \$1,000,000. SANBAG staff has compiled this report that summarizes all contract actions approved by the Executive Director, or designee.

On July 11, 2012, the Board of Directors authorized SANBAG's General Counsel to award and execute legal services contracts up to \$50,000 with outside counsel as needed on behalf of SANBAG and its authorities organized under the umbrella

*

*Approved
 Board of Directors*

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.

BRD1310a-wws

Attachments:

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a1-wws.docx>

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a2-wws.docx>

of the Council of Governments. Also, periodically notify the Board after exercising such authority.

A list of all Contracts and Purchase Orders that were executed by the Executive Director and/or General Counsel during the month of August is presented herein as Attachment A, and all RFPs and IFBs are presented in Attachment B.

Financial Impact: This item imposes no impact on the Fiscal Year 2012/2013 or Fiscal Year 2013/2014 budget. Presentation of the monthly procurement report demonstrates compliance with the Contracting and Procurement Policy (Policy No. 11000).

Reviewed By: This item was received by the General Policy Committee on September 11, 2013.

Responsible Staff: William Stawarski, Chief Financial Officer

Attachment A
August Contract/Purchase Order Actions

Contracts Executed:

Contract No.	Description of Specific Services	Vendor Name	Dollar Amount	Description of Overall Program
None				

Attachment A
August Contract Amendment Actions

Contract Amendments Executed:

Contract No. & Amendment No.	Reason for Amendment (include a description of the amendment)	Vendor Name	Amended Contract Total	Dollar Amount of Amendment
C10193 Amendment No. 3	Extended and increased for an additional year of DBE Annual Goal Preparation and Additional DBE Services.	GCAP	\$102,500.00	\$25,000.00
C09019 Amendment No. 4	TCIF programing update, Baseline Agreement for Lenwood Rd. Grade Separation project.	City of Barstow	\$0.00	\$0.00

Attachment A

June 19-August 22, 2013 Contract/Purchase Order Actions

Purchase Orders:

PO No.	PO Issue Date	Vendor Name	Description of Services	Dollar Amount
4000929	07/18/13	Web Tech Wireless, Inc.	Revised purchase order from \$6,500 to \$6,592.80. Communication fees for data reporting and google mapping that is derived from web modem installed in each FSP truck.	\$6,592.80
4000988	07/09/13	Cognet Communications	Internet service provider for SANBAG. Amount includes installation fee of \$2,500 and monthly fee of \$1,277. This service is also for additional internet bandwidth for the disaster server replication process.	\$17,824.00
4001008	06/19/13	Caliper Corporation	Revised purchase order from \$9,000 to \$9,391.25 for purchase of second copy of TransCAD license which is the base of SBTAM module that is used for transportation on modeling.	\$9,391.25
4001019	07/19/13	Bernard, Arroyo	Provide consulting, technical support, data analysis and other assistance for the freeway service patrol program, as needed. Consultant also created and maintains the software and server for FSP program.	\$6,195.34
4001046	08/01/13	BNSF Railway Company	Due to the nature of railroad ownership and operations, BNSF is the only company in existence to perform signal and cable communication and is the only option to generate the map of signal communication locations.	\$15,000.00

4001048	08/06/13	TransTrack Systems	Annual maintenance and support agreement for TransTrack operating and performance reporting system for computer tracking of transit operating and performance reporting system.	\$12,360.00
4001049	08/19/13	WebTech Wireless, Inc.	GPS tracking devices for Fiscal Year 2014 for 16 FSP tow trucks. Communication is for data reporting and google mapping from the Webtech AVL modem installed in each FSP tow truck. Web Tech is the only vendor that provides GPS services.	\$6,500.00
4001050	08/15/13	R.L. Banks & Associates	RL Banks was hired to conduct an appraisal for the purchase of land, Shortway, owned by BNSF. The Shortway is about 2 miles long and is owned by BNSF Railway, main Track 4 on the San Bernardino subdivision, running from under the Mt. Vernon bridge south towards Riverside.	\$60,000.00
<i>*Note: Sole Source justification is noted in the Purpose statement, if applicable.</i>				Total \$133,863.39

Attachment B

August RFPs and IFBs

Release of RFP's and IFB's

Release Date	RFP/IFB No.	Description of Services	Anticipated Dollar Amount	Anticipated Award Date	Description of Overall Program and Program Budget
Total					\$0.00



- 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: October 2, 2013

Subject: Budget to Actual Report for fourth quarter ending June 30, 2013

Recommendation:* Receive and file Budget to Actual Report for fourth quarter ending June 30, 2013.

Background: SANBAG's Budget for Fiscal Year 2012/2013 for new activity was adopted by the Board of Directors on June 6, 2012. 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. The expenditure amounts for Fiscal Year 2012/2013 may change due to year-end closing process.

Financial Impact: This item reports the status of expenditures against budget and imposes no financial impact on the Fiscal Year 2012/2013 Budget.

Reviewed By: This item was received by the General Policy Committee on September 11, 2013.

Responsible Staff: William Stawarski, Chief Financial Officer

*

*Approved
 Board of Directors*

Date: _____

Moved: Second:

In Favor: Opposed: Abstained:

Witnessed: _____

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

BRD1310b-www

Attachment:

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310b1-www.xlsx>

AIR QUALITY & TRAVELER SERVICES PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL				REVISED				TASK	
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0102	Air Quality Activities	3,457,701	784,410	-	4,242,111	4,156,415	85,696	97.98%			
0406	Rideshare Management	2,224,957	(218,625)	6,443	2,012,775	1,797,805	214,970	89.32%			
0702	Call Box System	1,026,258	(158,000)	-	868,258	791,957	76,301	91.21%			
0704	Freeway Service Patrol/State	1,914,260	(157,949)	-	1,756,311	1,689,376	66,935	96.19%			
0706	Intelligent Transportation Systems	96,587	(25,000)	-	71,587	4,829	66,758	6.75%			
TOTAL AIR QUALITY & TRAVELER SERVICES PROGRAM		8,719,763	224,836	6,443	8,951,042	8,440,382	510,660	94.29%			

TRANSPORTATION PLANNING & PROGRAMMING PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL				REVISED				TASK	
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0110	Regional Transportation Planning	489,687	46,661	-	536,348	486,824	49,524	90.77%			
0203	Congestion Management	100,865	-	-	100,865	73,843	27,022	73.21%			
0213	High Desert Corridor Studies	228,191	-	-	228,191	8,584	219,607	3.76%			
0373	Federal/State Fund Administration	979,994	-	34,160	1,014,154	708,161	305,993	69.83%			
0404	Subregional Transportation Planning	1,092,886	121,689	-	1,214,575	1,019,718	194,857	83.96%			
0500	Transportation Improvement Program	358,424	-	-	358,424	290,417	68,007	81.03%			
0609	Strategic Planning/Delivery Planning	365,824	-	7,760	373,584	220,778	152,806	59.10%			
0701	Valley Signal Coordination	1,478,995	-	-	1,478,995	967,879	511,116	65.44%			
0941	ML/Desert Planning & Project Development	227,201	(700)	-	226,501	133,493	93,008	58.94%			
TOTAL TRANSPORTATION PLANNING & PROGRAMMING PROGRAM		5,322,067	167,650	41,920	5,531,637	3,909,697	1,621,940	70.68%			

MAJOR PROJECT DELIVERY PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL				REVISED				TASK	
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	BUDGET	EXPENDITURES	BALANCE	EXPENDED	% OF BUDGET	
0803	SR 210 Baseline Road Interchange	-	320,000	-	320,000	38,601	281,399	12.06%			
0815	Measure I Program Management	5,120,049	(40,529)	62,249	5,141,768	4,126,178	1,015,590	80.25%			
0817	SR-60 Sound Wall	71,163	-	16,321	87,484	50,766	36,718	58.03%			
0819	Hwy 62 & Rotary Way Traffic Signal Project	450,000	(450,000)	-	-	-	-	0.00%			
0820	SR 210 Final Design	245,170	-	-	245,170	9,044	236,126	3.69%			
0822	SR 210 Right of Way Acquisition	3,298,494	(80,000)	-	3,218,494	(1,546,048) *	4,764,542	-48.04%			
0824	SR 210 Construction	8,947,468	-	-	8,947,468	4,099,278	4,848,190	45.81%			
0825	I-10 Corridor Project Development	4,123,966	400,000	-	4,523,966	4,323,799	200,167	95.58%			
0826	I-10 Citrus/Cherry Interchanges	71,708,739	(591,009)	-	71,117,730	38,844,119	32,273,611	54.62%			
0830	I-215 San Riv Project Development	15,804	-	-	15,804	-	15,804	0.00%			
0834	I-215 Final Design	366,579	-	-	366,579	27,229	339,350	7.43%			
0836	I-215 Right of Way Acquisition	2,901,919	(201,000)	-	2,700,919	310,708	2,390,211	11.50%			
0838	I-215 Construction	79,699,415	2,088,343	-	81,787,758	47,051,420	34,736,338	57.53%			
0839	I-215 Bi-County HOV Gap Closure Project	18,844,743	(1,360,324)	1,388	17,485,807	12,136,426	5,349,381	69.41%			
0840	I-215 Barton Road Interchange	10,771,111	(685,000)	-	10,086,111	743,225	9,342,886	7.37%			
0841	I-10 Riverside Interchange	3,200,247	-	-	3,200,247	634,559	2,565,688	19.83%			
0842	I-10 Tippecanoe Interchange	39,604,394	450,000	-	40,054,394	10,491,609	29,562,785	26.19%			

San Bernardino Associated Governments
 Budget to Actual Report: July 2012 - June 2013
 Fiscal Year 2012/2013
 ATTACHMENT A

MAJOR PROJECT DELIVERY PROGRAM, Continued

TASK#	TASK DESCRIPTION	BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	EXPENDED
0845	Mt. Vernon/Washington Interchange	466,087	94,530	-	560,617	553,799	6,818	98.78%
0850	Alternative Project Financing	3,661,056	-	-	3,661,056	2,044,043	1,617,013	55.83%
0862	I-10 Westbound Lane Addition - Yucaipa	9,906,181	(115)	-	9,906,066	5,977,866	3,928,200	60.35%
0869	Glen Helen Parkway Grade Separation	4,400,356	-	-	4,400,356	2,314,369	2,085,987	52.60%
0870	Hunts Lane Grade Separation	12,584,715	1,104,280	-	13,688,995	8,964,639	4,724,356	65.49%
0871	State St./University Parkway Grade Separation	328,306	820	-	329,126	11,862	317,264	3.60%
0874	Palm Avenue Grade Separation	9,899,031	17,000	5,000	9,921,031	6,691,765	3,229,266	67.45%
0876	South Milliken Avenue Grade Separation	6,840,456	(64,000)	-	6,776,456	4,321,515	2,454,941	63.77%
0877	Vineyard Avenue Grade Separation	1,732,673	(60,000)	-	1,672,673	1,187,272	485,401	70.98%
0879	Colton Crossing BNSF/UPRR Grade Separation	91,530,337	(1,210)	-	91,529,127	18,245,499	73,283,628	19.93%
0880	I-15/I-215 Devore Interchange	22,086,076	-	14,085	22,100,161	6,258,992	15,841,169	28.32%
0881	Lenwood Avenue Grade Separation	4,688,881	60,000	-	4,748,881	2,450,276	2,298,605	51.60%
0882	North Milliken Avenue Grade Separation	17,119,616	(3,983)	8,011,113	25,126,746	10,587,240	14,539,506	42.14%
0883	SR 210 Pepper Avenue Interchange	2,277,989	-	-	2,277,989	630,715	1,647,274	27.69%
0884	Laurel Avenue Grade Separation	15,864,368	(16,765)	-	15,847,603	10,116,594	5,731,009	63.84%
0885	9th Street Rail Improvements	4,216,173	(75,000)	-	4,141,173	203,343	3,937,830	4.91%
0886	Colton Quiet Zone Project	3,147,427	-	-	3,147,427	98,937	3,048,490	3.14%
0887	SR 210 Lane Addition	1,063,515	285,000	-	1,348,515	1,249,337	99,178	92.65%
0888	I-15 La Mesa/Nisqualli Interchange	16,184,871	12,600,269	50,000	28,835,140	21,787,893	7,047,247	75.56%
0889	Yucca Loma Bridge	7,062,129	-	-	7,062,129	-	7,062,129	0.00%
0890	I-15 Rancho Interchange	13,351,699	65,757	-	13,417,456	10,403,513	3,013,943	77.54%
0892	I-15 Baseline Interchange Improvement	-	100,000	-	100,000	35,637	64,363	35.64%
0896	I-10 Pepper Avenue Interchange	-	400,000	-	400,000	26,206	373,794	6.55%
0965	2012 A Sales Tax Revenue Bond	5,916,411	-	-	5,916,411	3,853,458	2,062,953	0.00%
TOTAL MAJOR PROJECT DELIVERY PROGRAM		503,697,614	14,357,063	8,160,156	526,214,833	239,355,685	286,859,148	45.49%

TRANSIT & PASSENGER RAIL PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL			REVISED			% OF BUDGET	
		BUDGET	AMENDMENTS	ENCUMBRANCES	BUDGET	EXPENDITURES	BALANCE	EXPENDED	
0309	General Transit	872,459	210,915	7,333	1,090,707	985,855	104,852	90.39%	
0310	Transit Operating	8,823,072	244,974	-	9,068,046	8,068,783	999,263	88.98%	
0311	Transit Capital	5,332,307	5,032,135	-	10,364,442	4,726,887	5,637,555	45.61%	
0352	General Commuter Rail	800,797	(90,374)	187	710,610	521,164	189,446	73.34%	
0377	Commuter Rail Operating Expenses	12,133,858	(2,590,000)	18,312	9,562,170	8,364,463	1,197,707	87.47%	
0379	Commuter Rail Capital Expenses	23,416,568	15,480,896	57,247	38,954,711	25,873,837	13,080,874	66.42%	
0501	Federal Transit Act Programming	96,969	-	-	96,969	41,728	55,241	43.03%	
TOTAL TRANSIT & PASSENGER RAIL PROGRAM		51,476,030	18,288,546	83,079	69,847,655	48,582,717	21,264,938	69.56%	

TRANSPORTATION FUND ADMINISTRATION PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	TASK BALANCE	% OF BUDGET EXPENDED
0502	TDA Administration	470,005	359,700	-	829,705	499,544	330,161	60.21%
0504	Measure I Administration	426,634	-	-	426,634	349,261	77,373	81.86%
0506	Local Transportation Fund	83,337,751	53,330,057	-	136,667,808	70,919,453	65,748,355	51.89%
0507	State Transit Assistance Fund	26,330,985	48,035,188	-	74,366,173	15,768,130	58,598,043	21.20%
0515	Measure J Valley Apportionment & Allocation	4,427,761	5,999	4,779,611	9,213,371	2,061,550	7,151,821	22.38%
0516	Measure I Mountain/Desert Apportionment & Allocation	-	2,425,000	-	2,425,000	1,671,966	753,034	68.95%
0610	Measure I 2010-2040 Project Advancement	16,846,857	(6,000)	655,517	17,496,374	6,451,317	11,045,057	36.87%
0615	Measure I Local Stimulus	-	-	8,110,653	8,110,653	7,459,359	651,294	91.97%
0918	Measure J Local Pass-through	34,453,800	-	-	34,453,800	31,931,809	2,521,991	92.68%
TOTAL TRANSPORTATION FUND ADMINISTRATION PROGRAM		166,293,793	104,149,944	13,545,781	283,989,518	137,112,390	146,877,128	48.28%

GENERAL - COUNCIL OF GOVERNMENTS SUPPORT PROGRAM

TASK#	TASK DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	TASK BALANCE	% OF BUDGET EXPENDED
0104	Intergovernmental Relations	442,441	-	-	442,441	422,305	20,136	95.45%
0490	Council of Governments New Initiatives	80,585	(19,803)	-	60,782	5,090	55,692	8.37%
0492	Joint Solar Purchase Agreement	176,732	19,803	-	196,535	59,776	136,759	30.42%
0495	Green House Gas	495,481	36,885	-	532,366	384,103	148,263	72.15%
0503	Legislation	613,473	(11)	-	613,462	516,439	97,023	84.18%
0601	County Transportation Commission-General	483,591	-	-	483,591	224,220	259,371	46.37%
0605	Publications & Public Outreach	576,842	-	-	576,842	320,975	255,867	55.64%
0708	Property Assessed Clean Energy	141,514	(1,064)	-	140,450	35,825	104,625	25.51%
0805	Building Operations	89,115	-	-	89,115	40,297	48,818	45.22%
0942	Financial Management	228,102	-	-	228,102	112,030	116,072	49.11%
TOTAL COUNCIL OF GOVERNMENTS SUPPORT PROGRAM		3,327,876	35,810	-	3,363,686	2,121,061	1,242,625	63.06%
GRAND TOTAL ALL PROGRAMS		738,837,143	137,223,849	21,837,379	897,898,371	439,521,932	458,376,439	48.95%

CONSOLIDATED BY PROGRAM

PROGRAM DESCRIPTION	ORIGINAL BUDGET	AMENDMENTS	ENCUMBRANCES	REVISED BUDGET	EXPENDITURES	PROGRAM BALANCE	% OF BUDGET EXPENDED
AIR QUALITY & TRAVELER SERVICES PROGRAM	8,719,763	224,836	6,443	8,951,042	8,440,382	510,660	94.29%
TRANSPORTATION PLANNING & PROGRAMMING PROGRAM	5,322,067	167,650	41,920	5,531,637	3,909,697	1,621,940	70.68%
MAJOR PROJECT DELIVERY PROGRAM	503,697,614	14,357,063	8,160,156	526,214,833	239,355,685	286,859,148	45.49%
TRANSIT & PASSENGER RAIL PROGRAM	51,476,030	18,288,546	83,079	69,847,655	48,582,717	21,264,938	69.56%
TRANSPORTATION FUND ADMINISTRATION PROGRAM	166,293,793	104,149,944	13,545,781	283,989,518	137,112,390	146,877,128	48.28%
GENERAL - COUNCIL OF GOVERNMENTS SUPPORT PROGRAM	3,327,876	35,810	-	3,363,686	2,121,061	1,242,625	63.06%
GRAND TOTAL ALL PROGRAMS	738,837,143	137,223,849	21,837,379	897,898,371	439,521,932	458,376,439	48.95%

* Expenditure amount is negative due to reimbursements from legal firm and insurance company for the Colonies lawsuit.



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

Minute Action

AGENDA ITEM: 5

Date: October 2, 2013

Subject: Final Encumbrances for Fiscal Year 2013/2014

Recommendation:* Approve final encumbrances in the amount of \$14,773,427.74, listed in Table 1, to be formally incorporated into San Bernardino Associated Government's Fiscal Year 2013/2014 Budget.

Background: San Bernardino Associated Government's (SANBAG's) Budget for Fiscal Year (FY) 2013/2014 for activity was adopted by the Board of Directors on June 5, 2013. The encumbrances (funding related to outstanding purchase orders for goods or services from the previous Fiscal Years) are presented for approval to be formally incorporated into SANBAG's FY 2013/ 2014 Budget.

The following attachment provides a summary of task activities, by fund that will have an encumbrance carried over and added to the previously approved budget.

Financial Impact: Encumbrances totaling \$14,773,427.74 (Table 1) will be formally incorporated into SANBAG's FY 2013/2014 Budget.

Reviewed By: This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

Responsible Staff: William Stawarski, Chief Financial Officer

*

Approved
Board of Directors

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

TABLE 1

2520 Regional Improvement Program	0882 North Milliken Avenue Grade Separation	5,706,324.50	5,706,324.50
2610 Public Trans Modern,Improve&Svc Enhance	0311 Transit Capital	70,068.77	70,068.77
4110 MSI Valley Fund-Freeway Projects	0605 Publications and Public Outreach	337.50	337.50
4120 MSI Valley Fund-Fwy Interchange	0610 Measure I Project Advancement	288,085.31	
4120 MSI Valley Fund-Fwy Interchange	0815 Measure I Program Management	5,538.56	293,623.87
4130 MSI Valley Fund-Grade Separations	0815 Measure I Program Management	10,401.30	
	0874 Palm Avenue Grade Separation	5,000.00	
	0884 Laurel Avenue Grade Separation	5,000.00	20,401.30
4131 MSI Valley Fund-Arterials	0515 MSI Valley Apportionment & Allocation	6,538,198.35	6,538,198.35
4132 MSI Valley Fund-Project Adv Agreements	0610 Measure I Project Advancement	0.26	0.26
4330 MSI North Desert Fund-Major Local Hwy	0881 Lenwood Road Grade Separation	5,000.00	5,000.00
4580 MSI Morongo Basin Fund-Traffic Mgmt Sys	0516 MSI MU/Desert Apportionment & Allocation	41,688.72	41,688.72
4630 MSI Mountain Fund-Traffic Mgmt Sys	0516 MSI MU/Desert Apportionment & Allocation	286,345.20	286,345.20
4901 MSI 1990-Valley Fund-Major Projects	0609 Strategic Planning/Delivery Planning	7,760.00	
	0615 Measure I Local Stimulus - Project Only	717,182.45	
	0815 Measure I Program Management	1,888.49	
	0886 Colton Quiet Zone Project	5,000.00	731,830.94
4907 MSI 1990-Valley Fund-TMEE	0404 Subregional Transportation Planning	2,806.16	2,806.16
6010 Local Projects Fund	0881 Lenwood Road Grade Separation	50,000.00	
	0882 North Milliken Avenue Grade Separation	56,600.00	
	0888 I-15 La Mesa Road/Nisqualli Road Interchange	25,000.00	131,600.00
6012 Transit Center Project Fund	0311 Transit Capital	9,171.00	9,171.00
6230 Valley Major Street Bond Fund	0874 Palm Avenue Grade Separation	181.94	181.94
6310 Victor Valley Major Local Hwy Bond Fund	0888 I-15 La Mesa Road/Nisqualli Road Interchange	25,000.00	25,000.00
6810 Cajon Pass Bond Fund	0880 I-15/I-215 Devore Road Interchange	16,254.28	16,254.28
7110 Indirect Cost Allocation Fund	0105 Indirect-Project Management	24,253.13	
	0120 Indirect-General	856.00	
	0130 Indirect-Management Services	17,824.00	42,933.13
		14,773,427.74	14,773,427.74



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

Minute Action

AGENDA ITEM: 6

Date: October 2, 2013

Subject: Approve Financing Team for Investment Banking Services

- Recommendation:***
1. Approve Bank of America Merrill Lynch, Barclays, Citigroup Global Markets Inc., Goldman Sachs, and RBC Capital Markets as the Financing Team for Investment Banking to serve in an underwriting pool to be used for future bond transactions.
 2. Authorize the Executive Director, or his designee, to execute Bond Purchase Contracts at the time of the bond issuance.

Background: The San Bernardino Associated Governments (SANBAG) requires the services of Investment Bankers to perform underwriting during bond transactions as part of the Financing Team including General Counsel ("Issuer Counsel"), financial advisor, bond counsel and disclosure counsel. The firms will assist in the execution of strategies for funding the Measure I program, analyze strategies that may involve public-private partnerships and assist in the development and implementation of the Measure I bond financing program.

On June 20, 2013, SANBAG's Executive Director approved the release of a Request for Proposals (RFP) 14008 for Investment Banking Services. The RFPs were posted on SANBAG's website, published in The San Bernardino Sun newspaper, and RFP notifications were sent to approximately one hundred twelve

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

BRD1310d-wws

Attachment:

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310d1-wws.pdf>

vendors who specialize in these services. A pre-proposal meeting was not conducted. One Addendum was issued in response to written questions received prior to the deadline specified in the RFP. On July 9, 2013, twenty-three proposals were received by the date and time specified in the RFP for Investment Banking Services. A review was conducted for all of the proposals received by the deadline. All of the proposals were found to be responsive to the RFP.

An Evaluation Committee, consisting of staff from City of Rancho Cucamonga, City of Fontana, SANBAG's Director of Management Services and Chief of Accounting and Procurement, reviewed the proposals. The proposals were evaluated based on the following criteria, which was identified in the RFP:

- Qualifications, Related Experience and References
- Proposed Staffing and Project Organization
- Work plan

Nine firms demonstrated significant experience in providing Investment Banking Services to the public sector, along with transportation taxes and toll revenue experience. The Evaluation Committee agreed to interview nine firms which are listed below in alphabetical order:

- Bank of America Merrill Lynch
- Barclays
- Citigroup Global Markets Inc.
- De La Rosa
- Goldman Sachs
- JP Morgan
- Loop Capital Markets
- RBC Capital Markets
- Wells Fargo

On August 19th and August 20th of 2013, the Evaluation Committee conducted an oral interview of the nine firms selected. The interviews allotted forty minutes and consisted of an opening presentation followed by a twenty-minute questions and answers session. The Evaluation Committee evaluated the nine firms and based on their interview and proposal rankings, they selected a pool of five firms for Investment Banking Services.

The Committee considered all nine firms qualified to perform the work specified in the Request For Proposals. The highest ranked firms were Bank of America Merrill Lynch, Barclays, Citigroup Global Markets Inc., Goldman Sachs, and RBC Capital Markets. These firms were selected for their extensive experience with issuing sales tax bonds, Transportation Infrastructure Finance and Innovation

Act (TIFIA) loan, and toll road bonds. They demonstrated strong analytical, innovative, and diagnostic skills. Bank of America Merrill Lynch is the national leader in underwriting transportation transactions and has developed a revolving credit facility for short-term financing needs. Barclays is the number one underwriter of transportation sales tax bonds in California and has been involved in toll revenue financing for the Orange County Transportation Authority (OCTA), San Diego Association of Governments (SANDAG) and the Riverside County Transportation Commission (RCTC). Citi Group demonstrates excellent experience in the TIFIA program for both sales tax and toll revenue programs to enhance debt capacity. Goldman Sachs is the third largest underwriter in California sales tax transportation and has a comprehensive distribution platform that reaches all retail, professional retail, and institutional buyers. RBC has broad national experience in both sales tax and toll revenue financing and identified several financing scenarios for SANBAG's consideration.

As a result of the scoring, the Evaluation Committee respectfully recommends that the Board approve Bank of America Merrill Lynch, Barclays, Citigroup Global Markets Inc., Goldman Sachs, and RBC Capital Markets to serve in an underwriting pool to be used for future bond transactions and to perform the scope of work as outlined in the Request For Proposals 14008. All the firms clearly demonstrated a thorough understanding of the scope of work and proposed an overall solid team. Evaluation forms and reference checks are located in the Contract Audit File.

Bond Purchase Contracts will be issued in amounts to be determined at the time of the bond issuance.

Financial Impact: This item is consistent with SANBAG's Fiscal Year 2013/2014 budget. Underwriter costs will be financed with future bond proceeds.

Reviewed By: This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item as to form.

Responsible Staff: William Stawarski, Chief Financial Officer

ATTACHMENT A - SCOPE OF WORK

The Consultant shall provide the following services:

1. Present and assist in the execution of strategies for funding the Measure I program.
2. Analyze and present strategies and assist in execution of strategies that may involve public-private partnerships.
3. Assist in development and implementation of the Measure I bond financing program.



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

Minute Action

AGENDA ITEM: 7

Date: October 2, 2013

Subject: Assistant General Counsel Contract Amendment

Recommendation:*

1. Approve the first amendment to legal services agreement C13036 with Robert D. Herrick to provide Assistant General Counsel legal services increasing the agreement amount by \$210,000 for a new not-to-exceed total of \$420,000 and extending the term to October 31, 2014, and authorize General Counsel to execute the agreement amendment on behalf of San Bernardino Associated Governments.
2. Approve Fiscal Year 2013/2014 Budget Amendment to increase Task Number 0120, Indirect-General, in the amount of \$79,000, and increase Task Number 0105, Indirect-Project Management in the amount of \$79,000 which will be funded by various funding sources through indirect cost allocation.

Background: On April 4, 2012, San Bernardino Associated Governments (SANBAG) Board of Directors approved the hiring of SANBAG's first in-house General Counsel, who commenced work May 19, 2012. General Counsel serves the legal needs of the five SANBAG entities (San Bernardino Associated Governments, San Bernardino County Transportation Authority, San Bernardino County Transportation Commission, San Bernardino County Service Authority for Freeway Emergencies and San Bernardino County Congestion Management Agency).

General Counsel provides direct legal advice and counsel to SANBAG's 50 employees and 14 on-site contract staff which serve the freeway, major rail

*

Approved
Board of Directors

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.

BRD1310a-emt

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C13036-01.doc>

extension, interchange, grade separation, and numerous other projects and programs in SANBAG's fiscal year 2013/2014 \$733 million expenditure budget. The number and value of construction projects is the largest in SANBAG's history and is evidenced by the increasing volume of contracts and staff reports included in the monthly Board and policy committee agendas for which General Counsel must provide timely advice, review and approval.

General Counsel is responsible for representing SANBAG in litigation matters, for ensuring that lawsuits filed against SANBAG are tendered to the appropriate insurance carriers or responsible parties for defense and indemnity and for overseeing outside defense and right-of-way counsel. Additionally, General Counsel has identified a number of governance and contracting concerns that need to be addressed to further enhance SANBAG's compliance with the law.

General Counsel's staff consists of one-half of one full-time equivalent staff assistant. The volume, nature and complexity of the day-to-day General Counsel services, generally described above, exceed the capacity of one attorney. Accordingly, on October 3, 2012, the Board authorized General Counsel to enter into a one-year legal services agreement (C13036) with Robert D. Herrick, a highly qualified and experienced municipal law attorney to provide Assistant General Counsel services on a contract basis. The Assistant General Counsel agreement was for one year in an amount not-to-exceed \$210,000, compensating Mr. Herrick at an hourly rate of \$135 payable by retainer of \$5,000 per month applied toward the monthly billing for work performed.

General Counsel desires to provide prompt, excellent legal services to SANBAG and avoid causing delays to SANBAG's delivery of projects. To address SANBAG's continued burgeoning day-to-day legal demands, General Counsel respectfully requests that the Board approve an amendment to Mr. Herrick's agreement extending the term by slightly more than one year to October 31, 2014, and increasing the contract amount by \$210,000. All other terms and conditions of the agreement shall remain unchanged. Approval of this agreement amendment will continue to provide SANBAG with the presence of another in-house, on-site attorney providing up to approximately 1,600 hours of legal services per year, will assure provision of more timely excellent legal services, and will enable SANBAG to have backup attorney services in the absence of General Counsel, such as vacation or illness.

A budget amendment in the amount of \$158,000 is necessary to cover the cost of this contract amendment for the remaining nine months of Fiscal Year 2013/2014. The budget amendment will increase the two indirect cost allocation task numbers to which the Assistant General Counsel services are typically charged by equal

CONTRACT NO. C13036-01

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

ROBERT D. HERRICK

(LEGAL SERVICES—ASSISTANT GENERAL COUNSEL)

This First Amendment to Agreement No. C13036 (“Amendment”) is made and entered into by and between the San Bernardino Associated Governments, the San Bernardino County Transportation Authority, the San Bernardino County Transportation Commission, the San Bernardino County Service Authority for Freeway Emergencies, and the San Bernardino County Congestion Management Agency (hereafter referred to collectively as “SANBAG”) and Robert D. Herrick (“Attorney”). SANBAG and Attorney are each a “Party” and collectively the “Parties”.

RECITALS

A. SANBAG hired its first in-house General Counsel in May, 2012; and

B. Due to the high volume of SANBAG projects, the need to timely provide legal review and advice for such projects so as to avoid project delivery delays, and the necessity to immediately address a number of legal compliance issues, the SANBAG Board approved Agreement No. C13036 (“Agreement”) on October 3, 2012, with Attorney under which Attorney agreed to provide SANBAG with Assistant General Counsel services for a one-year term; and

C. The Parties desire for Attorney to continue providing such services for an additional one-year term at the same rate of compensation and same terms and conditions in the Agreement.

Now, therefore the parties agree to amend the Agreement as follows:

1. Section 2 (Term of Agreement) is deleted.
2. Subsection D of Section 3 (Compensation) is deleted and replaced with the following:

“D. Not-to-exceed amount.

The total amount paid to Attorney as compensation for services and reimbursement of expenses hereunder shall not exceed \$420,000.”

First Amendment to Agreement for Legal Services

C13036-01

Page 1

3. Section 13 (Term of Agreement) is deleted and replaced with the following:
 "The term of this Agreement shall be from the Effective Date to October 31, 2014. This Agreement may be extended, renewed, amended or renegotiated by the mutual written consent of the parties."
4. The Recitals and the Agreement are incorporated into this Amendment.
5. This Amendment is effective on the date executed by SANBAG.
6. Except as specifically amended herein, the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the parties have executed this Agreement below.

Dated: _____

ATTORNEY:

By: _____
 Robert D. Herrick
 Attorney-at-Law

Dated: _____

SAN BERNARDINO ASSOCIATED
 GOVERNMENTS:

By: _____
 Eileen Monaghan Teichert
 General Counsel



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

Minute Action

AGENDA ITEM: 8

Date: October 2, 2013

Subject: Budget amendment for Task 0495 - Greenhouse Gas

Recommendation:* Approve a Fiscal Year 2013-2014 budget amendment increasing Task No. 0495, Greenhouse Gas in the amount of \$100,000, funded by Measure I 1990-2010 Transportation Management and Environmental Enhancement (TMEE) funds.

Background: In 2006, the California legislature passed Assembly Bill (AB) 32. The law establishes a limit on greenhouse gas (GHG) emissions for the State of California to reduce state-wide emissions to 1990 levels by 2020. The law directed the California Air Resources Board (CARB) to develop a plan (AB 32 Scoping Plan) that charts a path towards the GHG reduction goal using all technologically feasible and cost effective means. The AB 32 Scoping Plan recommends that California cities and counties seek to reduce their GHG emissions consistent with statewide reductions. Senate Bill (SB) 375, passed in 2008, requires regional transportation planning to promote reductions in passenger and light duty vehicle GHG emissions.

In response to these initiatives, twenty-one of SANBAG's member cities entered into contracts with SANBAG that provide for SANBAG to lead a cooperative effort in compiling an inventory of GHG emissions and evaluating GHG reduction measures that could be adopted by the 21 Partnership cities within San Bernardino County. The 21 cities participating in this project are Adelanto,

Approved
Board of Directors

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	X	CTC		CTA	SAFE	CMA	
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Check all that apply.

Big Bear Lake, Chino, Chino Hills, Colton, Fontana, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair, Needles, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Twentynine Palms, Victorville, Yucaipa, and Yucca Valley. There were a number of reasons for conducting this effort collaboratively for multiple cities, including the economies of scale, as well as greater consistency in terminology and methodology among jurisdictions. Because SANBAG is leading this effort, SANBAG is serving as the Lead Agency under the California Environmental Quality Act (CEQA).

The consultant preparing the Reduction Plan is ICF Jones and Stokes, Inc. The draft EIR is being prepared by Atkins North America, Inc. The draft EIR has been undergoing legal review by Meyers Nave, in conjunction with participating cities desiring to have review by their own CEQA counsel. A report was prepared on the status of the draft Greenhouse Gas Reduction Plan and EIR at the June 2013 Metro Valley Study Session and the June Mountain/Desert Committee meeting.

An amendment to the Fiscal Year 2013-2014 budget is needed to provide support for ongoing legal counsel pertaining to the EIR. Legal review of the administrative draft EIR by Meyers Nave has been proceeding over the last several months and is being coordinated with Atkins North America and with participating cities desiring to have review by their own CEQA counsel. The current Meyers Nave contract of \$50,000 will be exceeded shortly. Although the legal review of the draft EIR is almost complete, SANBAG staff anticipates legal advice being needed through the adoption of the Plan and certification of the EIR, anticipated near the end of calendar year 2013. Although the full requested budget amount of \$100,000 is not anticipated to be needed for the Meyers Nave contract, staff is requesting this amount in the event that additional legal services are needed beyond what is currently anticipated. Upon approval of the budget amendment, an amendment to the Meyers Nave contract would be processed at less than that amount under the Executive Director's contract authority.

The budget amendment is being requested for the following reasons:

- The original \$50,000 for the Meyers Nave contract was accommodated within the Fiscal Year 2012-2013 budget, recognizing that the budget would be tight for any work subsequent to the review of the draft EIR. Meyers Nave needs to be retained for work through adoption of the Plan and certification of the EIR. SANBAG General Counsel and Meyers Nave have attempted to make the legal review as efficient and cost-effective as possible.

- The legal review has proved to be more complex because of both the number of cities involved and the unique nature of SANBAG's role as CEQA lead agency and the cities' roles as responsible agencies. This programmatic approach, with SANBAG as lead agency, has been viewed to be logical from the beginning and consistent with CEQA guidelines, but it is the first time that this regional approach has been used for a greenhouse gas reduction plan in the State of California.
- Additional legal review may be required for responses to comments and review of any modifications to the draft EIR. The extent of the comments and the effort required to respond to them cannot be known until the completion of the 45-day review period.

It is proposed that the budget amendment be funded by Measure I 1990-2010 Transportation Management and Environmental Enhancement (TMEE) funds. Although the GHG Reduction Plan is ultimately used by the cities, and the preparation of the Plan and EIR has been funded primarily from city contributions, it is not practical at this stage to collect additional funds from the 21 participating cities. The TMEE funds are an appropriate application to the GHG Reduction Plan and minimize the administrative time for SANBAG and city staff that would otherwise be required.

Financial Impact: This item is not consistent with the approved SANBAG Fiscal Year 2013-2014 budget. A budget amendment is required to increase Task No. 0495, Greenhouse Gas by \$100,000, funded by Measure I 1990-2010 Transportation Management and Environmental Enhancement (TMEE) funds, resulting in a new task budget of \$295,656.

Reviewed By: This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

Responsible Staff: Steve Smith, Director of Planning



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

Minute Action

AGENDA ITEM: 9

Date: October 2, 2013

Subject: Update on the Integrated Transit and Land Use Planning for the Foothill Boulevard/5th Street Transit Corridor

Recommendation:* Receive information on the draft findings from the Foothill Boulevard/5th Street Transit Corridor planning study.

Background: On September 1, 2010, the SANBAG Board of Directors approved SANBAG's application for Caltrans Statewide or Urban Transit Planning grant funding. Based on the grant application SANBAG was awarded a grant from SCAG, who administered the grant fund, to conduct an integrated transit and land use study for the Foothill Boulevard/5th Street corridor.

The reason for focusing on the Foothill/5th corridor was because the Foothill East Bus Rapid Transit (BRT) corridor was identified in the Long Range Transit Plan (LRTP) that was adopted by the Board of Directors on December 1, 2010 as the next priority BRT corridor following E Street, and it was thought that both Foothill East and Foothill West should be examined together. The study was initiated in September 2012 and the cities through the corridor were asked to participate in an advisory role through the project Technical Advisory Committee (TAC).

As the E Street sbX Bus Rapid Transit line is expected to be open for revenue operation in spring of 2014, an objective of this study was to evaluate the next

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*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

steps for BRT or express/rapid transit implementation in San Bernardino County. The goals of the study include the following:

- Improve transit mobility, connectivity and accessibility
- Provide cost-effective and efficient transportation services
- Encourage sustainable economic development
- Enhance livability and quality of life

The study included five key elements including:

1. Documentation of existing conditions
2. Identification of express bus/BRT options
3. Land use planning in station areas
4. Evaluation of express bus/BRT options
5. Recommendations and implementation planning

Existing Conditions

Historic Route 66 is an automobile-oriented corridor that formerly served as a major thoroughfare between cities. Regional transportation and development focus has gradually shifted to the parallel I-10 and I-210 corridors. Travel patterns along the Foothill Boulevard/5th Street corridor were evaluated to provide a setting of existing activity and potential future demands on the corridor. Existing ridership and travel demand information from the San Bernardino County Transportation Analysis Model were the basis of the existing setting analysis. Omnitrans routes 66 and 14 currently provide 15-minute service headways along the corridor with current transit stop spacing of approximately ¼ mile. There is currently no local bus service on 5th Street east of downtown San Bernardino.

Corridor demographic data was evaluated within the context of existing and future travel activity. The western part of the corridor is significantly more developed than the eastern part although the eastern part of the corridor is more productive from a transit usage perspective.

Identify express bus/BRT options

Based on best practices throughout the transit industry a thorough review was performed to identify enhanced transit service options to serve the Foothill Boulevard/5th Street corridor. A significant amount of information was gleaned from the recently completed sbX/BRT Design Guidelines published by Omnitrans. Vehicle and service characteristics were evaluated to assist in the identification of components that could potentially benefit the Foothill Boulevard/5th Street corridor. Considerations that improve service characteristics, such as increased travel speed, include bus stop location, fare collection, customer

boarding, vehicle/system branding, station amenities, traffic signal systems, exclusive lanes, real-time arrival information, etc.

Based on best practices, several options were considered for further study and included local bus, rapid/express bus with and without local shadow service and BRT with and without local shadow service. The rapid/express bus options would include reduced headways, optimal stop/station location, branding, signal priority/coordination and operations in mixed flow lanes. Los Angeles County Metro now has an extensive network of express service on arterial roadways branded as “Metro Rapid.” The BRT options would improve upon rapid/express bus service by including exclusive lane operations. The rapid/express bus and BRT options that do not include the current local service would increase stop spacing from the existing local service average of ¼ mile spacing to an average of ½ mile to improve speed while attempting to maintain accessibility as consistent as possible to the current local service. The rapid/express bus and BRT options that include local shadow service would increase stop spacing to an average of one mile spacing. The options specifically identified for further analysis in this study are noted in Table 1 with key attribute assumptions.

Table 1 – Foothill Boulevard/5th Street Transit Corridor Alternatives

Attributes	Local Bus	Rapid without Local	Rapid With Local	BRT without Local	BRT with Local
Peak headway	15 min	10 min	10 min Rapid 30 min Local	10 min	10 min BRT 30 min Local
Stop spacing	¼ mile	½ mile	1 mile Rapid ¼ mile Local	½ mile	1 mile BRT ¼ mile Local
Number of stops	118	65	37 Rapid 118 Local	65	37 BRT 118 Local
Stops	Standard	Farside	Farside	Farside/Median	Farside/Median
Branding	None	Branded vehicles/stations	Branded vehicles/stations	Branded vehicles/stations	Branded vehicles/stations
Signal priority	None	Yes	Yes	Yes	Yes
Boarding	Standard	Standard or all-door boarding	Standard or all-door boarding	All-door boarding	All-door boarding
Right-of-way	Mixes flow	Mixed flow	Mixed flow	Mixed flow Dedicated Lane	Mixed flow Dedicated Lane

Land use planning in station areas

Success and sustainability of future express transit service through the corridor may be dependent upon future corridor demographics defined by the corridor land use patterns. Land use planning was performed to refine the corridor alignment and station locations to maximize potential for transit-supportive land use.

An initial land use assessment was performed to identify the current setting throughout the corridor. The current proliferation of low-density strip

commercial development, automobile-oriented design, fragmented street networks, parcelization and undeveloped and vacant parcels present challenges to sustaining enhanced transit service throughout the corridor. While these challenges may be constraints to the success of near-term enhanced transit service, they present opportunities to support long-term enhanced transit service. Meetings were held with local jurisdictions through the corridor to obtain a better understanding of the historic context and future vision of the corridor. In general, cities have common goals for the Foothill Boulevard corridor and those include revitalizing the streetscape, improving safety, increasing land use density and prioritizing mixed land use development.

Based on the current land use patterns and future vision of the corridor, potential station areas were identified. Station-specific land use plans were developed that take advantage of the future presence of express transit service with a focus on safety, accessibility and mobility.

Evaluate express bus/BRT options

Quantitative and qualitative measures were developed by the TAC to compare the various express transit options developed for the corridor. The measures were generally consistent with the measures the Federal Transit Administration uses to evaluate projects that seek Small Starts grant funding. Evaluation measures included travel time, ridership, cost effectiveness and land use, sustainability, and safety, among others.

Based on the evaluation criteria, the near-term recommendation from the study is to implement enhanced transit service with local bus shadow service consistent with the existing local bus service provided on the corridor. In the long-term, BRT service with local bus shadow service consistent with the existing local bus service provided on the corridor was identified as the preferred option. The most feasible segment of the corridor to implement enhanced transit service is the central portion which extends from the Fontana Metrolink station on Sierra Avenue and downtown San Bernardino. This demographic profile of the central portion of the corridor matches consumer markets for enhanced transit service, and this segment connects with the E Street sbX service.

Recommendations and implementation planning

Although the findings of the existing corridor setting analysis, route analysis and alternative analysis suggest that enhanced transit is feasible, other factors must be considered prior to moving forward with implementing enhanced transit service in the corridor. While capital and operating costs are included in the alternatives analysis, the evaluation does not evaluate cost in the context of the ability to fund the various alternatives.

The Measure I Valley Express Bus/Bus Rapid Transit Program allocates 2% of the revenue apportioned to the Valley to the development, implementation and operation of express bus and bus rapid transit within the Valley subarea. In addition, some of the capital costs associated with implementation of enhanced transit service could be offset through Federal Transit Administration New/Small Starts grants. However, additional sources of funding above and beyond those available through New/Small Starts grants and Measure I must be identified prior to service implementation.

With capital and operating revenue constrained, the best case scenario for the Foothill Boulevard/5th Street corridor appears to be a strategic approach that continues to evaluate low cost improvements that would improve the existing service through the corridor as funding becomes available. Transit signal priority, skip-stop and other low-cost characteristics will continue to be explored to improve existing transit service. SANBAG staff will continue to coordinate with Omnitrans on the next steps for rapid/express bus and BRT activities throughout the San Bernardino Valley.

Financial Impact: This item has no impact to the SANBAG Fiscal Year 2013/2014 Budget.

Reviewed By: This item was received by the Board of Directors Metro Valley Study Session on September 12, 2013.

Responsible Staff: Steve Smith, Director of Planning



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

Minute Action

AGENDA ITEM: 10

Date: October 2, 2013

Subject: State and Federal Legislative Update

Recommendation: Adopt proposed principles related to the establishment of a San Gabriel Mountains National Recreation Area as noted in the background of this agenda item under the Federal Update.

Background: State Update

The Legislature is nearing the end of session, with both houses having until September 13th to pass bills before they adjourn for the year. The Governor will then have until October 13th to sign or veto legislation sent to his desk. Staff continues to monitor and engage in several bills of interest and a verbal update will be given to the Committee on the status of key bills and end of session actions. A matrix of legislation being monitored by SANBAG is included as Attachment #1.

Federal Update

In 2003, the San Gabriel River Watershed Study Act directed the National Park Service (NPS) to conduct a study of the San Gabriel River and San Gabriel Mountain areas to determine whether the 700,000 acre study area, or a portion thereof, should be considered for inclusion in the national parks system.

*Approved
 Board of Directors*

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.

BRD1310a-wvs

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a1-wvs.docx>

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a2-wvs.pdf>

After years of study, NPS released their final report on April 10, 2013 recommending the establishment of a "San Gabriel Unit" of the Santa Monica Mountains National Recreation Area (NRA). The recommendation largely limited the NRA designations to portions of the San Gabriel Valley with the exclusion of national forest land, despite the more extensive land area originally studied.

For San Bernardino County, the draft study originally contemplated the inclusion of portions of Chino Hills and sections of national forest land within the County in the proposed NRA. Ultimately, the study's recommended alternative concluded that the national forest land, including that in San Bernardino County, would remain under the control of the United States Forest Service. In addition, the final recommendation concluded that the Chino Hills lands were not suitable for inclusion in the NRA at this time. However, the study does currently contemplate the inclusion a small portion of unincorporated land north of the City of Upland. A more detailed map of the project study area is included for your information as Attachment #2.

An NRA designation would ideally bring the NPS, as well as a number of other federal agencies, to the area to collaborate on ways to protect significant ecological, recreational, and cultural resources; work to expand open space opportunities; and offer educational and interpretive opportunities. Given the ongoing federal budget challenges, it is unlikely that additional resources would be immediately available through the NPS. However, one of the stated benefits of an NRA designation is a formal structure that provides increased opportunities to seek grants and the ability to seek direct appropriations from Congress for this area.

In order for any new NRA designations to be made, Congress must act and they are not bound by the study's recommendations, and as such, the ultimate proposal is still being developed. Congresswoman Judy Chu (D-CA) has led a series of stakeholder meetings as part of a desire to author potential legislation but specific proposals have not yet been released and draft legislation is not yet available. Staff understands that the goal is to introduce legislation before the end of the calendar year.

It is recommended that SANBAG continue to participate in discussions surrounding this designation. Several public comments were offered during the NPS study process to expand the NRA into portions of San Bernardino County and have continued to be elements of the ongoing conversation regarding potential legislation. These discussions have ranged from including additional portions of Chino Hills and Rancho Cucamonga to including the entire San Gabriel mountain range east to Interstate 15 and urban areas bordering that

range. To that end, staff is recommending the adoption of the following principles to guide discussions on this topic:

- Any governance structure contemplated for an NRA designation that includes any portion of San Bernardino County should include representatives from at least the impacted cities, as well as the County and/or the San Bernardino Associated Governments.
- Ensure the protection of existing land use authorities, private property rights, water rights, transportation needs, and ability to develop future infrastructure as needed.
- Fully understand the potential impacts of including any additional designations such as a Wilderness or Wild and Scenic designation before these new layers are included in legislation.

SANBAG will continue to monitor the issue, engage in the various stakeholder meetings, and work with our congressional delegation to ensure the needs of our region are met in any proposed legislative effort. Once a legislative proposal is formally introduced, we will return to the Board of Directors with additional information and recommendations, if appropriate.

Financial Impact: This item has no fiscal impact on the FY2013/2014 SANBAG Budget.

Reviewed By: This item was reviewed and unanimously recommended for approval by the General Policy Committee on September 11, 2013.

Responsible Staff: Wendy Strack, Director of Legislative and Public Affairs

CA AB 14 **SANBAG Position: Support in Concept**

AUTHOR: Lowenthal B (D)
TITLE: State Freight Plan
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 223

SUMMARY: Requires the Transportation Agency to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. Requires the agency to establish a freight advisory committee.

STATUS:
 09/06/2013 Signed by GOVERNOR.
 09/06/2013 Chaptered by Secretary of State. Chapter No. 223

CA AB 21

AUTHOR: Alejo (D)
TITLE: Safe Drinking Water Small Community Grant Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 09/03/2013
DISPOSITION: To Governor
LOCATION: To enrollment

SUMMARY: Authorizes the assessment of a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and the deposit of that money into the Safe Drinking Water State Small Community Emergency Grant Fund and provides a monetary limit to the fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities. Limits the amount in the fund.

STATUS:
 09/10/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (77-0)

CA AB 39

AUTHOR: Skinner (D)
TITLE: Energy: Conservation: Financial Assistance
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 06/24/2013

Attachment #1

DISPOSITION: Pending
LOCATION: Senate Inactive File
Extends the operation of the Energy Conservation Assistance Act of 1979 that requires the State Energy Resources Conservation and Development
SUMMARY: Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account to provide grants and loans to local governments and public institutions to maximize energy use savings.
STATUS:
09/12/2013 In SENATE. From third reading. To Inactive File.

CA AB 114

AUTHOR: Salas (D)
TITLE: Proposition 39: Implementation: Workforce Development
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:01/14/2013
LAST AMEND: 08/27/2013
DISPOSITION: Pending
LOCATION: Senate Inactive File
Amends existing law that appropriates funds to the State Workforce Development Board to develop and implement a competitive grant program for eligible community-based and other training workforce organizations prepared
SUMMARY: disadvantaged youth or veterans for employment. Requires the Board to require a grant recipient to report to the Board specified information, and to review and assess the program in achieving the training and workforce development goals, identify problems and barriers, and provide solutions.
STATUS:
09/12/2013 In SENATE. To Inactive File.

CA AB 164

AUTHOR: Wieckowski (D)
TITLE: Infrastructure Financing
FISCAL
COMMITTEE: no
URGENCY
CLAUSE: no
INTRODUCED:01/23/2013
ENACTED: 08/13/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 94
Requires a lease agreement between a governmental agency undertaking an infrastructure project and a private entity to include performance bonds as security to ensure the completion of the construction of the facility and payment bonds to secure the payment of claims of laborers, mechanics, and materials suppliers employed on the work under contract.
SUMMARY:
STATUS:
08/13/2013 Signed by GOVERNOR.

08/13/2013

Chaptered by Secretary of State. Chapter No. 94

CA AB 179

AUTHOR: Bocanegra (D)
TITLE: Electronic Transit Fare Collection Systems
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/24/2013
LAST AMEND: 09/04/2013
DISPOSITION: To Governor
LOCATION: To enrollment

SUMMARY: Makes provisions of existing law regarding the prohibition of a transportation agency selling or providing personally identifiable information from an electronic toll collection system or use of toll facility using such system applicable to an agency that employs an electronic transit fare system. Provides that, with respect to those systems, personally identifiable information does not include, for purposes of existing, photographic or video footage.

STATUS: 09/10/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (77-1)

CA AB 195

AUTHOR: Hall (D)
TITLE: Counties: Construction Projects: Design-Build
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/28/2013
ENACTED: 08/19/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 12I

SUMMARY: Extends provisions of existing law that authorizes counties to use alternative procedures, known as design-build, for bidding on specified types of construction projects in the county in excess of a specified amount, in accordance with specified procedures, and provides that the procedures include a requirement for contracts awarded after a certain date that a county board of supervisors pay a fee into the State Public Works Enforcement Fund.

STATUS: 08/19/2013 Signed by GOVERNOR.
08/19/2013 Chaptered by Secretary of State. Chapter No. 121

CA AB 205

AUTHOR: Pan (D)
TITLE: Public Employees' Retirement: Pension Fund
FISCAL COMMITTEE: no

Attachment #1

URGENCY
CLAUSE: no
INTRODUCED:01/30/2013
DISPOSITION: To Governor
LOCATION: To Governor
SUMMARY: Extends the authorization to prioritize investment in an in-state infrastructure project to the board of retirement or the board of investments of a retirement system established pursuant to the County Employees Retirement Law of 1937.
STATUS:
09/03/2013 *****To GOVERNOR.

CA AB 229

AUTHOR: Perez J (D)
TITLE: Infrastructure and Revitalization Financing Districts
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:02/04/2013
LAST AMEND: 08/12/2013
DISPOSITION: Pending
LOCATION: Assembly Inactive File
SUMMARY: Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.
STATUS:
09/11/2013 In ASSEMBLY. From Unfinished Business. To Inactive File.

CA AB 243

AUTHOR: Dickinson (D)
TITLE: Local Government: Infrastructure Financing Districts
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:02/06/2013
LAST AMEND: 08/19/2013
DISPOSITION: Pending
LOCATION: Assembly Inactive File
SUMMARY: Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.
STATUS:
09/11/2013 In ASSEMBLY. To Inactive File.

CA AB 250

AUTHOR: Holden (D)
TITLE: State Innovation Initiatives
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/06/2013
LAST AMEND: 08/21/2013
DISPOSITION: To Governor
LOCATION: To Governor
SUMMARY: Creates the State Innovation Hub Program, which requires the Governor's Office of Business and Economic Development to designate Innovation Hubs. Authorizes the office to use vacant or underused state-owned or leased property that is controlled by the Department of General Services. Authorizes specified state property, when authorized by law, to be used as matching funds to meet federal funding requirements. Requires the office to issue a request for proposals. Relates to iHub partnerships.
STATUS: 09/09/2013 *****To GOVERNOR.

CA AB 266

AUTHOR: Blumenfield (D)
TITLE: Vehicles: High-Occupancy Vehicle Lanes
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/07/2013
LAST AMEND: 08/19/2013
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Extends the operation of existing law that authorizes the Department of Transportation to designate certain lanes for the exclusive use of high-occupancy vehicles to include certain low-emission vehicles. Authorizes until a specified date or a specified condition, the Department to issue a valid identifier to a vehicle that meets the state's transitional zero-emission vehicle standard. Deletes obsolete provisions relating to hybrid vehicles.
STATUS: 09/12/2013 Enrolled.

CA AB 268

SANBAG Position: Support in Concept

AUTHOR: Holden (D)
TITLE: Transit: Metro Gold Line Extension
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/07/2013
LAST AMEND: 04/16/2013
DISPOSITION: Pending

Attachment #1

LOCATION: Assembly Rules Committee
SUMMARY: States the intent of the Legislature to enact legislation that would enable the Metro Gold Line extension to be completed at the terminus of Ontario Airport with intermediate stops in San Dimas, La Verne, Pomona, Claremont, and Montclair, and for regional cooperation to continue.
STATUS: 04/18/2013 Re-referred to ASSEMBLY Committee on RULES.

CA AB 380

AUTHOR: Dickinson (D)
TITLE: California Environmental Quality Act: Notice
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2013
LAST AMEND: 05/24/2013
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.
STATUS: 06/13/2013 To SENATE Committee on ENVIRONMENTAL QUALITY.

CA AB 392

AUTHOR: Jones-Sawyer (D)
TITLE: State Mandates: Prorated Claims
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
ENACTED: 08/12/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 77
SUMMARY: Amends existing law requiring the Controller to prorate mandated claims, including school claims, if the amount appropriated for reimbursement is not sufficient to pay all of the claims approved by the Controller, and requiring the controller to report to the Department of Finance when it is necessary to prorate claims. Deletes that reporting requirement. Requires the Controller to determine the most cost-effective allocation method if a specified amount is appropriated. Makes a conforming statutory change.
STATUS: 08/12/2013 Signed by GOVERNOR.
08/12/2013 Chaptered by Secretary of State. Chapter No. 77

CA AB 401

AUTHOR: Daly (D)
TITLE: Transportation: Design-Build: Highways
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
LAST AMEND: 09/06/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Authorizes the Department of Transportation to utilize design-build procurement for projects on the state highway system, based on either best value or lowest responsible bid. Authorizes regional transportation agencies to utilize such procurement for projects. Provides such authorizations do not include construction inspection services for highway- and expressway-related projects. Requires services to be performed by the Department. Requires reimbursement for prevailing wage monitoring and enforcement.
STATUS: 09/12/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (66-8)

CA AB 405

AUTHOR: Gatto (D)
TITLE: High-Occupancy Vehicle Lanes: County of Los Angeles
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
LAST AMEND: 06/27/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Prohibits the establishment of any high-occupancy lane on specified state highway routes in the County of Los Angeles, unless the lane is established as such lane only during the hours of heavy commuter traffic. Requires any such lane to be modified to conform to those requirements. Authorizes the Department of Transportation to reinstate 24-hour high-occupancy vehicle lanes on the specified portions of these routes if the department makes a specified determination. Requires a related report.
STATUS: 09/10/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (74-2)

CA AB 466

SANBAG Position: Support

AUTHOR: Quirk-Silva (D)
TITLE: Federal Transportation Funds
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no

Attachment #1

INTRODUCED:02/19/2013 --

LAST AMEND: 08/29/2013

DISPOSITION: To Governor

LOCATION: Enrolled

SUMMARY: Requires the Department of Transportation to allocate federal transportation funds to regional agencies under the federal Congestion Mitigation and Air Quality Improvement Program based on a weighted formula that considers population and pollution in a given area. Relates to particulate matter.

STATUS:
09/12/2013 Enrolled.

CA AB 481

AUTHOR: Lowenthal B (D)

TITLE: High-Speed Rail.

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED:02/19/2013

ENACTED: 08/26/2013

DISPOSITION: Enacted

LOCATION: Chaptered

CHAPTER: 132

SUMMARY: Enacts exceptions and authorizations relative to real property obtained for high-speed rail purposes by the High-Speed Rail Authority. Enacts new provisions governing acquisition or disposal of right-of-way property by the authority. Requires payments for leases, sales or other conveyances of property controlled by the authority to be deposited in the High-Speed Rail Property Fund created by the bill. Provide that the funds shall be available to the authority upon appropriation for specified purposes.

STATUS:
08/26/2013 Signed by GOVERNOR.
08/26/2013 Chaptered by Secretary of State. Chapter No. 132

CA AB 493

AUTHOR: Daly (D)

TITLE: Toll Facilities

FISCAL COMMITTEE: no

URGENCY CLAUSE: no

INTRODUCED:02/20/2013

ENACTED: 08/12/2013

DISPOSITION: Enacted

LOCATION: Chaptered

CHAPTER: 79

SUMMARY: Authorizes operators of toll facilities on federal-aid highways to fully implement technologies or business practices that provide for the interoperability of electronic toll collection programs on and after the date specified in the Moving Ahead for Progress in the 21st Century Act. Limits the information that may be disclosed through participation in an interoperability program.

Attachment #1

STATUS:
08/12/2013 Signed by GOVERNOR.
08/12/2013 Chaptered by Secretary of State. Chapter No. 79

CA AB 528

AUTHOR: Lowenthal B (D)
TITLE: State Rail Plan and High-Speed Rail Authority
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED: 02/20/2013
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 237
SUMMARY: Revises certain items required to be in the elements of the State Rail Plan and the business plan. Provides for the submission of the rail plan to specified transportation agencies, the Legislature, and the Governor. Requires the rail plan to be updated periodically. Relates to the submission of the High-Speed Rail Authority business plan. Repeals provisions regarding identifying certain AMTRAK related decrepit intercity rail passenger stations.
STATUS:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 237

CA AB 564

AUTHOR: Mullin (D)
TITLE: Community Redevelopment: Successor Agencies
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 09/06/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Amends existing law that dissolved redevelopment agencies and community development agencies. Provides for the designation of successor agencies. Prohibits the Department of Finance from taking any future action to modify the enforceable obligations described in existing law following the effective date of the approval of those obligations after review by an oversight board and the department, and from taking action to modify the transfer of property, if the transfer is in an approved transfer plan.
STATUS:
09/11/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (78-0)

CA AB 662

AUTHOR: Atkins (D)

Attachment #1

TITLE: Local Government: Redevelopment: Successor Agencies
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:02/21/2013
LAST AMEND: 09/06/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Deletes a prohibition on the inclusion of redevelopment project areas in infrastructure financing districts. Authorizes the district to finance a project that is located in, or overlaps with, a redevelopment project area or former project area. Relates to procedures governing the contracting requirements and the commitment of new tax funds for new redevelopment agencies. Relates to the disposition of excess tax funds to local agencies and school entities. Relates to administrative costs.
STATUS:
 09/12/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (78-0)

CA AB 701

AUTHOR: Quirk-Silva (D)
TITLE: Local Government Finance: Property Tax: License Fee
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:02/21/2013
LAST AMEND: 09/04/2013
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Increases the vehicle license fee adjustment amount for the County of Orange for the 2014-15 fiscal year. Repeals provisions that requires a county auditor to increase the amount of ad valorem property tax revenue required to be allocated to the county by the county equity amount and to reduce the total amount of ad valorem property tax otherwise allocated to the Educational Revenue Augmentation Fund in the county.
STATUS:
 09/12/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (77-0)
 09/12/2013 Enrolled.

CA AB 749

SANBAG Position: Work With Author

AUTHOR: Gorell (R)
TITLE: Public-Private Partnerships
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED:02/21/2013
LAST AMEND: 04/11/2013

Attachment #1

DISPOSITION: Pending
LOCATION: Assembly Transportation Committee
Amends existing law that authorizes the State Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users tolls and user fees and calls those arrangements public-private partnerships. States the intent of the Legislature for a project developed under these provisions to have specified characteristics.
SUMMARY:
STATUS: 04/29/2013 In ASSEMBLY Committee on TRANSPORTATION: Not heard.

CA AB 797

AUTHOR: Gordon (D)
TITLE: Transit Districts: Contracts
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 04/15/2013
DISPOSITION: To Governor
LOCATION: To Governor
SUMMARY: Authorizes the Santa Clara County Valley Transportation Authority and the San Mateo County Transit District to utilize the Construction Manager/General Contractor project delivery contract method for transit projects within their jurisdictions. Requires the Authority or the district to reimburse the Department of Industrial Relations for costs of performing wage monitoring and enforcement on projects using such contracting methods. Requires those funds to be for enforcement of prevailing wage requirements.
STATUS: 09/03/2013 *****To GOVERNOR.

CA AB 863

SANBAG Position: Work With Author

AUTHOR: Torres (D)
TITLE: Transit Projects: Environmental Review Process
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: Assembly Transportation Committee
Authorizes the Department of Transportation to assume responsibilities for federal review and clearance under the National Environmental Policy Act for a transit project that is subject to the act. Provides that the state consents to the jurisdiction of the federal courts in that regard, and provides that the department may not assert immunity from suit under the U.S. Constitution with regard to actions brought relative to those responsibilities under federal law.
SUMMARY:

STATUS: 03/04/2013 To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.

CA AB 906

AUTHOR: Pan (D)
TITLE: Personal Services Contracts
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 09/11/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Amends the State Civil Service Act to prohibit the execution of proposed personal services contracts permissible under specified conditions, without regard to cost savings, until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. Requires the Department of General Services to establish a process to certify that notification.
STATUS:
09/12/2013 Withdrawn from SENATE Committee on RULES.
09/12/2013 In SENATE. Ordered to third reading.
09/12/2013 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence. (27-11)
09/12/2013 In ASSEMBLY. Assembly Rule 63 suspended.
09/12/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (51-26)

CA AB 1046

AUTHOR: Gordon (D)
TITLE: Department of Transportation: Innovative Delivery
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Authorizes the Department of Transportation's District 4 director to direct existing district resources to the Innovative Delivery Team Demonstration Program. Authorizes department staff to perform reimbursed work for projects on and off the state highway system within the boundaries of the County of Santa Clara pursuant to the master agreement and accompanying work programs.
STATUS:
08/19/2013 In SENATE Committee on APPROPRIATIONS: Not heard.

CA AB 1070

AUTHOR: Frazier (D)
TITLE: California Transportation Financing Authority
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
ENACTED: 08/28/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 198
SUMMARY: Relates to the Transportation Financing Authority Act and the Transportation Financing Authority. Provides for the roles of the authority and an issuer of bonds under the act if the project sponsor, rather than the authority, is the issuer of bonds.
STATUS:
 08/28/2013 Signed by GOVERNOR.
 08/28/2013 Chaptered by Secretary of State. Chapter No. 198

CA AB 1080

AUTHOR: Alejo (D)
TITLE: Community Revitalization & Investment Authorities
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 08/20/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.
STATUS:
 08/30/2013 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA AB 1081

SANBAG Position: Support

AUTHOR: Medina (D)
TITLE: Economic Development: Goods-Movement Infrastructure
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 08/12/2013

Attachment #1

DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
Amends existing law that requires the Governor to submit to the Legislature a proposed infrastructure plan containing certain information concerning infrastructure needed by specified entities and a proposal for funding the needed infrastructure. Requires the plan to include additional information related to infrastructure identified by state and federal transportation authorities, recommendations for private sector financing, and strategies to address state goods movement needs.
SUMMARY:
STATUS: 08/30/2013 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA AB 1140

AUTHOR: Daly (D)
TITLE: Public Works: Prevailing Wages
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/24/2013
DISPOSITION: To Governor
LOCATION: To Governor
SUMMARY: States that if the Director of Industrial Relations determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works. Authorizes any contractor, awarding body, or representative affected by a change in rates to file with the director a verified petition to review the determination of that rate. Requires the initiation of an investigation or hearing to make a final determination.
STATUS: 09/03/2013 *****To GOVERNOR.

CA AB 1194

AUTHOR: Ammiano (D)
TITLE: Safe Routes to School Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/24/2013
DISPOSITION: Pending
LOCATION: Senate Transportation and Housing Committee
Requires a specified percent of Safe Routes to School Program to be used for noninfrastructure activities to encourage walking and bicycling to school.
SUMMARY: Authorizes the transfer of the responsibility for selecting projects and awarding grants from the Department of Transportation to the State Transportation Commission.

Attachment #1

STATUS: 07/02/2013 In SENATE Committee on TRANSPORTATION AND HOUSING: Not heard.

CA AB 1290 SANBAG Position: Work With Author

AUTHOR: Perez J (D)
TITLE: Transportation Planning
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:02/22/2013
LAST AMEND: 09/03/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Provides additional voting members of the State Transportation Commission to be appointed by the Legislature. Provides for the Chairperson of the State Air Resources Board to serve as an ex officio member without a vote. Requires each appointing power to consider a member with specified transportation expertise. Relates to sustainable communities or alternative planning strategies and regional transportation improvement programs and plans.

STATUS: 09/10/2013 In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment. (54-24)

CA ACA 1

AUTHOR: Donnelly (R)
TITLE: Administrative Regulations: Legislative Approval
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:12/03/2012
DISPOSITION: Pending
LOCATION: Assembly Accountability and Administrative Review Committee
SUMMARY: Requires an administrative agency to submit all regulations to the Legislature for approval. Authorizes the Legislature, by means of a concurrent resolution, to approve a regulation adopted by an administrative agency of the state.

STATUS: 05/01/2013 In ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Failed passage.

CA ACA 3

AUTHOR: Campos (D)
TITLE: Local Government Finance: Public Safety Services
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED:01/22/2013
DISPOSITION: Pending

Attachment #1

LOCATION: Assembly Local Government Committee
Authorizes the imposition, extension, or increase of a special tax for funding fire, emergency response, police, or sheriff services, upon the approval of 55% of the voters voting. Creates an additional exception to the 1% limit for a rate imposed

SUMMARY: by a city, county, or special district to service bonded indebtedness incurred to fund certain fire, emergency response, police, or sheriff buildings or facilities, and equipment that is approved by 55% of the voters of the city, county, or special district.

STATUS: 04/04/2013 To ASSEMBLY Committees on LOCAL GOVERNMENT and APPROPRIATIONS.

CA ACA 8

AUTHOR: Blumenfield (D)
TITLE: Local Government Financing: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/13/2013
LAST AMEND: 04/04/2013
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.

SUMMARY:

STATUS: 06/27/2013 To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

CA SB 1

AUTHOR: Steinberg (D)
TITLE: Sustainable Communities Investment Authority
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 09/03/2013
DISPOSITION: Pending
LOCATION: Senate Unfinished Business
Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain

SUMMARY:

types of farmland.
STATUS: 09/09/2013 In ASSEMBLY. Read third time. Passed ASSEMBLY.
 *****To SENATE for concurrence. (48-28)

CA SB 11

AUTHOR: Pavley (D)
TITLE: Alternative Fuel and Vehicle Technologies: Funding
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 12/03/2012
LAST AMEND: 09/06/2013
DISPOSITION: Pending
LOCATION: Assembly Transportation Committee
 Relates to compensation for the retirement of certain high polluting vehicles. Requires an update to guidelines for an enhanced fleet modernization program to include specified elements. Establishes compensation for replacement vehicles.
SUMMARY: Extends smog abatement fees in amounts required to make deposits into the Alternative and Renewable Fuel and Vehicle Technology Fund, the Air Quality Improvement Fund, and a specified Subaccount. Relates to grants for air emission pollutant reduction projects.
STATUS: 09/11/2013 In ASSEMBLY Committee on TRANSPORTATION: Not heard.

CA SB 33

AUTHOR: Wolk (D)
TITLE: Infrastructure Financing Districts: Voter Approval
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 08/26/2013
DISPOSITION: Pending
LOCATION: Assembly Inactive File
 Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.
SUMMARY:
STATUS: 09/11/2013 In ASSEMBLY. To Inactive File.

CA SB 64

AUTHOR: Corbett (D)
TITLE: Global Warming Solutions: Clean Technology Investment

FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/10/2013
LAST AMEND: 06/14/2013
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY: Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in the state.
STATUS: 06/24/2013 Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.

CA SB 110

AUTHOR: DeSaulnier (D)
TITLE: Oakland Bay Bridge Safety Review Task Force
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/14/2013
LAST AMEND: 08/08/2013
DISPOSITION: To Governor
LOCATION: To enrollment
SUMMARY: Establishes the East Span, San Francisco-Oakland Bay Bridge Safety Review Task Force to assess the seismic structural performance of the East Span of the bridge by conducting a series of specified reviews. Provides an appropriation for the task force. Requires the Bay Area Toll Authority to reimburse the State Highway Account for all funds expended for purposes of the task force. Provides that the records of the task force are subject to public disclosure. Provides for indemnification of task force members.
STATUS: 08/26/2013 In SENATE. Urgency clause adopted. SENATE concurred in ASSEMBLY amendments. To enrollment. (37-0)

CA SB 133

AUTHOR: DeSaulnier (D)
TITLE: Redevelopment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/28/2013
LAST AMEND: 08/06/2013
DISPOSITION: Pending

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LOCATION: Senate Inactive File
Amends the Community Redevelopment Law. Requires a redevelopment agency to include additional information relating to any major audit violations, any corrections of those violations, and planning and general administrative expenses

SUMMARY: of the Low and Moderate Income Housing Fund. Authorizes quality control reviews by the Controller and the publishing of those reviews. Requires audits of such agencies to ensure compliance with the law. Relates to funding for housing construction and/or rehabilitation.

STATUS: 09/10/2013 In SENATE. From Unfinished Business. To Inactive File.

CA SB 142

AUTHOR: DeSaulnier (D)
TITLE: Public Transit
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/30/2013
LAST AMEND: 08/22/2013
DISPOSITION: To Governor
LOCATION: To Governor

SUMMARY: Relates to creation of special benefit districts within a municipal transit or rapid transit district regarding issuance of bonds to be repaid through special assessments levied on property within the district. Amends district areas. Enacts provisions authorizing a transit district, municipal operator, other other public agency operating or contracting for the operation of transit, commuter rail, or intercity rail service to create one or more special districts. Includes ferry terminals. Provides a repeal.

STATUS: 09/12/2013 *****To GOVERNOR.

CA SB 176

AUTHOR: Galgiani (D)
TITLE: Administrative Procedures
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/06/2013
LAST AMEND: 08/07/2013
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
Requires the Office of Administrative Law to allow electronic submission to the Office by a state agency of notices required to be published and information required to be submitted pursuant to specified provisions of existing law.

SUMMARY: Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions.

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STATUS:
08/30/2013 In ASSEMBLY Committee on APPROPRIATIONS: To
Suspense File.
08/30/2013 In ASSEMBLY Committee on APPROPRIATIONS: Held in
committee.

CA SB 286

AUTHOR: Yee (D)
TITLE: Vehicles: High-Occupancy Vehicle Lanes
FISCAL
COMMITTEE: yes
URGENCY
CLAUSE: no
INTRODUCED: 02/14/2013
LAST AMEND: 08/22/2013
DISPOSITION: To Governor
LOCATION: To Governor

SUMMARY: Extends the operation of existing law that authorizes the Department of Transportation to designate certain lanes for the exclusive use of high-occupancy vehicles, which lanes may also be used by certain low-emission or alternative fuel vehicles not carrying the requisite number of passengers otherwise required for the use of an HOV lane. Permits the department to issue a valid identifier to a vehicle that meets the state's transitional zero-emission standard. Repeals and deletes related provisions.

STATUS:
09/10/2013 *****To GOVERNOR.

CA SB 328

AUTHOR: Knight (R)
TITLE: Counties: Public Works Contracts
FISCAL
COMMITTEE: no
URGENCY
CLAUSE: no
INTRODUCED: 02/19/2013
LAST AMEND: 08/12/2013
DISPOSITION: To Governor
LOCATION: To Governor

SUMMARY: Authorizes a county to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county. Provides that a construction manager at-risk contract may be awarded using the lowest responsible bidder or the best value method, to an at-risk entity which has sufficient bonding. Relates to awarding work to certain subcontractors. Requires posting the contract on county's Website and appropriate committees.

STATUS:
09/05/2013 *****To GOVERNOR.

CA SB 425

AUTHOR: DeSaulnier (D)

Attachment #1

TITLE: Public Works: the Public Works Peer Review Act of 2013
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:02/21/2013
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 252

SUMMARY: Allows a public agency, principally tasked with administering, planning, developing, and operating a public works project, to establish a specified peer review group. Requires the administering agency, if a peer group is established, to draft a charter, published on the agency's Internet Web site, related to the duties of the peer review group.

STATUS:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 252

CA SB 454

AUTHOR: Corbett (D)
TITLE: Public Resources: Electric Vehicle Charging Stations
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:02/21/2013
LAST AMEND: 09/03/2013
DISPOSITION: To Governor
LOCATION: Enrolled

SUMMARY: Creates the Electric Vehicle Charging Stations Open Access Act. Prohibits the charging of a subscription fee on persons desiring to use an electric vehicle charging station. Prohibits a requirement for persons to obtain membership in any club, association, or organization as a condition of using the station. Requires the total actual charges for the use of a station to be disclosed at the point of sale. Requires a provider of certain equipment or a station to disclose certain information.

STATUS:
09/12/2013 Enrolled.

CA SB 556

AUTHOR: Corbett (D)
TITLE: Agency: Ostensible: Nongovernmental Entities
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED:02/22/2013
LAST AMEND: 09/04/2013
DISPOSITION: Pending
LOCATION: Assembly Inactive File

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SUMMARY: Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services relating to public health or safety for a public entity from displaying on a vehicle or uniform a logo that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a specified disclosure.

STATUS: 09/11/2013 In ASSEMBLY. To Inactive File.

CA SB 557

AUTHOR: Hill (D)
TITLE: High-Speed Rail
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 216

SUMMARY: Relates to existing law that appropriates specified funds from the High Speed Passenger Train Bond Fund and from federal funds for high-speed rail and connecting rail projects. Adds detail to provisions governing the expenditure of certain of those appropriated funds. Specifies that of the moneys appropriated for early high-speed rail improvement projects in the Budget Act of 2012, a specified amount shall be allocated solely for purposes of specified memoranda of understanding.

STATUS: 09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 216

CA SB 628

AUTHOR: Beall (D)
TITLE: Infrastructure Financing: Transit Priority Projects
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 08/05/2013
DISPOSITION: Pending
LOCATION: SENATE

SUMMARY: Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.

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STATUS:
08/19/2013 Withdrawn from Enrollment.
08/19/2013 Ordered Held at SENATE desk.

CA SB 731 SANBAG Position: Work With Author

AUTHOR: Steinberg (D)
TITLE: Environment: California Environmental Quality Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 09/09/2013
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY: Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.
STATUS:
09/11/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT:
Do pass as amended. (9-0)

CA SB 751

AUTHOR: Yee (D)
TITLE: Meetings: Publication of Action Taken
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 257
SUMMARY: Amends the Ralph M. Brown Act that requires all meetings of the legislative body of a local agency to be open and public and prohibits that body from taking action by secret ballot, whether preliminary or final. Requires that the legislative body of a local agency to publicly report any action taken and the vote or abstention of that action of each member present for the action.
STATUS:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 257

CA SB 788

AUTHOR: Senate Transportation and Housing Committee
TITLE: Transportation

FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:02/22/2013
LAST AMEND:08/14/2013
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Defines the term highway for exemption purposes under the CEQA. Relates to the prepayment of sales tax on aircraft jet fuel. Relates to the relinquishment of highways and the maintenance of such highways. Modifies bikeway provisions. Revises the definition of logging dolly, logging vehicle, station wagon, and schoolbus accidents. Relates to Olympic and veterans' associations license plates and revenue. Regards commercial driver's licensing. Relates to traffic school. Amends medical certification dates.
STATUS: 09/12/2013 Enrolled.

CA SB 811

AUTHOR: Lara (D)
TITLE: State Highway Route 710
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:02/22/2013
LAST AMEND:09/03/2013
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Imposes additional requirements on the Department of Transportation for the I-710 corridor project in the County of Los Angeles. Requires the lead agency to consider, in the environmental review, alternatives on air quality, public health and mobility impacts on neighboring communities, including Community Alternative 7. Requires the EIR to contain information on investments in mitigation for those communities and the Los Angeles River. Requires a report to the I-70 EIR/EIS Project Committee.
STATUS: 09/12/2013 Enrolled.

CA SCA 3

AUTHOR: Leno (D)
TITLE: Public Information
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED:12/03/2012
LAST AMEND:06/20/2013
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Proposes an amendment to the Constitution to require each local agency to

Attachment #1

comply with the State Public Records Act and the Brown Act and with any statutory enactment amended either act, enacting a successor act, or amending any successor act which contains findings demonstrating that the statutory enactment furthers the purposes of the people's right of access to information concerning the conduct of the people's business. Regards the subvention of funds.

STATUS:
09/11/2013 Enrolled.

CA SCA 4

AUTHOR: Liu (D)
TITLE: Local Government Transportation Project: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 08/28/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Proposes an amendment to the Constitution to provide the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of a related proposition that includes certain requirements. Prohibits the local government from expending any revenues derived from a special transportation tax approved by the voters at any time prior to the completion of a identified capital project funded by specified revenues.
STATUS: 08/29/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

CA SCA 8

AUTHOR: Corbett (D)
TITLE: Transportation Projects: Special Taxes: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/14/2012
LAST AMEND: 05/21/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Proposes an amendment to the Constitution to provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55% of its voters voting on the proposition, if the proposition includes certain requirements.
STATUS: 08/29/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

CA SCA 9

AUTHOR: Corbett (D)
TITLE: Local Government: Economic Development: Special Taxes

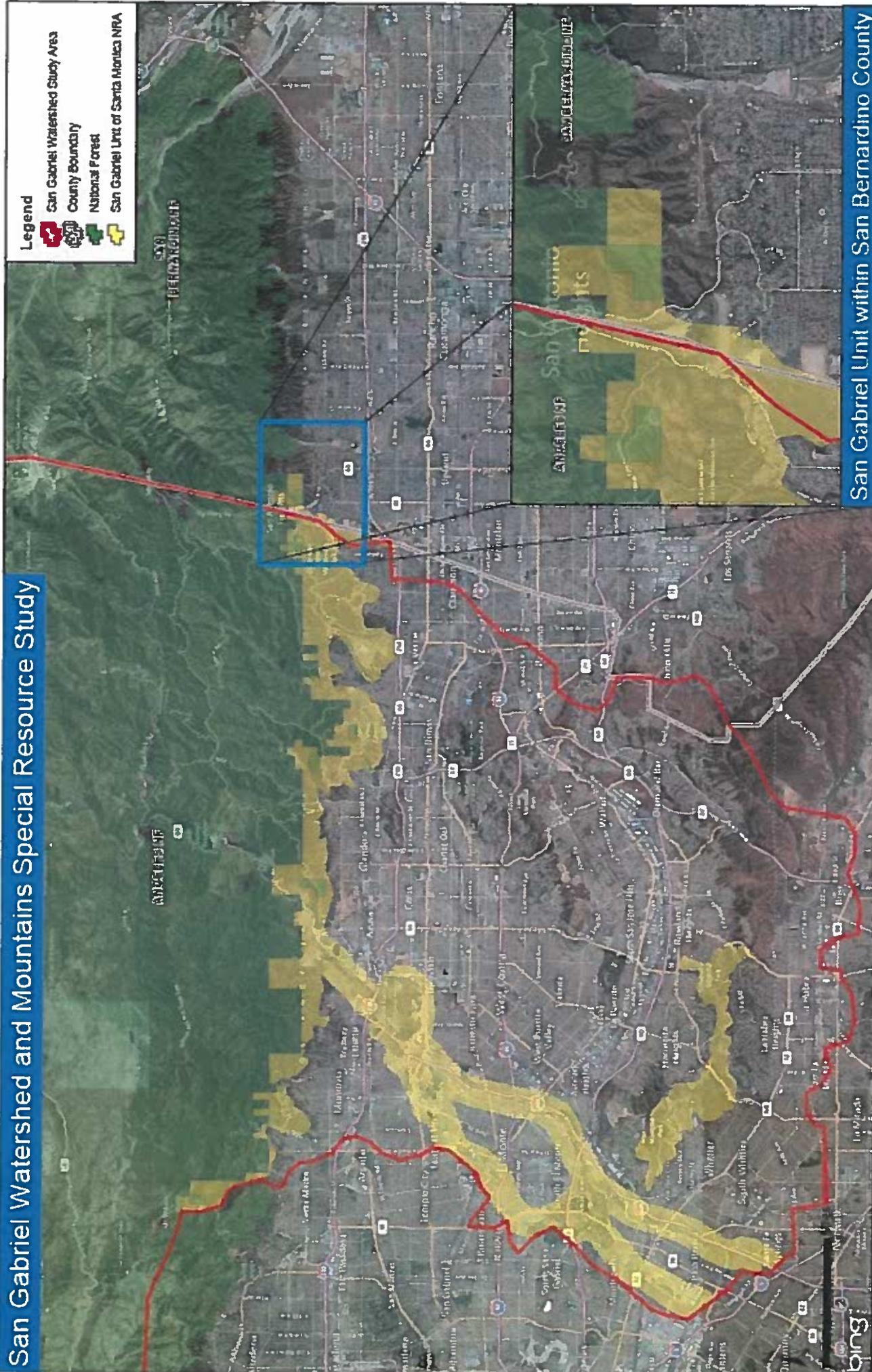
Attachment #1

FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/18/2012
LAST AMEND: 05/21/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Proposes an amendment to the Constitution to provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects requires the approval of a specified percentage of its voters voting on the proposition, if the proposition contains specified requirements.
STATUS: 06/27/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

CA SCA 11

AUTHOR: Hancock (D)
TITLE: Local Government: Special Taxes: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/25/2013
LAST AMEND: 05/21/2013
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY: Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, if the proposition proposing the tax contains specified requirements.
STATUS: 06/27/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

San Gabriel Watershed and Mountains Special Resource Study





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

Minute Action

AGENDA ITEM: 11

Date: October 2, 2013

Subject: Interstate 215/Barton Road Interchange Improvement Project Alternate Delivery Method

Recommendation: That the Board of Directors, acting as the San Bernardino County Transportation Commission approve using the alternative delivery method of Construction Manager/General Contractor (CM/GC) for the I-215/Barton Road Interchange Project.

Background: On September 29, 2012, Assembly Bill No. 2498 amended the California Public Contract Code Section 6700-6708 to establish a pilot program, consisting of no more than six projects, to test the utilization of a Construction Manager/General Contractor (CM/GC) delivery method as a cost-effective option for constructing transportation projects on the state highway system. The bill stipulates that Caltrans will be the lead on the selected projects.

The CM/GC, also referred to as CM at Risk, allows an agency to engage a Construction Manager (Contractor) during the design phase to provide input on materials, construction staging, schedule, and cost estimating to make the design a more constructible project. The CM/GC construction contractor is selected based on qualifications. When the design is nearing completion, the selected CM/GC contractor submits a Guaranteed Maximum Price for the construction of the project. The submitted bid is compared to an independent cost estimate and if a negotiated price can be reached, the Construction Manager is awarded the

*

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG		CTC	X	CTA		SAFE		CMA	
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Check all that apply.

BRD1310b-mkb

<http://portal.sanbag.ca.gov/mgmt/workgroups/freeway/Shared%20Documents/Task%200840%20I-215%20Barton%20Road%20CMGC%20Nomination%20Fact%20Sheet.pdf>

construction contract. If a negotiated price cannot be reached, the Construction Manager is paid for his services and the construction project is advertised as a traditional bid-build contract.

The goals of the CM/GC delivery method include:

- Reduced delivery time
- Real-time accurate pricing
- Innovation of materials and staging
- Improved constructability
- Reduced construction costs
- Improved cost reliability
- Appropriate risk allocation
- Reduced owners resources

The benefits of this delivery method include:

- The Public agency does not sacrifice control over the design, as is the case with a design-build delivery method
- Fewer disputes and claims by the Contractor because he was part of the design team.
- Risk is transferred to the Contractor under a Guaranteed Maximum Price Contract.
- CM/GC was successfully used on many projects throughout the United States. Utah has the most aggressive program, which has demonstrated many advantages including an average cost savings of 15 percent and early or on-time delivery.

The challenges of this delivery method include:

- Caltrans and SANBAG learning curve – this is one of the first CM/GC projects. As on the Devore design-build project, SANBAG will enlist resources experienced in this delivery method for guidance.
- Caltrans current organization is not structured for this delivery method. Caltrans has expressed a willingness to use an organization structure that gives SANBAG the final authority. This organization structure was successful on the Devore Interchange project.
- Additional costs during the PS&E phase for the CM contract will be incurred. Other states, that have adopted the CMGC delivery method, realized savings during construction, off-setting the cost of hiring the CM during the PS&E phase.

The I-215/Barton Road Interchange project meets the criteria to be considered for the CM/GC pilot program. Caltrans District 8 prepared the CM/GC nomination fact sheet (attached) and submitted it to Caltrans Head Quarters on May 3, 2013. The Caltrans Special Projects Evaluation Panel selected the Project on June 26, 2013.

SANBAG Board approved the Caltrans cooperative agreement C12212 on May 30, 2012, for Plans, Specifications and Estimates (PS&E) services. Caltrans is the lead for this phase of work. If the Board approves this recommendation, a construction cooperative agreement with Caltrans will be developed to incorporate the CM/GC delivery method. The agreement will include language that gives SANBAG a strong administrative role. The construction agreement will be brought to the Board for their consideration at a future meeting.

Staff is recommending the approval of using the Construction Manager/General Contractor delivery method for the I-215/Barton Road Interchange Project.

Financial Impact: This action will not have an impact to the Fiscal Year 2013/14 budget.

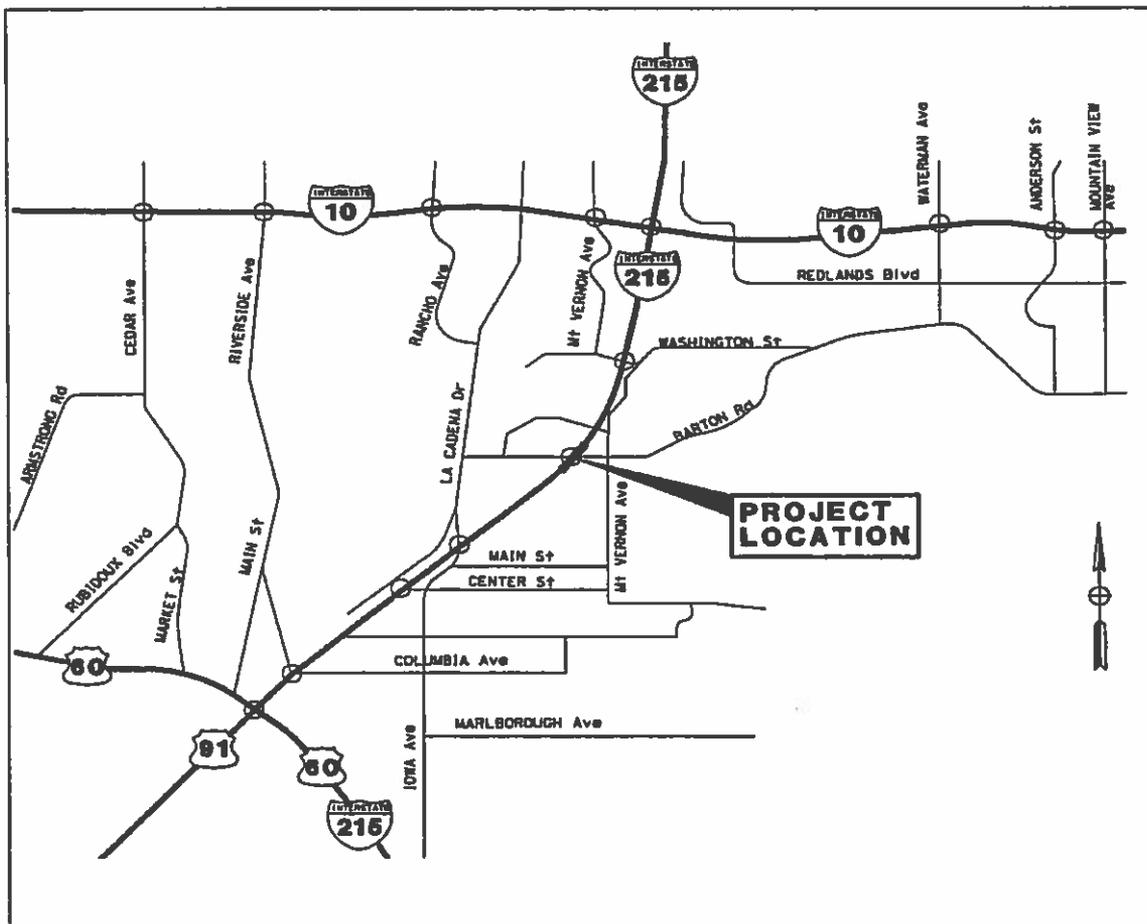
Reviewed By: This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Responsible Staff: Garry Cohoe, Director of Project Delivery

CMGC
NOMINATION FACT SHEET
08-SBD-215-KP 0.93/3.14 (PM 0.58/1.95)
Project EA 0J0700

Project Description

The San Bernardino Associated Governments (SANBAG), in cooperation with the Riverside County Transportation Commission (RCTC), the City of Grand Terrace (City), the City of Colton, the California Department of Transportation (Caltrans), and the Federal Highway Administration (FHWA), proposes to reconstruct the existing Interstate 215 (I-215)/Barton Road interchange (Bridge No. 54-0528, PM 1.31)



The purpose of this project is to reconstruct and improve the interchange to attain a desirable Level of Service (LOS) in the future. The I-215/Barton Road interchange is considered the main access to the City of Grand Terrace. The 2006 Average Daily Traffic (ADT) volumes for the existing interchange at the northbound off-ramp and southbound on-ramp are 12,800 and 15,800, respectively. Traffic projections by the year 2035 show an increase of 18% to 15,060 ADT for the northbound off-ramp and the southbound on-ramp and an increase of 58% to 24,960 ADT for southbound off-ramp/northbound on-ramp at Barton Road.

The proposed project is needed to increase capacity, improve operations, and reduce existing and future traffic congestion at the I-215/Barton Road interchange. Based on traffic projections and the existing and future land uses in the vicinity, the facility is forecast to degrade to level of service (LOS) F (breakdown condition) by 2040 without improvements.

The objective of the project is to address the operational deficiencies of traffic congestion, limited capacity, and inefficient traffic operations at the existing I-215/Barton Road interchange.

Project Proposal

The project is currently in the Project Approval and Environmental Document (PA&ED) phase of project development. Some preliminary geometric design work has been completed during PA&ED to support environmental and technical engineering studies needed for the environmental document and project report. Detailed design work will begin following completion of PA&ED during the Plans, Specifications and Estimates (PS&E) phase of the project. Preliminary right of way activities have been undertaken to identify potential property and utility impacts. Right of way acquisitions and utility coordination will occur later in the PS&E phase.

In accordance with the California Environmental Quality Act (CEQA) the Draft Environmental Document prepared is a Draft Initial Study (IS). And, in accordance with the National Environmental Policy Act (NEPA) the Draft Environmental Document prepared is a Draft Environmental Assessment (EA). The Draft IS with Proposed Mitigated Negative Declaration (MND) and the Draft EA with Finding of No Significant Impact (FONSI) have been prepared in accordance with Caltrans' environmental procedures, as well as state and federal environmental regulations.

At the suggestion of FHWA, a modified alternative was recently introduced as a replacement of the locally preferred build alternative to mitigate an access control issue. The Draft NEPA and CEQA documents are currently undergoing revalidation efforts to determine if the modified project alternative footprint requires new or revised environmental studies. Revalidation efforts are not expected to significantly impact the project schedule and completion of the Project Approval and Environmental Document is anticipated by the end of calendar year 2013.

Schedule

This project is scheduled to be completed after the I-215 carpool lane gap closure project between San Bernardino and Riverside is completed. The improvements at the adjacent Mt. Vernon Avenue/Washington Street interchange in Colton will follow the completion of the Barton Road interchange improvements. The following schedule for the Barton Road interchange assumes no unforeseen delays and is contingent upon the project being fully funded based on the selected build alternative:

- The Project Approval/Environmental Document phase is expected to be completed by late 2013.

- Final design and right of way acquisition are estimated to be completed by late 2015.
- Construction is expected to start early 2016 and be completed by mid-2018.

Cost/Funding

Costs for the Project Approval/Environmental Document phase of work are being shared by SANBAG and RCTC. SANBAG is funding approximately \$3.09 million of this project phase, and RCTC is funding an estimated \$1.03 million.

The full project cost through construction is estimated to be between \$63.3 million and \$100 million, depending on which build alternative is selected. This estimate is subject to change, based on future cost escalations.

The Project is programmed in the Southern California Association of Government's adopted 2013 Federal Transportation Improvement Program. Total programmed funds for the project are \$78.8 million. If necessary, additional future funding for the interchange project will be provided in part by Measure I, the half-cent sales tax for transportation improvements in San Bernardino County. SANBAG also may pursue additional state and federal funding sources.

Permits/Agreements

SANBAG and Caltrans previously entered into cooperative agreements for the PA&ED (Agreement No. 08-1341) and the PS&E/Right of Way (Agreement No. 08-1537) phases of project development. A separate agreement will be required for construction.

Anticipated regulatory permits include:

- Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System (NPDES) No. CAS000002, NPDES General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities
- Order No. 99-06-DWQ, NPDES No. CAS000003, Statewide Storm Water Permit and Waste Discharge Requirements for Caltrans
- State Right-of-Way Encroachment Permit
- Clean Water Act (CWA) Section 401 Water Quality Certification from the Regional Water Quality Control Board (RWQCB)
- CWA Section 404 Nationwide Permit from the United States Army Corps of Engineers (ACOE)
- California Department of Fish and Game (CDFG) Lake or Streambed Alteration Agreement

The project will also require an agreement with the CHP Field Office for Construction Zone Enhanced Enforcement Program (COZEEP).

Right of Way and Utilities

This project requires acquisition of additional right of way. Depending on the selected build alternative, the project is expected to acquire between 2 to 8 residences and 22 to 35

commercial properties. Right of way engineering and acquisitions will begin after completion of the PA&ED phase of the project at the end of 2013.

Utility coordination work and design of any necessary utility relocation will begin during the PS&E phase. Preliminary utility verification research and mapping were completed during PA&ED. The following utilities are expected to be relocated or protected in place during construction.

Utility	Owner
Sewer	City of Grand Terrace
Water Line	Riverside Highland Water, Eastern Valley Municipal Water District
Gas Line	Southern California Gas
Electrical-underground	Southern California Edison (SCE)
Utility Poles	SCE
Electrical-overhead	SCE
Telecom	AT&T, Time Warner
CATV	AT&T, Time Warner, Charter Communication
Riverside Canal Aqueduct	City of Riverside

Public/Political Support of Project

The project is supported by the general public and has broad political support among the SANBAG and RCTC member agencies.

Why is this project a good CMGC candidate?

Because this is an interchange reconstruction project, it has a wide spectrum of issues that CMGC can provide beneficial assistance. Limited work spaces within the interchange footprint require development of optimal construction staging strategies. The CMGC's suggestions on work zone traffic control plans and construction material staging areas are expected to help optimize staging strategies.

It will be important to develop accurate working day estimates to minimize the overall construction duration and deliver the finished project to the travelling public as efficiently as possible. Also, it is essential that lane and ramp closure schedules/durations and traffic control measures are reviewed to ensure that the traveling public is not unnecessarily impacted construction.

CMGC review of traffic control items can lead to more accurate pricing and cost estimating of items that are traditionally estimated and bid as "lump sum" items. Early identification and resolution of R/W utility relocation constraints will reduce R/W support & capital costs and improve schedule performance. Additionally, CMGC involvement is expected to provide reasonable and predictable forecasted support cost rates essential for Caltrans' work plan and programming purposes.

The Construction Manager's tasks should be evaluated by the project team with input from the appropriate functional units. Select the tasks for which the Construction Manager's assistance will be needed and discuss its benefits to delivering the project. (Note: This initial selection will be used to assist in understanding how the district intends to the construction manager and can be modified prior to release of the RFQ).

DESIGN RELATED

- Validate Department/Consultant design
- Assist/input to Department/Consultant design
- Design reviews
- Design charrettes
- Constructability reviews
- Operability reviews
- Regulatory reviews
- Market surveys for design decisions
- Verify/take-off quantities
- Assistance shaping scope of work
- Feasibility studies
- Encourage innovation

COST RELATED

- Validate agency/consultant estimates
- Prepare project estimates
- Cost engineering reviews
- Early award of critical bid packages
- Life cycle cost analysis
- Value analysis/engineering
- Material cost forecasting
- Cost risk analysis
- Cash flow projections/Cost control
- Shape the project scope to meet the budget

PRECONSTRUCTION WORK RELATED

- Utility Relocation
- Potholing

- Preliminary soil and geotech studies
- Right of Way Demolition
- Preliminary Surveying

SCHEDULE RELATED

- Validate agency/consultant schedules
- Prepare and manage project schedules
- Develop sequence of design work
- Construction phasing
- Schedule risk analysis/control

ADMINISTRATION RELATED

- Prepare Document Control
- Coordinate contract documents
- Coordinate with 3rd party stakeholders
- Subcontractor bid packaging
- Attend public meetings
- Bidability reviews
- Subcontractor bid packaging
- Prequalifying Subcontractors
- Assist in right-of-way acquisition
- Assist in permitting actions
- Study labor availability/conditions
- Prepare sustainability certification application
- Follow environmental commitments
- Follow terms of Federal Grant
- Coordinate site visits for subcontractors
- Teamwork/Partnering meetings/sessions
- Develop Quality and Safety plans

Glossary of Preconstruction Services Terms

Design-Related Preconstruction Services

Validate agency/consultant design—Construction Manager evaluates the design as it is originally intended and compares it to the scope of work with both the required budget and schedule to determine if the scope can be executed within those constraints. A validated design is one that can be constructed within the budget and schedule constraints of the project.

Assist/input to agency/consultant design— Construction Manager will offer ideas/cost information to the designer to be evaluated during the design phase. Ultimately, the designer is still responsible for the design.

Design reviews—done to identify errors, omissions, ambiguities, and with an eye to improving the constructability and economy of the design submittal.

Design charrettes—Construction Manager would participate in structured brainstorming sessions with the designer and owner to generate ideas to solve design problems associated with the project.

Constructability reviews—review of the capability of the industry to determine if the required level of tools, methods, techniques, and technology are available to permit a competent and qualified construction contractor to build the project feature in question to the level of quality required by the contract.

Operability reviews—bringing in the agency's operations and maintenance personnel and providing them with an opportunity to make suggestions that will improve the operations and maintenance of the completed projects.

Regulatory reviews—a check to verify that the design complies with current codes and will not have difficulty obtaining the necessary permits.

Market surveys for design decisions—furnish designers with alternative materials or equipment along with current pricing data and availability to assist them in making informed design decisions early in the process to reduce the need to change the design late in the process resulting from budget or schedule considerations.

Verify/take-off quantities—Construction Manager verifies the quantities generated by the designer for the engineer's estimate.

Assistance shaping scope of work— Construction Manager generates priced alternatives from the designer and owner to ensure that the scope of work collates to the constraints dictated by the budget and/or schedule.

Feasibility studies— Construction Manager investigates the feasibility of possible solutions to resolve design issue on the project.

Cost-Related Preconstruction Services

Validate agency/consultant estimates—Construction Manager evaluates the estimate as it is originally intended and determines if the scope can be executed within the constraints of the budget.

Prepare project estimates—Construction Manager provides real-time cost information on the project at different points in the design process to ensure that the project is staying within budget.

Cost engineering reviews—review that includes not only the aspects of pricing but also focuses on the aspect that "time equals money" in construction projects.

Early award of critical bid packages— Construction Manager determines which design packages should be completed first to ensure that pricing can be locked in on the packages.

Life-cycle cost analysis— Construction Manager provides input to design decision that impact the performance of the project over its lifespan.

Value analysis—process that takes place during preconstruction where the CMGC contractor identifies aspects of the design that either do not add value or whose value may be enhanced by changing them in some form or fashion. The change does not necessarily reduce the cost; it may actually decrease the life-cycle costs.

Value Engineering—systematic review by a qualified agency and/or contractor personnel of a project, product, or process so as to improve performance, quality, safety, and life-cycle costs.

Material cost forecasting – Construction Manager utilizes its contacts within the industry to develop estimates of construction material escalation to assist the owner and designer make decisions regarding material selection and early construction packages.

Cost risk analysis—furnishing the agency with information regarding those cost items that have the greatest probability of being exceeded.

Cash flow projections/Cost control – Construction Manager conducts earned value analysis to provide the owner with information on how project financing must be made available to avoid delaying project progress. This also may include an estimate of construction carrying costs to aid the owner in determining projected cash flow decisions.

Schedule-Related Preconstruction Services

Validate agency/consultant schedules— Construction Manager evaluates if the current scope of work can be executed within the constraints of the schedule.

Prepare project schedules— Construction Manager prepares schedules throughout the design phase to ensure that dates will be met, and notify the owner when issues arise.

Develop sequence of design work— Construction Manager sequences the design work to mirror the construction work, so that early work packages can be developed.

Construction phasing – Construction Manager develops a construction phasing plan to facilitate construction progress and ensure maintenance of traffic.

Schedule risk analysis/control— Construction Manager evaluates the risks inherent to design decisions with regard to the schedule and offers alternative materials, means and/or methods to mitigate those risks.

Administrative-Related Preconstruction Services

Coordinate contract documents – Construction Manager evaluates each component to the construction contract against all other components and identifies conflicts that can be resolved before award of the construction phase contract.

Coordinate with third-party stakeholders— Construction Manager communicates with third parties involved in the project including but not limited to utilities, railroads, and the general public.

Public information-public relations – Construction Manager implements a program to identify public relations issues and solve them to ensure the project is not delayed by public protest.

Attend public meetings — Construction Manager can organize and attend public meetings to answer questions from the public about the construction of the project.

Biddability reviews — Construction Manager reviews the design documents to ensure that subcontractor work packages can be bid out and receive competitive pricing. This action reduces the risk to the subcontractors because they are given the specific design product they need for their bids; not just told to find their work inside the full set of construction documents.

Subcontractor bid packaging — Construction Manager coordinates the design work packaging to directly correlate with subcontractor work packages so that early packages can be easily bid out and awarded.

Prequalifying subcontractors – Construction Manager develops a list of qualified subcontractors that are allowed to bid on packages as they are advertised.

Assist in right-of-way acquisition – Construction Manager assists the designer in identifying options for right-of-way acquisitions by providing means and methods input. The primary purpose is to minimize the amount of right-of-way actions that must be undertaken.

Assist in permitting actions – Construction Manager is empowered to meet with resource agencies and develop permit applications with assistance from the designer.

Study labor availability/conditions – Construction Manager furnishes advice during design with regard to the availability of specialty trade subcontractors and the impact of that availability on project budget and schedule constraints.

Prepare sustainability certification application– When certification for sustainability is desired, the Construction Manager is empowered to prepare the necessary paperwork to submit for certification

The following is a delivery selection tool we are developing. Please provide a response to each of the questions below.

EVALUATION OF PROJECT SCOPE AND CHARACTERISTICS		
QUESTION No.	QUESTION	Rating (A, B or C)
1a)	Where is the project in the project development process? A. Detailed or final engineering stage B. Preliminary design C. Conceptual engineering stage	B
1b)	What is the size/complexity of the project? A. Relatively simple, smaller project with no need for specialized outside expertise B. Medium size project with more technically complex components and schedule complexity C. Large, complex project with significant schedule complexity (e.g. multiple phases, extensive third-party issues, specialized expertise needed)	C
1c)	Does the project involve significant impacts to highway users and local businesses/community during construction? A. No more than typical B. More than typical C. Much more than typical	B
1d)	Does the project present right-of-way limitations that would benefit from the contractor's assistance? A. No more than typical B. More than typical C. Much more than typical	C
1e)	Does the project present environmental permitting issues that would benefit from the contractor's assistance? A. No more than typical B. More than typical C. Much more than typical	B
1f)	Does the project present utility or third-party issues that would benefit from the contractor's assistance? A. No more than typical B. More than typical C. Much more than typical	C
1g)	Does the project present unique work restrictions or traffic maintenance requirements that would benefit from the contractor's assistance? A. No more than typical B. More than typical C. Much more than typical	C
1h)	Would the project benefit by packaging features of work to allow early lock-in of construction materials/labor pricing? A. No more than typical B. More than typical C. Much more than typical	B
1i)	Would the project benefit by raising quality standards/benchmarks to minimize maintenance and achieve lower life-cycle cost? A. No more than typical B. More than typical C. Much more than typical	A

EVALUATION OF SUCCESS CRITERIA		
QUESTION No.	QUESTION	Rating (A, B or C)
2a) Schedule Issues		
1	Can time savings be realized through concurrent design and construction activities (fast-tracking)? A. No more than typical B. More than typical C. Much more than typical	C
2	Can the schedule be compressed? A. No more than typical B. More than typical C. Much more than typical	C
2b) Opportunity for Innovation		
1	Will the project scope allow for innovation (e.g., alternate designs, traffic management, construction means and methods, etc.)? A. No more than typical B. More than typical C. Much more than typical	B
2	Must the project scope be primarily defined in terms of prescriptive specifications (i.e., predetermined materials and methods), or can performance specifications (expressing desired end results) be used, or a combination of both? A. Primarily prescriptive specifications B. Combination of prescriptive and performance specifications C. Performance specifications for significant elements	A
2c) Quality Enhancement		
1	Will there be opportunities for contractors to provide materials or methods that provide greater value than normally specified by the state on similar projects? A. No more than typical B. More than typical C. Much more than typical	B
2	Will there be the opportunity for realization of greater value due to designs tailored to contractor's area of expertise? A. No more than typical B. More than typical C. Much more than typical	B
3	Will warranties or maintenance agreements be used? A. No B. Limited to short-term workmanship and materials C. Much more than typical	B

EVALUATION OF SUCCESS CRITERIA (Continued)		
QUESTION No.	QUESTION	Rating (A, B or C)
2d) Cost Issues		
1	Will there be opportunities for contractors to provide designs with lower initial construction costs than those typically specified by the state? A. No more than typical B. More than typical C. Much more than typical	B
2	Will there be opportunities for contractors to provide alternate design concepts with lower lifecycle costs than those typically specified by the state? A. No more than typical B. More than typical C. Much more than typical	B
3	Is funding for the project committed and available? A. Secured for design phase only or cannot support accelerated construction B. Funding can accommodate fast-tracking to some extent C. Funding will accommodate compressed schedule/fast-tracking	B
4	Will the cost of procurement affect the number of bidders? A. Procurement cost would significantly limit competition B. Procurement cost could affect the number of bidders C. Procurement cost would not be a significant issue given the size or complexity of the project	B
5	Will project budget control benefit from the use of formal contingencies? A. No benefit B. A formal contingency may permit the Department to add project scope or enhance quality within the constraints of its published budget C. A formal contingency is required to allow the Department to maximize project scope and quality within the constraints of its published budget	B
2e) Staffing issues		
1	Does the Department have the expertise and resources necessary for a complicated procurement process? A. Inadequate resources or expertise B. Limited resources or expertise C. Adequate resources and expertise	C
2	Are resources available to complete the design? A. Resources are available to complete design B. Resources are available for partial design C. Specialized expertise, not available in-house, is required	A
3	Are resources available to provide construction oversight? A. Resources are available B. Full-time construction oversight could strain staff resources C. Resources are unavailable	A



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

Minute Action

AGENDA ITEM: 12

Date: October 2, 2013

Subject: Interstate 10 Tippecanoe Interchange Improvement Project – Phase I

Recommendation:* That the Board of Directors, acting as the San Bernardino County Transportation Authority:

1. Approve Amendment No. 1 to Contract No. C11215 with Simon Wong Engineering for Construction Management services for the I-10 Tippecanoe Interchange Improvement Project – Phase I, an increase of \$300,000 for a new not-to-exceed amount of \$2,051,730.00,
2. Approve an increase of contingency to Contract No. C11215 with Simon Wong for the I-10 Tippecanoe Interchange Improvement Project – Phase I, of \$100,000 for a new not-to-exceed contingency amount of \$275,173.00 and authorize the Executive Director or designee to release contingency as necessary for the project.
3. Approve an increase in construction contingency for Contract No. C12196 with Ortiz Enterprises Incorporated for the I-10 Tippecanoe Interchange Improvement Project – Phase I in the amount of \$500,000.00, for a new not-to-exceed Allowance/Contingency amount of \$2,206,154.20.

Background: These are amendments to existing contracts. In May 2011, San Bernardino Associated Governments (SANBAG) Board approved nominating the

Approved
Board of Directors

Date: _____

Moved: *Second:*

In Favor: *Opposed:* *Abstained*

Witnessed: _____

COG	CTC	CTA	X	SAFE	CMA
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Check all that apply.

BRD1310b-mb

Attachments: <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/CCS%20C11215-01.docx>
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C11215-01.docx>

I-10/Tippecanoe Avenue Interchange project for \$10 million of Corridor Mobility Improvement Account (CMIA) funds. To capture the funds, the project needed to be ready for construction by December 31, 2011. To meet this date the construction of the improvements needed to be separated into two phases. In addition to providing an opportunity to capture additional CMIA funds, the phasing allowed for the acceleration of some of the improvements to provide much needed congestion relief to this interchange. In August 2011, the Board approved the amendments to the agreements allowing the project to be split into two phases. Phase 1 was ready to proceed to construction by December 31, 2011 and the project was allocated the CMIA funds.

On April 4, 2012, the Board approved Contract No. C11215 with Simon Wong Engineering ("Simon Wong") for Construction Management services associated with the I-10 Tippecanoe Interchange Improvement Phase I Project in the amount of \$1,751,730.00, plus \$175,173.00 in contingency, for a total amount of \$1,926,903.00.

On July 11, 2012, the Board approved Contract No. C12196 with Ortiz Enterprises Incorporated ("Ortiz") in the amount of \$12,080,942.33. At that same time, the Board approved \$323,900.00 in Supplemental Work, \$174,160.00 in Agency Furnished Materials and Expenses, and Contingency at 10% of the construction contract at \$1,208,094.20, for a total Allowance/Contingency amount of \$1,706,154.20.

At the time of award, the project duration was estimated to be approximately 10 months, beginning construction in August 2012 and ending in May 2013, followed by 1 year of plant establishment. As of June 30, 2013, 78% of the time has passed however; the contractor has completed only 52% of the work.

The construction delay is primarily due three issues: burial of existing soil contaminated by aerial deposited lead, the structural excavation and backfill of one of the major retaining walls, and the rebar spacing on the concrete box. The aerial deposited lead on this construction site is required to be buried under a hard surface such as pavement. In haste to get Phase 1 PS&E package completed to meet the CMIA deadline, the area needed to bury the volume of contaminated material on this phase was not identified, and once into construction it was determined the available areas within the Phase 1 construction area were inadequate. For this reason, and due to construction site constraints, some of the dirt needed to be double-handled.

The three issues have increased the cost and delayed the schedule. The contractor has claimed approximately \$1,100,000 in extra cost and requested the contract construction duration be extended approximately 5 months. Negotiations with Ortiz are currently ongoing.

Recommendation No. 1 and 2

Due to the extended time to complete construction, the construction management contract amount is insufficient. The current contract amount including contingency is expected to be expended by the end of October 2013. It is estimated that an additional \$300,000.00 will be needed. Staff is requesting that a total of \$300,000.00 be added to Simon Wong Engineering contract (C11215) for a new not-to-exceed amount of \$2,051,730.00; \$100,000.00 be added to contingency, for a total contingency of \$275,173.00; and authorize the Executive Director or designee to release contingency as necessary for the project.

Recommendation No. 3

While negotiations with the contractor are still underway on the cost for these changes, it is anticipated that the available Allowances/Contingency of \$1,706,154.20 will not be adequate. Staff is requesting that a total of \$500,000 be added to construction contingency for a new not-to-exceed contingency amount of \$2,206,154.20. This is an estimate only and a complete accounting of all changes and payments will not be known until completion of negotiations and the closeout of the project.

Financial Impact: This item is consistent with the Fiscal Year 2013/2014 budget under Task No. 0842.

Reviewed By: This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the amendment.

Responsible Staff: Garry Cohoe, Director of Project Delivery



CONTRACT SUMMARY SHEET

Contract No. C 11215 Amendment No. 1

By and Between

San Bernardino Transportation Authority and Simon Wong Engineering

Contract Description I-10 Tipler Canyon Phase 1 Interchange Construction Management Services

Board of Director's Meeting Date: September 4, 2013
Overview of BOD Action: Approved Amendment # 1 Contract No. C11215 with Simon Wong Engineering and approve a contingency increase of \$100,000 for C11215
Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW			
Original Contract Amount	\$	1,751,730.00	Original Contingency Amount
			\$ 175,173.00
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	1,751,730.00	Revised Contingency Amount <i>Inclusive of prior amendments</i>
			\$ 175,173.00
Current Amendment Amount	\$	300,000.00	Contingency Amendment
			\$ 100,000.00
TOTAL CONTRACT VALUE	\$	2,051,730.00	TOTAL CONTINGENCY VALUE
			\$ 275,173.00
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 2,326,903.00

Contract Start Date 4/4/12	Current Contract Expiration Date 4/4/15	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0842.
 A Budget Amendment is required.
 How are we funding current FY?

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

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

This contract is funded with \$1,091,170 federal STPL and the balance is split equally among the City of San Bernardino, the City of Loma Linda, and the Inland Valley Development Agency.

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % 10.
 Underutilized Disadvantaged Business Enterprise (UDBE) Goal 3.78 %

Mike Barnum		8/21/13
Project Manager (Print Name)	Signature	Date
Garry Cohoe		8-21-13
Task Manager (Print Name)	Signature	Date
Andrea Zureick		8/21/13
Dir. of Fund Admin. & Programming (Print Name)	Signature	Date
Jeffrey Hill		8/21/13
Contract Administrator (Print Name)	Signature	Date
AS. SQUARBY		Date
Chief Financial Officer (Print Name)	Signature	Date

AMENDMENT NO. 1 TO

CONTRACT NO. C11215

BY AND BETWEEN

**SAN BERNARDINO ASSOCIATED GOVERNMENTS, acting in its capacity as the SAN
BERNARDINO COUNTY TRANSPORTATION AUTHORITY**

AND

SIMON WONG ENGINEERING

FOR

CONSTRUCTION MANAGEMENT SERVICES FOR I-10/TIPPECANOE PHASE 1

This AMENDMENT No. 1 to CONTRACT No. C11215 is made by and between Simon Wong Engineering (hereafter called CONSULTANT) and the San Bernardino Associated Governments, acting in its capacity as the San Bernardino County Transportation Authority (hereafter called AUTHORITY):

RECITALS:

WHEREAS, AUTHORITY, under Contract No. C11215 ("Contract"), has engaged the services of CONSULTANT to provide Construction Management Services for the I-10 Tippecanoe Interchange Improvement Project – Phase 1.

WHEREAS, the parties desire to amend the Contract terms and increase the contract not to exceed value.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, CONSULTANT and AUTHORITY agree as follows:

1. Article 3.2, is deleted in its entirety and replaced with the following:

"The total Not-To-Exceed amount is Two Million, Fifty One Thousand Seven Hundred and Thirty Dollars, (\$ 2,051,730.00). Services to be provided under this Contract are to be provided on an as needed basis and are to be performed as set forth in Attachment "A", Scope of Services, which is incorporated herein by reference. CONSULTANT'S fee for services is included in the total contract cost and shall be a specific rate of compensation, as noted in revised Attachment "B", Billing Rate Schedule, which by this reference is incorporated into this Contract, which is the AUTHORITY's approved CONSULTANT Cost Proposal."

2. Except as amended by this Amendment, all other provisions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment that is effective as of the day and year executed by AUTHORITY.

SIMON WONG ENGINEERING.

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____

By: _____

W.E. Jahn
President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Eileen Monaghan Teichert
General Counsel

CONCURRENCE:

By: _____

Jeffery Hill
Contract Administrator



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

Minute Action

AGENDA ITEM: 13

Date: October 2, 2013

Subject: Interstate 10 Tippecanoe Interchange Improvement Project – Phase II

Recommendation:* That the Board of Directors, acting as the San Bernardino County Transportation Authority:

1. Approve award of Contract No. C13130 with Simon Wong Engineering for Construction Management services for the I-10 Tippecanoe Interchange Improvement Project – Phase II in an amount not-to-exceed \$2,475,000.00, after receipt of the Caltrans Conformance Letter and correction of any deficiencies noted therein, as required by Caltrans’ Local Assistance Procedures Manual.

2. Approve a contingency amount of \$247,500.00 for Contract No. C13130 and authorize the Executive Director or designee to release contingency as necessary for the project.

Background: A new professional service contract. On April 11, 2013, the Board approved the release of Request for Proposals (RFP) No. C13130 for Construction Management, Materials Testing, Source Inspection, Construction Surveying and Public Outreach services associated with the construction of the Interstate 10 (I-10) Tippecanoe Avenue Phase II Interchange Project.

*Approved
Board of Directors*

Date: _____

Moved: Second:

In Favor: Opposed: Abstained

Witnessed: _____

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

Check all that apply.

BRD1310a-mb

- Attachments: <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C13130.docx>;
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/CCS%20C13130.docx>
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C13130%20Attachment%20B.pdf>

Procurement Approach: On April 11, 2013, RFP C13130 was released and published on SANBAG's website. Approximately 100 firms were notified of the RFP. A pre-proposal conference was held on April 30, 2013, with 23 people representing 19 firms.

On May 29, 2013, four proposals were received. An evaluation committee consisting of representatives from the City of San Bernardino, City of Loma Linda, Department of Transportation (Caltrans), and SANBAG. The proposals were evaluated based on the following evaluation criteria:

- Qualifications of the Firm
- Staffing and Project Organization
- Work Plan

Since the work being performed is considered Architectural & Engineering Services, cost and price is not considered evaluation criteria pursuant to the Brooks Act. The evaluation criteria are consistent with other similar procurements. In developing the criteria, staff put a higher relative importance on the work plan given the challenges and the complexity of the work. Second in importance was the proposed staffing since the qualifications of the key personnel are very important to the overall success of the project.

The evaluation committee reviewed all proposals based on the evaluation criteria and found all four firms to be technically qualified. The four firms are listed below in alphabetical order:

Firm & Location

Falcon Engineering Services
Corona, CA

Harris & Associates
Rancho Cucamonga, CA

Simon Wong Engineering
Riverside, CA

Vali Cooper & Associates
Riverside, CA

On June 18, 2013, the evaluation committee interviewed all four firms. Questions were asked relative the firms' proposed staffing plans, their overall understanding of the project, and each firms' approach to the scope of work. The four firms responded well to the questions asked.

Based on the proposal evaluation and interviews, staff recommends Simon Wong Engineering as the top ranked firm to provide construction management services for the I-10 Tippecanoe Avenue Interchange Project Phase II. All four firms clearly had experience and knowledge with the corridor and providing construction management services on a highway project. However, with regards to the work plan, Simon Wong demonstrated a greater attention to detail and a depth of understanding that was more thorough. It was clear that they had a thorough knowledge of the project. The team proposed by Simon Wong, including the key personnel and subconsultants, displayed a successful history of having worked together on other similar projects. The proposed project manager possesses strong experience and demonstrated that experience when responding to questions during the interview. The selection panel unanimously agreed that Simon Wong Engineering was the most qualified to provide the services requested. Staff verified not only the references of the firm and the principal, but also called on and received positive references for the Resident Engineer and Structure Representative/Inspector.

This project is being funded in part by federal funds and therefore a Disadvantaged Business Enterprise (DBE) goal of 4.1 percent was set for the project. All four firms met or exceeded the DBE goal with Simon Wong committing to a 23.53 percent DBE goal for the project.

Staff negotiated the scope of services and the contract amount with Simon Wong Engineering. It is recommended that a contract be awarded to Simon Wong Engineering in the not-to-exceed amount of \$2,475,000; that a contingency amount for Contract No. C13130 of \$247,500 be established; and that the Executive Director or designee be authorized to release contingency funds as necessary for the project.

The award and execution of the contract is contingent upon Caltrans' Audits & Investigations issuance of a Conformance Letter which indicates that Caltrans has reviewed the proposed contract and the financial information submitted by Simon Wong Engineering and its subconsultants, and have found the contract terms and the consultant's cost and price information compliant with state and federal requirements. This is a new Caltrans' procedure implemented in May 2013, impacting Architects and Engineering Contracts of \$150,000 or more.

Authorization to utilize federal funds on this contract is not expected until sometime in late 2013 (November/December). In addition, the pre-award audit of the consultant's financials will take a couple of months to complete. In order not to delay the project being released for advertisement and awarded in January 2014, a Purchase Order will be issued to Simon Wong in the amount of \$50,000

to cover the cost of the preconstruction services and a constructability review. These funds are in addition to those identified in Recommendations 1 and 2 and will utilize local funds.

Financial Impact: This item is consistent with the Fiscal Year 2013/2014 budget under Task No. 0842.

Reviewed By: This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the contract.

Responsible Staff: Garry Cohoe, Director of Project Delivery

CONTRACT SUMMARY SHEET

Contract No. C 13130 Amendment No. _____

By and Between

San Bernardino County Transportation Commission and Simon Wong Engineering

Contract Description Construction Management contract for I-10/Tippecanoe Ph. 2

Board of Director's Meeting Date: September 4, 2013	
Overview of BOD Action: Recommend approval of C13130 with Simon Wong Eng. for CM services for \$2,475,000 with a contingency amount of \$247,500.	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

CONTRACT OVERVIEW			
Original Contract Amount	\$	2,475,000.00	Original Contingency Amount*
			\$ 247,500.00
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>
			\$
Current Amendment Amount	\$		Contingency Amendment
			\$
TOTAL CONTRACT VALUE	\$	2,475,000.00	TOTAL CONTINGENCY VALUE
			\$ 247,500.00
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 2,722,500.00

Contract Start Date 9/04/2013	Current Contract Expiration Date 12/31/2017	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION				
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>0842</u> .				
<input type="checkbox"/> A Budget Amendment is required.				
How are we funding current FY? Demo				
<input checked="" type="checkbox"/> Federal Funds	<input type="checkbox"/> State Funds	<input checked="" type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input type="checkbox"/> Measure I Funds
Provide Brief Overview of the Overall Funding for the duration of the Contract:				
Demo				
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable				

CONTRACT MANAGEMENT INFORMATION
Check all applicable boxes:
<input type="checkbox"/> Retention? If yes, indicate % ____.
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal ____ %

Michael Barnum

 Project Manager (Print Name)

Gerry Colwe

 Task Manager (Print Name)

Andrea Unreick

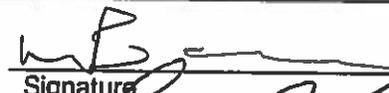
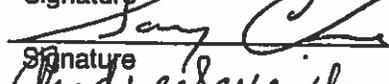
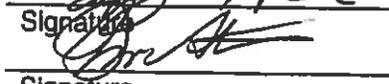
 Dir. of Fund Admin. & Programming (Print Name)

Jeffery Hill

 Contract Administrator (Print Name)

W-STAWARSKI

 Chief Financial Officer (Print Name)

	9/4/13
Signature	Date
	9-4-13
Signature	Date
	9/4/13
Signature	Date
	9/4/13
Signature	Date
	9/5/13
Signature	Date

ATTACHMENT "A"

SCOPE OF WORK

INDEX

- A. DESCRIPTION OF SERVICES
- B. PERFORMANCE REQUIREMENTS
- C. DUTIES AND RESPONSIBILITIES
 - 1. Pre-construction Services
 - 2. Bid Process
 - 3. Project Administration
 - 4. Construction Coordination
 - 5. Construction Inspection
 - 6. Project Support
 - 7. Cost and Schedule
 - 8. Change Orders and Claims
 - 9. Safety
 - 10. Project Close Out
- D. DELIVERABLES
- E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT
- F. MATERIALS TO BE FURNISHED BY SANBAG
- G. STANDARDS
- H. AVAILABILITY AND WORK HOURS
- I. LIMITATIONS TO AUTHORITY
- J. THIRD PARTY RELATIONSHIPS
- K. CONSTRUCTION SITE SAFETY
- L. BASIS FOR SURVEY AND MONUMENT MARKING
- M. PERSONNEL QUALIFICATIONS

A. DESCRIPTION OF SERVICES

The San Bernardino County Transportation Authority (SANBAG) will utilize the services of CONSULTANT to support the construction activities for the Project. The CONSULTANT will provide construction management, materials testing, laboratory testing, and construction surveying public outreach and source inspection services for the Project. A description of the Project is given below.

Project Description

The project has been divided into two phases under separate construction management and construction contracts.

The Phase 1 project started in August 2012 and construction is expected to be complete in November 2013. Work includes widening of I-10 to accommodate an eastbound auxiliary lane and standard shoulder widths, construction of proposed improvements to the eastbound off ramp at Tippecanoe Avenue including retaining walls along the eastbound I-10 mainline and along the eastbound Tippecanoe Avenue off ramp, replacement of an existing concrete lined channel with a reinforced concrete box culvert, widening of San Timoteo Creek Bridge (54-0599) and eastbound/westbound bridge barrier replacements, eastbound bridge barrier replacement for Tippecanoe Avenue Undercrossing (54-0598), signing, striping, temporary traffic signal work, and landscaping improvements along eastbound I-10 and the Tippecanoe Avenue/Anderson Street off ramp.

The proposed Phase 2 project is expected to start in May 2014 and includes modification of the westbound I-10 ramps (proposed realignment of the existing off-ramp, proposed new loop on ramp from northbound Tippecanoe Avenue, and modification of the existing on ramp from southbound Tippecanoe), widening of the Tippecanoe Avenue Undercrossing (54-0598); widening of Tippecanoe Avenue/Anderson Street between Lee Street and Court Street, widening of Redlands Boulevard through its intersection with Anderson Street, construction of a new local street between Laurelwood Drive and Coulston Street, sound wall construction, drainage improvements, signing, striping, traffic signal improvements along Tippecanoe Avenue/Anderson Street and landscaping along the westbound ramps of the I-10 Tippecanoe Avenue interchange.

SANBAG intends to advertise, award and administer one, construction contract for the Tippecanoe Avenue Interchange Phase 2 Project. Consultant will provide the construction management and support services for Tippecanoe Avenue Interchange Phase 2 construction contract.

Services

Services are to include, but are not limited to the following: participation in the evaluation of scheduling of the proposed project; constructability review; construction project advertising, bid analysis, and award; construction inspection; construction surveying, materials and laboratory testing, source inspection, landscape inspection, inspection of contaminated soil removal, contractor interface and contract administration; office engineering; public outreach services and other assorted duties as appropriate in managing construction of the improvement project.

Consultant will assign a Project Manager/ Resident Engineer to coordinate all contract and personnel activities for Phase 2 construction project. Other Assistant Resident Engineer(s) and inspection personnel may be assigned to direct and coordinate all project specific field activities and responsibilities as needed for satisfactory performance on the Phase 2 project. The Resident Engineer and every Assistant Resident Engineer assigned for this project shall be licensed as a Professional Civil Engineer in the State of California at the time of contract award and through

the duration of the contract. The Consultant is to provide a Survey Project Manager, Materials Testing Project Manager, Source Inspection manager and Landscape Architect to administer the construction support services requested herein and to assign qualified field personnel to perform the requested services. Furthermore, the Consultant shall provide a public outreach liaison to assist the SANBAG's Public Information Office, the County of San Bernardino, and the cities of San Bernardino and Loma Linda in implementing the Public Outreach Program established for these projects.

SANBAG will issue a Purchase Order to the Consultant to complete a Constructability Review. A full Notice to Proceed (NTP) will be issued upon receipt of the approved funding agreement from Caltrans and approval of Preaward Audit.

CONSULTANT shall provide qualified construction management and inspection, materials testing, construction surveying and public relations personnel to perform a wide variety of construction management, support and contract administration duties as outlined in this Scope of Services for the Project.

SANBAG has designated a Project Manager to coordinate all construction activities.

Mr. Mike Barnum, Construction Manager

The CONSULTANT shall report to and receive direction from SANBAG through the Project Manager, or his designees. The SANBAG Project Manager is responsible for coordination of all SANBAG construction activities and for coordinating the efforts of the total construction team. The SANBAG Project Manager will be the main contact and primary source of information between SANBAG, cities, outside agencies, supporting consultants and the public for the construction projects.

B. PERFORMANCE REQUIREMENTS

Construction Management: CONSULTANT shall furnish a Project Manager to coordinate CONSULTANT operations with SANBAG. The Project Manager shall be responsible for all matters related to CONSULTANT personnel and operations. The Project Manager may also serve as the Resident Engineer. The Resident Engineer shall be assigned to direct and coordinate construction activities under this contract. Other Assistant Resident Engineers may be assigned to each specific project responsibilities as needed. The Resident Engineer shall be a Civil Engineer registered in the State of California and shall be in responsible charge of construction management and construction activity within the Project.

The number of CONSULTANT personnel assigned to the Project will vary throughout the duration of the contract. CONSULTANT personnel will be assigned, in varying levels of responsibility, as needed by the CONSULTANT to meet the Project schedule, Project requirements, and construction activities.

Resumes of personnel must be submitted to SANBAG for review and approval prior to assignment to the Project. SANBAG and CONSULTANT will jointly determine the quality and quantity of services that are required by CONSULTANT personnel. Personnel selected for assignment by CONSULTANT shall be made available for personal interviews prior to acceptance by SANBAG. If, in the opinion of SANBAG, an individual lacks adequate experience, the individual may be rejected or may be accepted on a trial basis until such time the individual's ability to perform the required services has been demonstrated. If, at any time, the performance of CONSULTANT personnel is unsatisfactory to SANBAG, SANBAG may release him/her by written notice and may request another qualified person be assigned.

If CONSULTANT personnel are on leave of absence, the Project Manager shall provide equally qualified replacement personnel until the assigned personnel returns to the Project approved by SANBAG.

The typical workday includes all hours worked by the construction Contractor. If necessary, overtime for CONSULTANT personnel may be required. The construction Contractor's operations may be restricted to specific hours during the week, which shall become the normal workday for CONSULTANT personnel. The Project Manager, with prior concurrence from SANBAG, shall have the authority to increase, decrease, or eliminate CONSULTANT personnel work hours dependent on the schedule and requirements of the construction Contractor. All overtime required by CONSULTANT personnel shall be approved and authorized by SANBAG prior to each occurrence.

CONSULTANT personnel shall be knowledgeable of and comply with all applicable local, state, and federal regulations. CONSULTANT personnel shall cooperate and consult with SANBAG, State, and City officials during the course of the Project. CONSULTANT personnel shall perform duties as may be required to assure that construction is being performed in accordance with the Project plans and specifications. CONSULTANT personnel shall keep accurate and timely records and document all work performed by the Contractor and CONSULTANT.

CONSULTANT shall monitor for Contractor's compliance with the labor standards provisions of the projects and the related wage determination decisions of the Secretary of Labor.

CONSULTANT personnel shall assist SANBAG and local agencies in obtaining compliance with the safety and accident prevention provisions of the Project. Local agencies will retain jurisdictional control for traffic control.

All services required herein shall be performed in accordance with California Department of Transportation guidelines, regulations, policies, procedures, manuals, and standards, except as noted in the special provisions.

Materials Testing & Source Inspection: The number of field testing and source inspection personnel assigned to the Project will vary throughout the duration of the construction contract. CONSULTANT certified materials testing and source inspection personnel will be assigned as needed by the Resident Engineer to meet the required numbers and frequencies of testing based on schedule of the construction contractor.

Materials Testing /Source Inspection Services will be provided on an on-call basis. The duration of assignments could vary from a minimum of a few hours to the full term of the Project. CONSULTANT personnel will be available within one (1) day of written notification by SANBAG.

It is the intent of SANBAG to maintain a consistency of material testing/source inspection quality throughout each phase of each project. CONSULTANT is therefore encouraged to provide, where ever and whenever possible, the same personnel for the duration of construction of each project.

On days when work is not performed by the construction contractor, such as rainy or unsuitable weather days, CONSULTANT will not provide services unless authorized by the SANBAG Construction Manager.

Resumes of materials testing/source inspection personnel must be submitted to SANBAG for

review and approval prior to assignment to the Project. If, at any time, the level of performance of any testing personnel is below expectations, SANBAG may release that field person and request that another be assigned as needed.

A sample of the project Source Inspection Quality Management Plan (SIQMP) outlining the SANBAGS approach to source inspection and the roles and responsibilities of the source inspection personal is provided in Attachment C. Consultant shall be responsible for finalizing the SIQMP to match the project requirements, assist SANBAG in gaining Caltrans approval and manage the SIQMP. Consultant shall provide Structural Materials Representative (SMR), Steel inspectors, Non-destructive Steel Inspectors, Coating Inspectors, Precast Concrete Inspectors and other source inspectors as needed.

If a member of CONSULTANT's materials testing/source inspection personnel is on a leave of absence, CONSULTANT's Project Manager will provide an equally qualified replacement employee until the original member returns to work. The replacement employee will meet all the requirements of a permanently assigned employee.

All CONSULTANT personnel will be knowledgeable of, and comply with, all applicable local, state, and federal regulations. All personnel shall cooperate and consult with SANBAG during the course of the contract; and perform other duties as may be required to assure that the construction is being performed in accordance with the Project plans and specifications. CONSULTANT's personnel will keep records and document the work as directed by the Resident Engineer.

All services required herein will be performed in accordance with Caltrans regulations, policies, procedures, manuals, and standards.

Construction Surveying: CONSULTANT will furnish surveying crew(s) to perform construction surveys for the Project. The number of survey crew(s) assigned to the Project may vary throughout the duration of the construction contract to meet the Project needs. CONSULTANT personnel will be assigned as needed by the Resident Engineer to meet the schedule of the construction contractor.

Construction surveying services will be provided on an on-call basis. It is the intent of SANBAG to maintain a consistency of construction survey quality throughout each phase of each project. Therefore, CONSULTANT is encouraged to provide the same field personnel for the duration of construction. It is important that the Field Party Chief(s) assigned to a project be completely familiar with the survey requirements and the assignments for the Project.

On days when work is not performed by the construction contractor, such as rainy or unsuitable weather days, CONSULTANT will not provide services unless authorized by the Resident Engineer.

Construction surveying will not be performed when conditions such as weather, traffic, and other factors prevent safe and efficient operation.

Resumes of CONSULTANT personnel and certifications must be submitted to SANBAG for review. CONSULTANT personnel must be approved by SANBAG prior to assignment to a project. SANBAG and CONSULTANT will have the responsibility of determining the quality and quantity of work performed by CONSULTANT personnel. If, at any time, the level of performance of any CONSULTANT survey personnel is below expectations, SANBAG may release the survey crew member and request that another be assigned.

IF CONSULTANT's survey crew personnel assigned to the Project is on a leave of absence, the Project Manager will provide an equally qualified replacement(s) until the original employee(s) returns to work. The replacement(s) will be required to meet all the requirements of the permanently assigned employee(s).

CONSULTANT personnel will:

- Be knowledgeable of, and comply with all, applicable local, Caltrans, state, and federal regulations.
- Cooperate and consult with SANBAG officials during the course of the contract.
- Perform duties as may be required to assure construction is performed in accordance with the Project plans and specifications.
- Keep records and document work as directed by the Resident Engineer.

All services required herein will be performed in accordance with Caltrans regulations, policies, procedures, manuals, and standards.

C. DUTIES AND RESPONSIBILITIES

1. Pre-construction Services

a. Schedule

CONSULTANT shall review the proposed Project schedule, compare it to the Project plans and specifications, and provide recommendations to SANBAG, as appropriate, to ensure efficiency of Contractor and CONSULTANT operations and safe and expeditious completion of the Project.

b. Budget

CONSULTANT shall review the Project estimate, quantities and provide recommendations to SANBAG, as appropriate, to ensure efficient utilization of funds and control of project costs.

c. Constructability Review

CONSULTANT shall review Project plans and special provisions for possible errors and deficiencies and report such findings to SANBAG in a format provide by SANBAG.

2. Bid Process

a. Bid Documents

CONSULTANT shall assist SANBAG, as requested, with the following tasks:

- 1) Review of bid documents
- 2) Preparation of bid tabulations

b. Pre-construction Meetings

CONSULTANT shall assist SANBAG in conducting one, or more, pre-construction meetings with all involved parties on the Project. Parties may include, but are not limited to, the Contractor, design engineer, Caltrans, County and City staff, utility companies, and developers.

c. Contract Award

CONSULTANT shall assist SANBAG, as requested, with the following tasks:

- 1) Review of bid for completeness and responsiveness**
- 2) Perform bid analysis**
- 3) Development of contractor payment schedules, and other procedural items.**
- 4) Checking Contractor references, licenses, insurance, and sureties.**
- 5) Coordination with prospective Contractor for award of construction contract(s).**

All processes will be consistent with procedures outlined by the California Department of Transportation for Special Funded Programs and Local Assistance Procedure Manuals.

3. Project Administration

- a. CONSULTANT shall administer Project construction contracts using Caltrans Construction Manual as a guideline.**
- b. CONSULTANT shall conduct regular Project coordination meetings with Contractor, SANBAG, local agencies, and design engineer, as appropriate.**
- c. CONSULTANT shall prepare Contractor progress payments and maintain payment records and supporting documentation. All progress payments shall be reviewed by SANBAG for approval.**
- d. CONSULTANT shall provide reports as needed to comply with specific funding requirements.**
- e. CONSULTANT shall establish and maintain Project records in accordance with the Caltrans Construction Manual. Project record keeping shall include, but are not limited to, correspondence, memoranda, contract documents, change orders, claims, SANBAG and engineer directives, meeting minutes, shop drawings, supplementary drawings, and requests for payment. CONSULTANT shall maintain a record of the names, addresses, and telephone and fax numbers of the Contractors, subcontractors, and principal material suppliers.**
- f. CONSULTANT shall establish and maintain a filing system in hard copies files and in electronic forms for each Project using the Caltrans Construction Manual as a guideline. Electronic data documentation will be required to be uploaded weekly to the SANBAG Major Projects Portal**
- g. CONSULTANT shall monitor Contractors' construction schedules on an ongoing basis and alert SANBAG to conditions that may lead to delays in completion of the Project.**

- h. CONSULTANT shall prepare and submit a monthly Activity Summary Report for the Project in a format approved by SANBAG. The activity report shall include among other items status of SWPPP issues, RFIs, contract change orders, and notice of potential claims; construction activities completed, ongoing, and upcoming; status of Project budget and schedule, and other highlights and critical issues.
- i. CONSULTANT shall review and ensure compliance with environmental requirements.
- j. CONSULTANT shall participate in partnering sessions with the Contractor, SANBAG, and Local Agencies, as required.
- k. CONSULTANT shall ensure that the Project meets all provisions of the Caltrans Quality Assurance Program Manual.
- l. CONSULTANT shall review Contractors' certified payroll records and ensure compliance with the requirements of the construction contract.
- m. CONSULTANT shall ensure that the Project meets all provisions of the Storm Water Pollution Prevention Plan (SWPPP).
- n. CONSULTANT shall assure that the Project meets all applicable regulations of the Air Quality Management District (AQMD) and State Water Resources Control Board (SWRCB).
- o. CONSULTANT shall maintain redlined as-built plans on an ongoing basis throughout the duration of the Project. Redlined plans shall show all changes made to the original contract plans, each change identified with the name of the approver, date of change approval, and CCO number, if applicable

4. Construction Coordination

- a. CONSULTANT shall provide a minimum of one qualified Resident Engineer to effectively manage the Project.
- b. CONSULTANT Resident Engineer shall act as a prime point of contact between Contractor, SANBAG, CONSULTANT's construction surveyor, CONSULTANT's materials inspector, and utility companies. CONSULTANT may, when requested by SANBAG, act as point of contact between design engineers, cities, and the public. CONSULTANT shall ensure coordination with property owners adjacent to Project right-of-way to ensure timely communication regarding property-condition survey and construction activities and scheduling.
- c. CONSULTANT shall maintain regular contact with SANBAG's Project/Construction Manager.
- d. CONSULTANT shall coordinate utility relocations with utility companies and their designees, as well as the utility inspector.
- e. CONSULTANT shall proactively review Project plans and special provisions for possible errors and deficiencies prior to construction of any specific element and report such findings to SANBAG. Should SANBAG determine that changes are

necessary, CONSULTANT shall assist in implementation and processing of change orders in accordance with contract documents.

- f. CONSULTANT shall proactively review Project plans and special provisions; monitor, coordinate, and track construction progress schedule and RFIs; and communicate with various agencies prior to construction of any specific elements to ensure the Project proceeds on schedule and according to the order of work in the plans and special provisions. CONSULTANT shall expedite work, as required, to maintain schedule in conjunction with the overall construction staging program.
- g. CONSULTANT shall coordinate review of shop drawings and Requests for Information (RFI) with the Construction Manager. CONSULTANT shall log and track all submittals and requests.
- h. CONSULTANT shall provide a qualified SWPPP Coordinator who along with the Resident Engineer shall review and certify contractor prepared Storm Water Pollution Prevention Plans (SWPPP) and coordinate approval with SANBAG and the State Water Resource Control Board. The SWPPP Coordinator shall be at a minimum a Qualified Storm Water Pollution Prevention Plan (SWPPP) Developer (QSD) and a Qualified SWPPP Practitioner (QSP). CONSULTANT shall provide at a minimum weekly SWPPP monitoring and shall cooperate with all monitoring agency inspections and field reviews.
- i. CONSULTANT shall coordinate the implementation of any changes with the Construction Manager and the design engineer.
- j. CONSULTANT shall review and approve falsework and shoring plans.
- k. CONSULTANT shall review and approve Traffic Control Plans and forward to SANBAG for Caltrans/City/County approvals, as necessary.
- l. CONSULTANT shall coordinate all Project construction activities with other on-going projects within and adjacent to the Project limits.

5. Construction Inspection

- a. CONSULTANT shall coordinate all required inspections necessary for the Project. CONSULTANT shall ensure that appropriate City and local agencies are notified and present as required throughout the Project. CONSULTANT shall notify SANBAG immediately regarding any directives, recommendations, notices, etc. received from agencies other than SANBAG.
- b. CONSULTANT shall perform daily on-site observations of the progress and quality of construction to determine if the work being performed is in general conformance with the contract documents, all applicable laws, codes, and ordinances.
- c. CONSULTANT shall exercise reasonable care and diligence to discover and promptly report to SANBAG any and all defects or deficiencies in the materials or workmanship used in the Project.
- d. CONSULTANT personnel assigned to the Project shall be thoroughly familiar

with Caltrans Standard Specifications, Caltrans Standard Plans, Caltrans Erosion Control and Highway Planting requirements, safety standards and State Water Resources Control Board requirements. CONSULTANT personnel shall have the ability to read and interpret construction plans and specifications. CONSULTANT personnel shall also have knowledge of State of California Construction Safety Orders (CalOSHA) and traffic control practices as specified in the Work Area Traffic Control Handbook (WATCH). In addition, CONSULTANT personnel shall be thoroughly familiar with the construction requirements of Caltrans' Storm Water Pollution Prevention Program.

e. Assignments to be performed by CONSULTANT personnel shall include, but are not limited to, the following:

- 1) Paving and subgrade inspection, sub-surface & finish surface drainage inspection, structures and foundation inspection, electrical inspection for traffic, ramp meter and irrigation control equipment, signing and striping inspection, quantity calculations, checking grade and alignment, construction traffic control, soil amendments and plant material identification & quality control, hardscape inspection, trenching & irrigation inspection and duties that may be required to determine that construction of the Project is being performed in accordance with the contract documents.
- 2) Identifying actual and potential problems associated with the Project and recommending sound engineering solutions.
- 3) Identifying common plant diseases and/or pests together with their respective eradication techniques, directing of plant adaptability requirements along with proper planting & pruning techniques, and avoiding potential problems associated with the Project by recommending sound engineering solutions.
- 4) Perform basic sampling of construction materials in the field per California Test Method 105 and 125 by both the prime and subconsultant personnel.
- 5) Maintaining awareness of safety and health requirements. Monitoring Contractors' compliance with applicable regulations and construction contract provisions for the protection of the public and Project personnel.
- 6) Preparing complete and accurate daily reports, calculations, project records, payment quantity documents, reports, and correspondence related to Project activities.
- 7) Preparing construction sketches, drawings, and cross-sections, as necessary.
- 8) Assisting in the preparation of as-built plans.
- 9) Providing inspections for environmental compliance.
- 10) Maintaining awareness of water discharge requirements. Monitoring

Contractors' compliance with applicable regulations and construction contract provisions.

11) Monitoring Contractors' compliance with applicable regulations required by AQMD.

12) Other duties as may be required or reasonably requested.

6. Project Support

a. Construction Surveys

CONSULTANT shall perform construction surveying services, field calculations, and home office calculations to support construction of the Project. CONSULTANT may be requested to review available survey data, construction plans, and right-of-way plans to confirm compatibility and to identify discrepancies prior to and during construction of proposed projects. The Resident Engineer will assign survey work to the CONSULTANT by issuing a "Request for Survey Services". Requests may include, but not be limited to, the following types of surveys and related services:

1) Construction Surveys

CONSULTANT shall assist the Resident Engineer in all phases of construction staking and calculations as needed.

a) Survey calculations and adjustments shall be performed with established and computed coordinates based on the California Coordinate System.

b) Cross-section data collection shall be performed by conventional and terrain line interpolation survey methods.

c) Survey data will include topography, cross-section, and other survey data in computer formats compatible with the Caltrans computer survey and design systems.

d) Prepare and maintain survey documents. Survey documents include survey field notes, maps, drawings, and other survey documents.

e) Perform construction staking, including but not limited to:

- i. Utility relocations
- ii. Clearing limits
- iii. Slope staking
- iv. Storm drain, sanitary sewer, and irrigation systems
- v. Drainage structures
- vi. Curbs, gutters, and sidewalk
- vii. Horizontal and vertical control for structures and portions of structures (bents, abutments, wingwalls, etc.)
- viii. Rough grade

ix. **Finish grade**

f) **Monitor for settlement, if required.**

g) **Global Positioning Satellite (GPS) equipment shall be made available if required by SANBAG**

2) **Grid Grades**

Grid grade data shall provide pavement elevations at the station line, the left edge of pavement, the right edge of pavement, and the right edge of travel way at 25 foot intervals for travel lanes.

3) **Open Ended Traverses and Profile Data Sheets**

Separate open-ended traverse calculations and point maps shall depict plan data for station lines, utility lines, wall layout lines, and abutment/bent alignment. Specific information to be shown will be part numbers, coordinates, bearings, and curve data.

Profile data sheets are required for all profiles shown on the plans identifying vertical design elements such as grade, point of intersection (PI) location, beginning of vertical curve (BVC) location, end of vertical curve (EVC) location, and curve length.

4) **Three Line Profiles**

Separate profile plots are required for the left edge of pavement, the right edge of pavement, and the edge of shoulder for all travel lanes.

5) **Right of Way Lines**

Existing right of way and easements will be established from Local Agency's record information and existing monumentation.

a) **Right of way monumentation shall be renewed and restored in accordance with Section 10.4 of the Caltrans "Survey Manual" and the State of California Land Surveyor's Act.**

b) **Corner records and records of surveys shall be prepared and filed in accordance with the applicable standards and the State of California Land Surveyor's Act and the California Subdivision Map Act.**

c) **Perpetuate existing monumentation, which includes restoring, renewing, referencing, and resetting existing boundary related monumentation. In addition, stake areas where construction disturbs the existing right of way, preparing and filing required maps and records.**

New right of way and easements will be established from plans, right of way maps, utility drawings, and Local Agency record information, and existing monumentation.

- a) **Right of Way Surveys, which includes research and preparation filing of required maps and records. In addition, locate and set monuments for right of way and easement lines, staking for right of way and easement fences.**
- b) **Final monumentation, which includes setting of centerline points of control upon completion of construction.**

6) Special Design – Data Surveys

Includes drainage, utility, and surveys required for special field studies.

7) Control Survey

Includes Project control surveys, aerial mapping control surveys, horizontal and vertical control surveys. In addition control surveys will include restoration, renewal, reference, relocation, and resetting of existing control monumentation. The CONSULTANT will be required to provide horizontal and vertical control at the end of each bridge.

8) Topographic Surveys

Topographic surveys will normally be compiled by ground survey methods only.

CONSULTANT will provide all necessary Project related surveys and construction staking, including horizontal and vertical control, right of way, and easements. CONSULTANT shall coordinate all staking and verify accuracy. CONSULTANT shall ensure timely coordination of all staking requests from the Contractor.

b. Materials Testing, Source Inspection and Geotechnical Services

- 1) **CONSULTANT will provide experienced personnel, equipment, and facilities to perform various construction materials sampling and testing. Laboratory and field materials testing will be used to ensure that structure and roadway construction work conforms to California State Department of Transportation (Caltrans) standards, specifications, and special provisions for material quality and workmanship.**
- 2) **All field and laboratory testing is to be performed in accordance with California Test Methods.**
- 3) **CONSULTANT will be responsible for inspection of contaminated soil removal on various properties outside of state right of way as directed by SANBAG Project Manager.**
- 4) **CONSULTANT will be responsible for the accuracy and completeness of all test data compilation and results.**

c. Public Outreach

- 1) **General Public Outreach Plan**

- a) SANBAG's primary goal is to assure the public that SANBAG is a public agency that delivers quality transportation projects and trustworthy, accurate and timely public information.
- b) SANBAG will provide the primary outreach effort with supplemental support as requested from CONSULTANT. This will be a targeted approach with incremental outreach based on construction schedule and staging. The primary target audiences identified for this Project include, but are not limited to:
 - i. LOCAL AGENCY
 - ii. SANBAG Board
 - iii. LOCAL AGENCY and area Emergency Service Providers
 - iv. School Transportation Coordinator(s)
 - v. Local Business Community
 - i) Specific businesses with expanding priority based on proximity to work zone and detours
 - ii) Chamber of Commerce
 - vi. Commuters
 - vii. Recreational Travelers
 - viii. Trucking Industry
 - ix. Local media
 - i) Print
 - ii) Radio
 - iii) Television
- c) In the weeks prior to the selection of a construction contractor, SANBAG may coordinate an Emergency Responders Project Briefing to highlight the Project details and possible access challenges for consideration by the Project team.
- d) Following the emergency responders briefing, SANBAG may coordinate a Chamber of Commerce Project Briefing to highlight the Project benefits, possible construction schedule and traffic management plan.
- f) Just prior to the start of field construction activities, SANBAG and CONSULTANT (includes all PR subs) may coordinate a groundbreaking media event with the LOCAL AGENCY to ceremoniously open the Project. CONSULTANT will be called up on to develop (with input from SANBAG) and maintain a task list of deliverables for this event. CONSULTANT will acquire the necessary items authorized for the event. CONSULTANT will be responsible for set up and breakdown of the event site.
- g) Prior to construction beginning, SANBAG and CONSULTANT may coordinate a community meeting to share Project information, construction scheduling, detour information and expected challenges with the general public. CONSULTANT will be called up on to develop (with input from SANBAG) and maintain a task list of deliverables for this event. CONSULTANT will acquire the necessary items authorized for

the event. CONSULTANT will be responsible for set up and breakdown of the event site. Staffing this event will be determined based on availability.

- h) Near the completion of the construction Project, SANBAG and CONSULTANT will coordinate a ribbon-cutting media event. CONSULTANT will be called upon in a similar fashion to the groundbreaking event.
- i) At various stages throughout the Project, SANBAG will request support from CONSULTANT for the following items:
 - i. Establish and maintain stakeholder and/or 'interested parties' list(s) – used for sharing Project updates during Project construction. May need to be filtered to specific audiences (i.e. emergency responders, city government, etc.)
 - ii. Development of a Project fact sheet (include Project description, Project budget, Project schedule, SANBAG contact information, LOCAL AGENCY contact information, photos, logos, etc.)
 - iii. Weekly media advisories (use SANBAG template). CONSULTANT (or sub) will make weekly contact with Project team to establish what road or lane closures (and associated detours if applicable) will be taking place, develop the advisory, send to SANBAG Public Information Office for approval, submit to webmaster for posting, distribute to appropriate media and stakeholder list.
 - iv. Emergency notices – when needed.
 - v. Develop web content for project tab on SANBAG website. This page should include same elements of fact sheet with expanded detail when possible. If the information is dynamic, please provide updates to SANBAG Public Information Office for approval prior to submitting to webmaster.
- 2) All requests for speaking to government councils, boards, chambers of commerce or similar business or social groups shall be directed to the SANBAG Public Information Office before agreeing to appear.
- 3) All media inquiries shall be directed to the SANBAG Public Information Office.
- d. Permits

CONSULTANT shall review the Project for permit compliance and coordinate with SANBAG and the design engineer to ensure that necessary permits are obtained. CONSULTANT shall assist SANBAG in the coordination, timely

processing and verification of approval for all permits. CONSULTANT shall maintain permits and permit documentation on site.

7. Cost and Schedule

- a. CONSULTANT shall monitor and track the following:
 - 1) Contract pay item quantities and payments
 - 2) Contract change orders
 - 3) Supplemental work items
 - 4) Agency furnished materials
 - 5) Contingency balance
 - 6) Project budget
- b. CONSULTANT shall review and monitor Contractor's schedule and inform SANBAG of any significant changes or deviations in the schedule.
- c. CONSULTANT shall provide and maintain a Project staffing plan of field office personnel based on the Contractor submitted baseline schedule update. In cooperation with SANBAG, the staffing plan shall be periodically updated to reflect Project progress and needs.

8. Contract Change Orders and Claims

- a. CONSULTANT shall receive and evaluate requests for changes and/or substitutions by the Contractor. Contract Change Orders submitted to SANBAG shall be accompanied by CONSULTANT recommendations. Where applicable, CONSULTANT shall convey proposed changes to design engineer, or other Project consultants. If the requested changes are accepted, CONSULTANT shall negotiate and prepare appropriate Contract Change Orders.
- b. CONSULTANT shall attempt to avoid unnecessary Contract Change Orders. When a Contract Change Order is necessary, CONSULTANT shall consult with SANBAG prior to its preparation. Unless directed otherwise by SANBAG, the preferred method of payment for Contract Change Orders should be as follows
 - 1) Agreed Price
 - 2) Adjustment in compensation to a bid item
 - 3) Time and materials or Force Account

CONSULTANT shall perform force account analysis to validate cost submitted by the Contractor for contract change orders with agreed unit price, lump sum price, and adjustment in components. Analysis shall be based on realistic production and resource needs to complete the work.

- c. CONSULTANT shall attempt to identify all potential claims, track and monitor unresolved claims. The CONSULTANT shall implement appropriate claims avoidance processes where in the best interests of SANBAG as determined by SANBAG's Construction Manager.
- d. CONSULTANT shall assist SANBAG, as requested, in the identification, resolution, and final disposition of claims filed by the Contractor or third parties against SANBAG or the Project.

9. Safety

In addition to the requirements specified elsewhere in this contract, the following shall also apply:

- a. CONSULTANT shall implement and conduct a comprehensive safety program including regular tail-gate safety meetings for CONSULTANT personnel. CONSULTANT shall provide SANBAG with monthly status of safety reports.
- b. CONSULTANT shall comply with State of California Construction Safety Orders and provisions of the Caltrans Construction Manual.
- c. CONSULTANT shall provide appropriate safety training for all CONSULTANT field personnel.
- d. CONSULTANT shall provide all necessary safety equipment as required for CONSULTANT personnel.

10. Project Close Out

- a. CONSULTANT shall prepare a list of items to be completed and/or corrected by the Contractor for final completion of the Project.
- b. CONSULTANT shall collect and furnish as-built information to the design engineer for preparation of as-built drawings including pre-stress drawings and pile logs, as applicable.
- c. CONSULTANT shall review and verify completeness of as-built drawings.
- d. CONSULTANT shall conduct a final walk-through with SANBAG, Local Agencies, Contractors, and design engineers.
- e. CONSULTANT shall prepare final construction reports including the Project Completion Report.
- f. CONSULTANT shall prepare and deliver to SANBAG all Project files.
- g. CONSULTANT shall assist SANBAG and Contractor in obtaining final release of all Project permits.
- h. Project closeout services will be completed within two months of project acceptance.

D. DELIVERABLES

- 1. Inspector daily reports, extra work diaries and Resident Engineers' daily diaries.
- 2. Monthly Project Activity Summary Reports.
- 3. Monthly Contractor progress payments, back-up documentation, and Contractor payment records.

4. Contractor final payment documents, delivered to SANBAG no later than ten (10) working days after acceptance by SANBAG of the completed construction Project.
5. Project Completion Report documents per Local Assistance Procedure Manual and Caltrans Construction Manual.
6. All Project files, Project reports, correspondence, memoranda, shop drawings, Project logs, change order data, claims and claim reports, and Contractor payment records.
7. Certified payrolls and fringe benefit statements for all employees, CONSULTANT and Contractor, who are subject to the State and/or Federal prevailing wage rates.
8. All material test results will be provided in accordance with the applicable Standard Specifications and Special Provisions, and test methods. Failing tests will be immediately reported to the Resident Engineer or Structures Representative. All test results will be recorded on the appropriate forms. The test documents will be legible and show the identity of the tester where appropriate. A notebook containing all test results and reports will be maintained by CONSULTANT throughout the duration of the Project and delivered to SANBAG with the Project files.
9. Unless otherwise specified in the survey request, the deliverables shall conform to the following:
 - a. Survey points, lines, and monuments shall be established, marked, identified, and referenced as required by survey request and requirements herein.
 - b. Survey notes, drawings, calculations, and other survey documents and information shall be completed as required by the survey request and the requirements herein.
 - c. All original survey documents resulting from this contract, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to the Resident Engineer and shall become the property of SANBAG. A copy of all survey documents furnished by SANBAG shall be retained by CONSULTANT for future reference.

When the survey is performed with a total station survey system, the original field notes shall be a hard copy in a readable format of the data (observations) as originally collected and submitted by the survey party. The hard copy shall be signed by the Party Chief. If the Party Chief is not licensed, the person in "responsible charge" will be required to sign.

- d. Deliverables to the Resident Engineer shall follow the format specified below:
 - 1) Horizontal Control
 - 2) Alpha numeric hard copy point listing with adjusted California Coordinate System northing and eastings and the appropriate descriptions.
 - 3) Vertical Control
 - 4) Alpha numeric hard copy benchmark listing with adjusted elevations compatible with the design datum.
 - 5) Topography
 - 6) Alpha numeric hard copy listing, hard copy drawing, and computer aided drawing and design (CADD) digital drawing. The CADD drawing shall be compatible with the systems utilized by Caltrans.

- e. Data collection method used to collect cross-section data and the coding (feature description) of terrain data for cross-sections shall conform to the survey request requirements. Deliverables shall depend on the data collection method as follows:
- 1) **Conventional Cross – Sections (each cross – section):**
For each cross - section and alpha numeric listing, a hard copy drawing, and a computer formatted file compatible with the systems utilized by Caltrans.
 - 2) **Terrain Line Interpolation Cross – Section Data (each terrain line interpolation survey):**
Terrain line interpolation cross – sections shall include an alpha numeric listing, a hard copy plan view drawing of the terrain lines, and a computer input file. The computer input file shall be provided in a format compatible with the systems utilized by Caltrans.
 - 3) **Data Collector Data**
If specified in the survey request, the raw data from the data collector shall be provided in a format conforming to the survey request requirements.
 - 4) **Other—As specified in the survey request.**

E. EQUIPMENT AND MATERIALS TO BE PROVIDED BY CONSULTANT

1. CONSULTANT shall provide all necessary equipment including software, materials, supplies, miscellaneous tools, phones, vehicles, and safety equipment required for its personnel to perform the services accurately, efficiently, and safely. The above noted items are not to be included in Attachment B of Consultants Cost Proposal and are part of the consultants overhead. Only those items authorized by SANBAG in Attachment B, CONSULTANT Cost Proposal, shall be reimbursed by SANBAG.
2. CONSULTANT personnel shall be provided with vehicles suitable for the location and nature of the work involved. Vehicles shall be equipped with flashing yellow lights, either permanently or temporarily affixed.
3. CONSULTANT personnel shall be provided with a mobile radio, cellular phone, or other means to assure full-time communication. If a radio system is to be used, CONSULTANT shall provide a base station at the field office.
4. CONSULTANT personnel shall be provided with all applicable standard plans, specifications, and other standards as appropriate (see item G below).
5. For Materials Testing, CONSULTANT and its staff will be fully equipped at all times to perform the services required, including but not limited to the following:
 - a. An on-site mobile laboratory or laboratory in close proximity to the Project will be required. The type and location of the lab should be such that it can meet the needs of the Project in an efficient, time effective manner. The laboratory is to

- be fully staffed, equipped, and supplied to conduct all required soils, materials, and concrete breaking tests in a timely manner.
 - b. Field personnel will be provided with all necessary safety equipment to permit work to be performed safely and efficiently within operating highway and construction zone environments.
 - c. All equipment to be calibrated as per Section 3-10 and 3-11 of Caltrans' Quality Assurance Program Manual.
- 6. For construction surveying, CONSULTANT and staff shall have adequate equipment and supplies to complete the required survey work. Equipment and supplies shall, include, but not be limited to:
 - a. Survey vehicles:
 - Survey vehicles will be suitable to perform the required work in varying terrain and conditions encountered on the Project. Vehicles shall be fully equipped with all necessary tools, instruments, supplies, and safety equipment required to perform the work accurately, efficiently, and safely. Vehicles shall be equipped with a flashing yellow beacon light.
 - b. Data Processing Systems:
 - Data processing systems shall include hardware and software to:
 - 1) Performing survey and staking calculations from the design plans and specifications;
 - 2) Reduce survey data collected with conventional and total station survey systems;
 - 3) Perform network adjustments for horizontal and vertical control surveys;
 - 4) Format survey data to be compatible with the Caltrans computer survey and data system.
 - c. Drafting equipment and supplies.
 - d. Digital calculators.
 - e. Hand tools as appropriate for the requested survey work.
 - f. Traffic cones (minimum 25). Traffic cones shall be 28 inches in height (minimum).
 - g. Traffic control devices as required to perform the requested survey work. Traffic control devices include signs, sign bases, flags, and hand held signs.
 - h. Leveling instruments and equipment:
 - 1) Self-leveling level. Precision: standard deviation in one mile of double run leveling 0.005 feet or less.
 - 2) Suitable level rods for the work to be performed.
 - i. Distance measuring instruments and equipment:
 - 1) Electronic distance measurer (EDM). Precision: standard deviation 3 mm plus 3 PPM, or less; Range: Minimum one mile under average atmospheric conditions.
 - 2) Prisms, sufficient to perform the required work.

- 3) Tapes; steel, cloth.
- j. Angle measuring instruments and equipment:
 - 1) Theodolite for non-control surveys; Precision: direct circle reading to three seconds, or equivalent, horizontal and vertical.
 - 2) Targets as required to perform the work.
- k. When required for efficient survey operations, total station survey systems consisting of an electronic angle measuring instrument, EDM, and electronic data collector shall be provided. The angle measuring instruments and EDM shall conform to the requirements for the equipment previously listed.
- l. Radio or cellular communications equipment for communication between field office and field crews.
- m. Caltrans manuals, standards, forms, and other policies and procedures to be followed to perform the required work.

F. MATERIALS TO BE FURNISHED BY SANBAG

- 1. SANBAG will provide three (3) copies of all Project construction documents including plans, and special provisions, and one (1) copy of all other reports, designer prepared resident engineer files, and contracts. In addition, SANBAG will provide one (1) full size (24" x 36") sets of plans for use in the construction field office as record documents.
- 2. SANBAG will provide copies of all previously secured permits and Project authorizations.
- 3. Appropriate forms for recording test data in accordance with Caltrans practices and procedures outlined in the "Manual of Test".

G. STANDARDS

All construction inspection, surveys, materials sampling and testing, and contract administration shall be in accordance with the Project bid documents, special provisions, plans, and current Caltrans Manuals including:

- 1. Construction Manual and its revisions
- 2. Bridge Construction Records and Procedures Manual
- 3. Quality Assurance Program Manual
- 4. Manual of Traffic Controls for Construction and Maintenance Work Zones
- 5. Caltrans Standard Specifications and Standard Plans
- 6. Caltrans Storm Water Pollution Prevention Plan (SWPPP) and Water Pollution Control Program (WPCP) Preparation Manual
- 7. Manual of Test (3 volumes)

8. Survey Manual
9. District 8 Standard Staking Procedures Manual

Work not covered by the manuals shall be performed in accordance with accepted professional standards.

Surveys performed by CONSULTANT shall conform to the requirements of the Land Surveyor's Act. In accordance with the Land Surveyor's Act, "responsible charge" for the work shall reside with the Licensed Land Surveyor or a pre-January 1, 1982, Registered Professional Civil Engineer in the State of California.

Unless otherwise specified in the survey request, control surveys shall conform to second order (modified) accuracy standards as specified in the Caltrans "Survey Manual".

Additional standards for specific survey work may be included in the applicable request for survey. Such standards supplement the standards specified herein. If additional standards conflict with the standards specified herein, the "Survey Request's" standard shall govern.

The Resident Engineer and SANBAG will decide all questions, which may arise as to the quality or acceptability of deliverables furnished and work performed for this contract. Any CONSULTANT employee who does not perform adequately will be replaced if directed by the SANBAG Construction Manager.

H. AVAILABILITY AND WORK HOURS

The typical workday includes all hours worked by SANBAG's construction Contractor including nights and weekends. The construction Contractor's operations may be restricted to specific hours during the week, which will become the normal workday for CONSULTANT's personnel. On days when work is not performed by the construction contractor, such as rainy or unsuitable weather days, CONSULTANT services will not be provided unless authorized by the SANBAG Construction Manager.

Unless otherwise directed by SANBAG, the normal work week will consist of 40 hours. From time to time, overtime may be required. However, overtime will be worked only when approved in writing by SANBAG.

I. LIMITATIONS TO AUTHORITY

CONSULTANT does not have the authority to:

1. Authorize deviations from the contract documents.
2. Approve substitute materials or equipment; except as authorized in writing by SANBAG.
3. Conduct or participate in tests or third party inspections; except as authorized in writing by SANBAG.
4. Assume any of the responsibilities of the Contractors, Contractors' Superintendent, or subcontractors.
5. Exercise control over or be responsible for construction means, methods, techniques,

sequences, procedures, or safety precautions.

6. Communicate directly with subcontractors or material suppliers without the prior consent of the Contractor.
7. Verbally authorize or approve change orders or extra work for the Project.
8. Offer or receive incentives, inducements, or other forms of enumeration to or from the Contractor to perform services or work outside the terms of any executed contracts for this Project.

J. THIRD PARTY RELATIONSHIPS

This Contract is intended to provide unique services for a specific project. In the development of the Project, SANBAG has worked closely with various professional consultants, agencies, and others in the preparation of the construction documents and other Project related materials. SANBAG, however, is solely responsible for and will be the sole point of contact for all contractual matters related to the Project. CONSULTANT shall take direction only from SANBAG and shall regularly inform only SANBAG of Project progress, outstanding issues, and all Project related matters.

During the course of the Project, CONSULTANT may find occasion to meet with Caltrans, City or County representatives, the design engineer, Project consultants, or other third parties who have assisted with the Project. These entities may, from time to time, offer suggestions and/or recommendations regarding the Project or elements of the Project. While SANBAG enjoys a close relationship with and has considerable confidence in the capabilities of these other parties, CONSULTANT shall not act on any suggestions, solicited or unsolicited, without obtaining specific direction from SANBAG. All oral and written communication with outside agencies or consultants related to the Project shall be directed only to SANBAG. Distribution of Project related communication and information shall be at the sole discretion of SANBAG representatives.

K. CONSTRUCTION SITE SAFETY

In addition to the requirements specified elsewhere in this contract, the following also will apply.

1. CONSULTANT will conform to the safety provisions of the Caltrans Construction Manual.
2. CONSULTANT's field personnel will wear white hard hats with proper suspension, orange vests with reflective tape, sleeved shirt, long pants, and leather boots with ankle support and rubber soled shoes at all times while working in the field.
3. CONSULTANT will provide appropriate safety training for all CONSULTANT's personnel, including work on and near highways.
4. All safety equipment will be provided by CONSULTANT.

L. BASIS FOR SURVEY AND MONUMENT STAKING

SANBAG will designate the existing horizontal and vertical control monuments that are the basis of CONSULTANT performed surveys. SANBAG will provide the California Coordinate System values and/or elevation values for these monuments. CONSULTANT shall adjust CONSULTANT performed surveys to be the designated control monuments and the values.

Monuments established by CONSULTANT shall be marked by CONSULTANT with furnished disks, plugs, tags. In addition, CONSULTANT shall identify CONSULTANT established monuments by tagging or stamping the monuments with the license or registration number of CONSULTANT'S surveyor who is in "responsible charge" of the work.

M. PERSONNEL QUALIFICATIONS AND RESPONSIBILITIES

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

1. Project Manager

- a. A minimum of six (6) years' project management experience on similar construction projects is desired.
- b. Accessible to SANBAG at all times during normal working hours.
- c. A thorough understanding of Caltrans construction practices and procedures. The Project Manager will assume the following functional responsibilities:
 - 1) Review, monitor, train, and provide general direction for CONSULTANT personnel.
 - 2) Assign personnel to projects on an as-needed basis.
 - 3) Administer personal leave.
 - 4) Prepare monthly reports for delivery to SANBAG.

2. Resident Engineer

- a. A minimum of eight (8) years' resident engineer experience on similar construction projects is desired.
- b. Licensed Professional Civil Engineer in the State of California.
- c. Ability to work independently, make effective decisions concerning construction work in progress, and solve field problems.
- d. Accessible to SANBAG at all times including weekends and holidays.
- e. Certified as a Qualified SWPPP Developer or Practitioner is desired.
- f. A thorough understanding of Caltrans field methods, practices, and construction office procedures. The Resident Engineer will assume the following functional responsibilities:
 - 1) Monitor and provide daily direction to CONSULTANT Resident Engineers and inspection personnel.
 - 2) Assign field personnel to specific project tasks.
 - 3) Monitor and track Contractor progress.
 - 4) Prepare daily, weekly and monthly reports as required.

- 5) Coordinate utility relocations with appropriate agencies and the utility inspector.
- 6) Act as prime field contact between various project Contractors and SANBAG's Construction Manager.

3. Assistant Resident Engineer

- a. A minimum of four (4) years' experience on similar construction projects is desired.
- b. Licensed Professional Civil Engineer in the State of California.
- c. Ability to work independently, make effective decisions concerning construction work in progress, and solve field problems.
- d. Accessible to SANBAG at all times including weekends and holidays.
- e. Certified as a Qualified SWPPP Developer or Practitioner is desired.
- f. Thorough understanding of Caltrans field methods, practices, and construction office procedures. The Assistant Resident Engineer shall act under the direction of the Resident Engineer and will assume the following functional responsibilities:
 - 1) Monitor and provide daily direction to CONSULTANT inspection personnel.
 - 2) Assign field personnel to specific project tasks.
 - 3) Monitor and track Contractor progress.
 - 4) Prepare daily, weekly and monthly reports as required.
 - 5) Coordinate utility relocations with appropriate agencies.

4. Lead Field Inspector

- a. A minimum of six (6) years' construction inspection experience in public works or similar projects or a four-year degree in the field of civil engineering, transportation and four years of similar construction experience is desired.
- b. Knowledge of Caltrans construction practices, physical characteristics and properties of highway construction materials, and approved methods and equipment used in making physical tests of construction materials.
- c. Ability to work independently, make effective decisions concerning construction work in progress, and solve field problems.
- d. Ability to direct the efforts of subordinate inspectors.
- e. Ability to use an automatic level and transit for the purpose of verifying line and grade.
- f. Certified as a Qualified SWPPP Developer or Practitioner is desired.
- g. Understanding of Caltrans field and construction office procedures. The Lead Field Inspector will assume the following functional responsibilities:

- 1) Assist in inspections to assure compliance with contract plans, specifications, and special provisions on all phases of construction.
- 2) Assist in the preparation of contract change orders, contract estimates, progress pay estimates, and other documents or reports required for the Project.
- 3) Coordinate field testing of materials to monitor compliance with Project specifications and Caltrans Quality Assurance Program.
- 4) Maintain accurate and timely Project records. Perform quantity calculations for progress pay estimates.
- 5) Perform analytical calculations such as basic earthwork, grading, profiles, and special staking procedures.
- 6) Provide input for the redesign of facilities to fit existing field conditions.
- 7) Monitor and track Contractor progress. Prepare daily, weekly, and monthly reports as required.

5. **Field Inspector**

- a. Two (2) years' construction inspection experience in public works or similar projects or a four-year degree in the field of civil transportation engineering is desired.
- b. Knowledge of construction practices, physical characteristics and properties of construction materials, and approved methods and equipment used in making physical tests of construction materials.
- c. Ability to work independently. Ability to make minor decisions concerning construction work in progress and to solve field and office problems.
- d. Ability to use an automatic level and transit for the purpose of verifying line and grade.
- e. Certified as a Qualified SWPPP Developer or Practitioner is desired.
- f. Understanding of Caltrans construction methods and practices. The Field Inspector will assume the following functional responsibilities:
 - 1) Assist in inspections to assure compliance with contract plans, specifications, and special provisions on all phases of project construction.
 - 2) Assist in preparation of contract change orders, contract estimates, progress pay estimates, and other documents or reports required for the Project.
 - 3) Coordinate field testing of materials to monitor compliance with Project specifications and Caltrans Quality Assurance Program.
 - 4) Perform quantity calculations for progress pay estimates and maintain Project records.
 - 5) Perform analytical calculations such as basic earthwork, grading, profiles, and special staking procedures.
 - 6) Provide input for the redesign of facilities to fit existing field conditions.
 - 7) Perform construction materials sampling.
 - 8) Perform labor compliance interviews of the Contractors' personnel.

6. **Structural Representative or Lead Structural Inspector**

- a. A minimum of six (6) years' of bridge or structural construction inspection as related to major public works projects and a four-year degree in civil engineering is desired.
- b. Licensed Professional Civil Engineer in the State of California.
- c. Knowledge of stress analysis, structural mechanics, and strength of materials.
- d. Knowledge of Caltrans construction practices and the physical characteristics and properties of various bridge construction materials including concrete.
- e. Experience in the following areas: foundations, pile driving, concrete prestressing, bridge deck construction, cast-in-place wall construction, falsework, and shoring.
- f. Ability to work independently. Ability to perform duties in the construction field office and effectively make decisions concerning construction work in progress and solving field problems.
- g. Ability to direct the efforts of subordinate inspectors.
- h. Ability to use an automatic level and transit for the purpose of verifying line and grade.
- i. Thorough understanding of Caltrans field methods, practices, and construction office procedures. The Structural Representative shall assume the following functional responsibilities:
 - 1) Assist in inspections to assure compliance with contract plans, specifications, and special provisions on all phases of structural construction such as bridges, foundations, walls, falsework, shoring, and drainage structures.
 - 2) Make grade, alignment, quantity, falsework, and shoring calculations.
 - 3) Assist in the preparation of contract change orders, contract estimates, progress pay estimates, and other documents or reports required for the Project. Coordinate the sampling and testing of construction materials to monitor compliance with contract specifications.
 - 4) Monitor and track Contractor progress. Prepare daily, weekly, and monthly reports as required.
 - 5) Coordinate with Resident Engineer, as well as the Construction Staking and Material Testing consultants.
 - 6) Direct the daily activities of subordinate inspectors.

7. Structural Inspector

- a. A minimum of two (2) years' of bridge design or structural construction inspection as related to Caltrans or major public works projects or a four-year degree in civil or structural engineering is desired.
- b. Knowledge of stress analysis, structural mechanics, and strength of materials.

- c. Knowledge of construction practices and the physical characteristics and properties of various highway bridge construction materials including concrete.
- d. Experience in one or more of the following areas: pile driving, concrete prestressing, bridge deck construction, retaining wall construction, falsework, and shoring.
- e. Ability to work independently and make minor decisions concerning construction work in progress and to solve field and office problems.
- f. Ability to use an automatic level and transit for the purpose of verifying line and grade.
- g. Understanding of Caltrans construction methods and practices. The Structural Inspector will assume the following functional responsibilities:
 - 1) Assist in inspections to assure compliance with contract plans, specifications, and special provisions on all phases of structural construction such as bridges, foundation, walls, falsework, shoring, and drainage structures.
 - 2) Make grade, alignment, quantity, falsework, and shoring calculations.
 - 3) Assist in the preparation of contract change orders, contract estimates, progress pay estimates, and other documents or reports required for the Project.
 - 4) Sampling and testing of construction materials to monitor compliance with contract specifications and Caltrans Quality Assurance Program.

8. Office Engineer

- a. A minimum of two (2) years' experience as an office engineer on similar construction projects is desired.
- b. Knowledge of Caltrans Office of Highway Construction forms used to administer construction projects.
- c. Knowledge of Caltrans system of document organization.
- d. Knowledge of construction records and accounting procedures.
- e. Knowledge of documentation, procedures, and reporting for federally funded projects.
- f. Knowledge of laws and regulations governing the payment of prevailing wages.
- g. The Office Engineer will assume the following functional responsibilities:
 - 1) Process monthly progress pay estimates, monthly status reports, extra work reports, and weekly statements of working days.
 - 2) Prepare and process contract change orders.
 - 3) Monitor construction budget and schedule.
 - 4) Prepare, maintain, and/or file project documents including labor and

equipment records, correspondence, memoranda, meeting minutes, claims, personnel records, labor compliance reports, and daily, weekly, and monthly reports.

- 5) Perform routine calculations and checking of quantities.
- 6) Coordinate all office activities and functions with SANBAG representatives.

9. Materials Testing/Source Inspection Project Manager

- a. A minimum four (4) years' project management experience on a similar highway/bridge construction project is desired.
- b. Licensed Civil Engineer in the State of California.
- c. Ability to use typical computer programs including word processing and spreadsheets.
- d. The materials testing/source inspection project manager will assume the following functional responsibilities:
 - 1) Review, monitor, train, and provide general direction for CONSULTANT's laboratory, field and source inspection personnel.
 - 2) Assign personnel to projects on an as-needed basis in coordination with the Resident Engineer.
 - 3) Administer personal leave, subject to approval of the Resident Engineer.
 - 4) Prepare monthly reports for delivery to the Resident Engineer.
 - 5) Provide direction, administration, and responsibility for Materials Certification per Caltrans Construction Manual, Section 8-01.
 - 6) Assist SANBAG and Resident Engineer in preparing the project specific Source Inspection Quality Management Plan (SIQMP) for Caltrans review and approval. (Reference Caltrans "Source Inspection Quality Management Plan (SIQMP Outline dated 04/17/12).
 - 7) Provide direction, administration, and responsibility for implementation of the approved SIQMP per Caltrans Construction Procedures Directive (CPD) 08-5 and FHWA Title 23 requirements.

Material testing/source inspection personnel will be certified by a California Registered Civil Engineer as being experienced and competent in the test procedures required for the work involved (and possess a current certificate of proficiency (Form MR-0111) in accordance with Quality Assurance Program Manual (Section 3-5). Independent certification of Caltrans test procedures may be performed at the discretion of the SANBAG Project Manager.

10. Materials Technicians

CONSULTANT personnel provided under this contract will have a variety of skills and experience appropriate for the level of tasks to be assigned. Field personnel shall be certified by Caltrans and should have a minimum of two (2) years' experience in conducting material sampling and testing of the type required for the projects involved and possess the following additional capabilities:

- a. Have the ability to establish specific locations for appropriate tests when

construction contract administration personnel are not available.

- b. Be familiar with construction practices and be fully aware of construction activities at the Project site.
- c. Have knowledge of and comply with safety and health regulations and requirements applicable to the Project.
- d. Specific qualifications for technicians are as follows:

1) CONSTRUCTION TECHNICIAN I

a) Performs a variety of semi-skilled activities. Examples of duties assigned to this classification are:

- i. Conducting quality control tests such as soil densities, sieve analysis tests, operation scales and inspecting spread operations.
- ii. Sampling and transporting produced construction materials from point of application or production to testing laboratory.

b) Knowledge and Skills Required

- i. Knowledge of tools, equipment and vehicles utilized in construction.
- ii. Knowledge of standard equipment and materials used for the sampling and testing of construction material.
- iii. Knowledge of basic mathematics used in the computation of a variety of construction items.
- iv. Knowledge of record keeping, preparing of documents and reports.

2) CONSTRUCTION TECHNICIAN II

a) Performs a variety of skilled activities. Examples of duties assigned to this classification are:

- i. Inspecting minor construction items, sampling and inspection of steel reinforcement, sampling and inspection of concrete placing operation.
- ii. Collect and analyze soil samples of construction materials to determine compaction and moisture content.
- iii. Inspection and sampling of all phases of asphalt concrete and PCC paving operation, including plant inspection.
- iv. Confers with construction engineers and contractors regarding construction in progress and is conformance to specifications and construction plans.
- v. Answers questions and resolves problems.
- vi. Inspects construction in progress to ensure conformance with specification, agreements, and established

- requirements.
- vii. Keeps daily diary of work progress.
- viii. Prepares reports on all field inspections and submits project quantities on a daily basis.
- ix. Keeps accurate documentation for force accounts and possible claims.

b) Knowledge and Skills Required

- i. All knowledge and skills required of lower classification.
- ii. Knowledge of currently accepted methods, procedures and techniques used in highway construction inspection, survey, materials testing, and quality control equipment.
- iii. Skill in interpersonal relations as applied to contact with contractors, representatives of other governmental jurisdictions, and other SANBAG/Caltrans staff.

3) CONSTRUCTION TECHNICIAN III

a) Exercises considerable independent judgment within general Caltrans standards and guidelines. Examples of duties assigned to this classification are:

- i. Inspect Project construction on an ongoing basis to assure compliance with contract and in accordance with State and local standards.
- ii. Perform a variety of structural material tests and inspections.
- iii. Reviews construction plans and verified that these are in accordance with designated specifications and other requirements.
- iv. Participates in the preparation of completed work estimates, to calculate compensation due contractor.
- v. Examines and verifies numeric data and material specifications on project cost source documents, utilizing geometry and trigonometry calculations.
- vi. Supervises all work activities involved in construction projects, laboratory, and quality control work.
- vii. Recommends approval of proposed Project changes.

b) Knowledge and Skills Required

- i. All knowledge and skills required of lower classifications.
- ii. Knowledge of the principles and practices of Civil Engineering as applied to the construction of state highways.
- iii. Skill in analyzing and evaluating a wide variety of highly technical engineering data, including construction plans, field survey and quality control documents.

- iv. Skill in interpreting and implementing Caltrans standards, policies, procedures and regulations.
- v. Skill in interpersonal relations, as applied to contacts with contractors, representatives of other governmental jurisdictions, and other SANBAG/Caltrans staff.

11. Construction Surveying Project Manager

- a. A minimum four (4) years' project management experience on similar construction projects is desired.
- b. Licensed Surveyor or pre-January 1, 1982 Registered Professional Engineer in the State of California.
- c. Accessible to the Resident Engineer and SANBAG at all times during normal working hours as specified in this Scope of Services.
- d. Under the direction of the Resident Engineer, the Project Manager will be responsible for:
 - 1) Review, monitor, train, and provide general direction for CONSULTANT survey personnel.
 - 2) Assign personnel to projects on an as-needed basis.
 - 3) Administer personal leave, subject to approval of the Resident Engineer.
 - 4) Prepare monthly reports for delivery to the Resident Engineer.

12. Field Party Chief(s)

- a. The person(s) holding the position of Party Chief shall meet at least one of the following licensing requirements:
 - 1) A licensed Land Surveyor in the State of California.
 - 2) A pre-January 1, 1982, Registered Professional Civil Engineer in the State of California.
 - 3) An experienced surveyor who serves as chief under the direction or supervision of a person who is a licensed Land Surveyor or pre-January 1, 1982 Registered Professional Civil Engineer in the State of California. The direction or supervision shall place the supervisor in "responsible charge" of the work. "Responsible Charge" is defined in Chapter 15 of the Business and Professions Code (the Land Surveyor's Act) and Title 16, Chapter 5, of the California Administrative Code (regulations adopted by the Board of Registration for Professional Engineers and Land Surveyors).
- b. The Party Chief(s) should have a minimum two (2) years' survey experience on similar construction projects and possess the following additional capabilities:
 - 1) Thorough knowledge of construction survey practices and the ability to read and interpret plans and specifications.
 - 2) Ability to make effective decisions concerning field problems and work in progress.
 - 3) Familiarity with typical coordinate geometry computer programs.
 - 4) Familiarity with safety requirements for surveying near traffic.

- c. The Party Chief(s) will assume the following responsibilities:
- 1) Perform construction staking services for Project construction.
 - 2) Administer day to day activities for the survey party.
 - 3) Perform analytical survey calculations for items such as grading, horizontal and vertical control, right of way, and minor in-field design.
 - 4) Maintain continuous communication with the Resident Engineer, field personnel, and construction administration staff.

13. Survey Crews

- a. Qualifications for survey crew members should include the following:
- 1) A minimum of one (1) year of survey experience on similar construction projects is desired.
 - 2) Fundamental knowledge of construction survey practices and the ability to read and interpret plans and specifications.
 - 3) Ability to assist Party Chiefs and office personnel in all required surveying work.
 - 4) One survey crew member must have the ability to assume temporary leadership of the survey party in the absence of the Party Chief.
- b. Under the direction of the Resident Engineer and the Party Chief, the survey crew members will assume the following responsibilities:
- 1) Perform basic calculations to support construction staking.
 - 2) Maintain continuous communication with Party Chiefs and office personnel.

ATTACHMENT "B"

ATTACHMENT 'B'

SIMON WONG ENGINEERING

San Bernardino Associated Governments (SANBAG)

Interstate 10 /Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
Construction Management, Construction Surveying, Materials Testing and Public Outreach

July 30, 2013

I. DIRECT LABOR COSTS

Staff Classification	Initial Direct Hourly Rate	Hours	Total
Project Manager	\$80.15	64	\$5,769.60
Resident Engineer	\$77.11	2,788	\$214,828.48
Civil Inspector	\$50.12	2,240	\$112,288.80
OE/Project Controls	\$40.00	2,440	\$97,600.00
Scheduler	\$54.94	144	\$7,911.36
Landscape Inspector	\$57.25	388	\$22,213.00
SWPPP Coordinator	\$50.62	210	\$10,630.20
Public Outreach Coordinator	\$68.88	73	\$4,667.64
Outreach Liaison	\$33.70	198	\$6,605.20
Outreach Assistant	\$17.34	107	\$1,855.38
Const. Technical Advisor	\$75.18	40	\$3,007.20
Overtime Pool	\$75.00	100	\$7,500.00

Subtotal Hours & Direct Labor Costs	8,788		\$495,056.84
Anticipated Salary Increases			\$19,514.44
Total Direct Labor Costs			\$514,571.28

(1)

II. INDIRECT COSTS

INDIRECT RATE 140.93 % x \$ 514,571.28 = Subtotal \$725,185.30 (2)
Subtotal (1)

III. FEE (PROFIT)

8 % x \$ 1,239,756.58 = Subtotal \$111,678.09 (3)
Total (1) + (2)

IV. OTHER DIRECT COSTS

Item	Amount
Field Vehicle Truck/ Month	\$0.00
Public Outreach Direct Costs	\$13,618.55
Field Office	\$0.00

Subtotal \$ \$13,618.55 (4)

V. SUBCONSULTANTS COST

Mendoza & Associates	\$441,525.58
Dynamic Engineering Services	\$118,271.88
Kleinfelder	\$243,802.88
Leighton	\$110,898.34
Towill	\$195,747.77
Subtotal \$	\$1,110,048.53

(5)

VI. TOTAL AMOUNT

\$2,475,000 (Total 1-5)

SIMON WONG ENGINEERING

LABOR & OTHER DIRECT COST (ODC) SUMMARY
Interstate 10 /Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
Construction Management, Construction Surveying, Materials Testing and Public Outreach

July 30, 2013

STAFF CLASSIFICATION	STAFF NAME	RANGE OF DIRECT HOURLY RATES		TOTAL HOURS	INITIAL DIRECT HOURLY RATE	SUB-TOTAL DIRECT LABOR COST	ANTICIPATED SALARY INCREASES	TOTAL DIRECT LABOR COST	TOTAL INDIRECT COST	FEE (PROFIT)	TOTAL LABOR COST	FULLY LOADED HOURLY RATE	
		LOW	HIGH										
Project Manager		\$80.15	\$86.91	64	\$80.15	\$5,180.60	\$277.43	\$5,967.03	\$9,451.61	\$1,300.36	\$17,418.02	\$246.08	
Resident Engineer		\$77.11	\$84.28	2,786	\$77.11	\$214,828.48	\$8,488.23	\$223,298.68	\$314,692.03	\$44,418.94	\$568,407.71	\$210.48	
Chief Inspector		\$50.12	\$54.77	2,349	\$50.12	\$117,768.90	\$4,215.48	\$118,694.28	\$164,457.24	\$23,303.64	\$308,455.18	\$135.81	
DE/Project Controls		\$40.00	\$43.71	2,440	\$40.00	\$97,600.00	\$3,947.25	\$101,447.25	\$142,999.61	\$21,997.57	\$266,414.30	\$109.18	
Scheduler		\$54.94	\$60.03	144	\$54.94	\$7,911.36	\$311.65	\$8,223.21	\$11,598.98	\$1,783.10	\$21,585.29	\$148.97	
Landscape Inspector		\$37.25	\$42.56	288	\$37.25	\$22,213.00	\$875.80	\$23,088.80	\$32,594.77	\$5,008.48	\$60,833.84	\$156.27	
SWPPP Coordinator		\$50.62	\$53.31	216	\$50.62	\$10,930.30	\$419.03	\$11,049.23	\$15,871.68	\$2,395.96	\$29,016.78	\$138.18	
Public Outreach Coordinator		\$68.66	\$72.66	73	\$68.66	\$4,867.64	\$191.66	\$5,059.32	\$7,330.38	\$1,097.09	\$13,296.98	\$182.01	
Outreach Liaison		\$33.70	\$36.82	186	\$33.70	\$6,005.20	\$280.37	\$6,865.57	\$9,875.84	\$1,488.71	\$18,029.92	\$81.99	
Outreach Assistant		\$17.34	\$19.95	107	\$17.34	\$1,855.38	\$73.14	\$1,928.52	\$2,717.88	\$418.17	\$5,054.55	\$47.33	
Const. Technical Advisor		\$75.18	\$82.15	40	\$75.18	\$3,007.20	\$116.54	\$3,123.74	\$4,405.10	\$677.78	\$8,208.62	\$205.22	
Overtime Pool		\$75.00	\$81.95	100	\$75.00	\$7,500.00	\$285.84	\$7,785.84	\$10,968.59	\$1,680.36	\$20,472.42	\$264.72	
TOTAL =						8,736		\$19,514.44	\$514,871.28	\$725,188.39	\$111,578.08	\$1,351,334.67	

FEE (PROFIT) 9.00%

INDIRECT COST	
Overhead	N/A
General & Admin	N/A
Total	140.93%

* This represents a project specific OH rate with field vehicles included in the OH. To be verified during audit.

OTHER DIRECT COSTS (ODC's)	Price Per Unit	Unit	Quantity	Total	WBS
Field Vehicle Truck/Month	\$0.00	Month	35.2	\$0.00	
Public Outreach Direct Costs	\$13,818.55	LS	1.00	\$13,818.55	
Field Office	\$0.00	Month	13.00	\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
TOTAL OTHER DIRECT COSTS					\$13,818.55

Year	# of Months**	Esc.	Escalation Per Year =	
			Esc.	Value
2013	0.94	1.000	1.000	0.938
2014	57.53	1.030	1.030	38,651
2015	18.25	1.061	1.061	17,240
2016	0.78	1.093	1.093	0,847
			1.128	0,000
			1.159	0,000
TOTAL	\$5,487.5			57,675

**# of Months was calculated by dividing the total yearly starting hrs by 160

TOTAL COSTS **\$1,364,853.22**

ATTACHMENT 'B'

Mendoza & Associates

San Bernardino Associated Governments (SANBAG)			
Interstate 10 / Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2			
Construction Management Services			
			July 30, 2013
I. DIRECT LABOR COSTS			
Staff Classification	Initial Direct Hourly Rate	Hours	Total
Structures Rep	\$83.00	1,480	\$93,240.00
Structures Inspector	\$56.63	1,440	\$81,547.20
Subtotal Hours & Direct Labor Costs		2,920	<u>\$174,787.20</u>
Anticipated Salary Increases			<u>\$5,243.62</u>
Total Direct Labor Costs			<u>\$180,030.82</u> (1)
II. INDIRECT COSTS			
INDIRECT RATE	125.00 % x	\$ 180,030.82	= Subtotal <u>\$228,038.52</u> (2)
		Subtotal (1)	
III. FEE (PROFIT)			
	9 % x	\$ 405,089.34	= Subtotal <u>\$36,458.24</u> (3)
		Total (1) + (2)	
IV. OTHER DIRECT COSTS			
Item		Amount	
None		\$0.00	
Subtotal \$		<u>\$0.00</u> (4)	
VI. TOTAL AMOUNT			<u>\$441,526</u> (Total 1-5)

ATTACHMENT 'B'

Dynamic Engineering Services, Inc.

San Bernardino Associated Governments (SANBAG)			
Interstate 10 / Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2			
Construction Management Services			
			July 30, 2013
I. DIRECT LABOR COSTS			
Staff Classification	Initial Direct Hourly Rate	Hours	Total
Electrical Inspector	\$58.00	460	\$26,680.00
Labor Compliance Officer	\$55.00	288	\$15,840.00
Subtotal Hours & Direct Labor Costs		748	<u>\$42,520.00</u>
Anticipated Salary Increases			<u>\$1,588.26</u>
Total Direct Labor Costs			<u>\$44,108.26</u> (1)
II. INDIRECT COSTS			
INDIRECT RATE	148.00 % x	\$ 44,108.26	= Subtotal <u>\$64,388.08</u> (2)
		Subtotal (1)	
III. FEE (PROFIT)			
	9 % x	\$ 108,508.32	= Subtotal <u>\$9,765.67</u> (3)
		Total (1) + (2)	
IV. OTHER DIRECT COSTS			
Item	Amount		
	<u>\$0.00</u>		
Subtotal \$			<u>\$0.00</u> (4)
VI. TOTAL AMOUNT			<u>\$118,272</u> (Total 1-5)

Dynamic Engineering Services, Inc.

LABOR & OTHER DIRECT COST (ODC) SUMMARY
 Interstate 10 / Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
 Construction Management Services

July 30, 2013

STAFF CLASSIFICATION	STAFF NAME	RANGE OF DIRECT HOURLY RATES		TOTAL HOURS	INITIAL DIRECT HOURLY RATE	SUB-TOTAL DIRECT LABOR COST	ANTICIPATED SALARY INCREASES	TOTAL DIRECT LABOR COST	TOTAL INDIRECT COST	FEE (PROFIT)	TOTAL LABOR COST	FULLY LOADED HOURLY RATE
		LOW	HIGH									
Electrical Inspector		\$58.00	\$61.53	460	\$58.00	\$26,680.00	\$986.56	\$27,676.56	\$40,407.81	\$6,127.60	\$74,211.96	\$161.33
Labor Compliance Officer		\$58.00	\$58.35	288	\$55.00	\$15,840.00	\$591.87	\$16,431.87	\$23,990.25	\$3,837.87	\$44,059.88	\$152.99
				TOTAL =	748		\$1,578.43	\$44,108.26	\$64,398.06	\$9,766.57	\$118,271.88	

FEE (PROFIT) 9.00%

INDIRECT COST	
Overhead	138.00%
General & Admin	10.00%
Total	148.00%

OTHER DIRECT COSTS (ODC's)	Price Per Unit	Unit	Quantity	Total	WBS
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
TOTAL OTHER DIRECT COSTS				\$0.00	

Year	Escalation Per Year =		Value
	# of Months	Esc.	
2013	0.00	1.000	0.000
2014	3.56	1.030	3.669
2015	1.11	1.081	1.180
		1.083	0.000
		1.128	0.000
		1.159	0.000
TOTAL	4.68		4.850
Escalation Factor for Contract			
			1.037

of Months was calculated by dividing the total yearly staffing hrs by 180

TOTAL COSTS \$118,271.88

ATTACHMENT 'B'

Kleinfelder West

San Bernardino Associated Governments (SANBAG)

Interstate 10 / Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
Material Testing Technician

July 30, 2013

I. DIRECT LABOR COSTS

Staff Classification	Initial Direct Hourly Rate	Hours	Total
Project Engineer	\$54.38	144	\$7,830.72
Clerical/Admin Assistant	\$25.00	48	\$1,200.00
Materials Tester	\$52.70	275	\$14,492.50
Materials Tester	\$45.84	275	\$12,606.00
Materials Tester	\$50.37	275	\$13,851.75
Subtotal Hours & Direct Labor Costs		1,017	\$49,980.97
Anticipated Salary Increases			\$1,743.28
Total Direct Labor Costs			\$51,724.26 (1)

II. INDIRECT COSTS

INDIRECT RATE 170.00 % x \$ 51,724.26 = Subtotal \$87,931.23 (2)
Subtotal (1)

III. FEE (PROFIT)

9 % x \$ 139,655.48 = Subtotal \$12,568.99 (3)
Total (1) + (2)

IV. OTHER DIRECT COSTS

Item	Amount
Vehicle Mileage	\$9,148.48
CTM 105/202 Sieve Analysis, Coarse and Fine	\$7,650.00
CTM 105/202F Sieve Analysis, Fine	\$3,800.00
CTM 105/202C Sieve Analysis, Coarse	\$4,500.00
CTM 205 Aggregate (AG) Fract. Faces/Size	\$100.00
CTM 211 AG Los Angeles Abrasion, Small AG	\$175.00
CTM 216 Relative Compaction Soils and AG (Wet)	\$14,815.00
CTM 217 AG Sand Equivalent, 3 Pt.	\$10,140.00
CTM 223 Water Content	\$925.00
CTM 227AG Cleanliness Value	\$2,100.00
CTM 301 Resistance R-Value of Soil/Base	\$8,000.00
CTM 304/366 AC HVEEM Stability	\$4,225.00
CTM 308 AC Core Wt./Thick. (Bulk Sp. Gravity)	\$500.00
CTM 309 AC Max. Theo. Sp. Gravity and Density	\$2,030.00
CTM 370 AC Moisture Content	\$350.00
CTM 371 AC Resist. Moisture Induced Damage	\$5,800.00
CTM 382 AC Asphalt Content by Ignition Oven	\$1,820.00
CTM 523 Conc. Flex. Strength	\$1,400.00
CTM 540 Conc. Compressive Test Specimens	\$600.00
CORES	\$8,300.00
Other Tests Per Attached Published Rate Sheet	\$10,000.00

Subtotal \$ \$91,378.48 (4)

VI. TOTAL AMOUNT

\$243,603 (Total 1-5)

Kleinfelder West
LABOR & OTHER DIRECT COST (ODC) SUMMARY
Interstates 10 / Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
Material Testing Technician
July 30, 2013

STAFF CLASSIFICATION	STAFF NAME	RANGE OF DIRECT HOURLY RATES		TOTAL HOURS	INITIAL DIRECT HOURLY RATE	SUB-TOTAL DIRECT LABOR COST	ANTICIPATED SALARY INCREASES	TOTAL DIRECT LABOR COST	TOTAL INDIRECT COST	FEE (PROFIT)	TOTAL LABOR COST	FULLY LOADED HOURLY RATE
		LOW	HIGH									
Project Engineer		\$64.36	\$87.06	114	\$64.36	\$7,320.24	\$273.13	\$8,093.37	\$13,778.54	\$1,969.23	\$10,062.61	\$185.02
Chemical/Admin Assistant		\$25.00	\$26.52	48	\$25.00	\$1,200.00	\$41.85	\$1,241.85	\$2,111.15	\$301.77	\$3,654.78	\$76.14
Materials Tester		\$52.70	\$58.91	275	\$52.70	\$14,492.50	\$308.48	\$14,800.98	\$25,498.57	\$3,644.51	\$44,139.06	\$160.51
Materials Tester		\$48.84	\$48.83	275	\$48.84	\$13,409.00	\$439.08	\$13,848.08	\$22,177.05	\$3,170.10	\$38,393.45	\$139.81
Materials Tester		\$50.37	\$53.44	275	\$50.37	\$13,851.75	\$483.13	\$14,334.88	\$24,368.30	\$3,493.38	\$42,187.56	\$153.41
TOTAL =					1,017	\$49,880.97	\$1,743.28	\$51,624.25	\$87,931.23	\$12,548.99	\$162,224.48	

FEE (PROFIT)	3.00%
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INDIRECT COST	
Overhead	
General & Admin	
Total	\$170,00%

Year	Escalation Per Year =	
	# of Months*	Esc.
2013	0.00	1.000
2014	4.00	1.038
2015	0.75	1.061
		1.083
		1.128
		1.158
TOTAL	4.75	0.000
Escalation Factor for Contract		1.039

*% of Months was calculated by dividing the total yearly staffing hrs by 160

OTHER DIRECT COSTS (ODC's)	Price Per Unit	Unit	Quantity	Total	WBS
Vehicle Mgmt	\$0.565	mile	18,192.0	\$9,148.48	
CTM 1052002 Sieve Analysis, Coarse and Fine	\$150.00	EACH	61.00	\$7,650.00	
CTM 1052002F Sieve Analysis, Fine	\$120.00	EACH	30.0	\$3,600.00	
CTM 1052003 Sieve Analysis, Coarse	\$160.00	EACH	45.0	\$4,500.00	
CTM 205 Aggregate (AG) Fract. Factor/Size	\$100.00	EACH	1.0	\$100.00	
CTM 211 AG Los Angeles Abrasion, Small AG	\$175.00	EACH	1.0	\$175.00	
CTM 218 Relative Compaction Tests and AG (Wet)	\$185.00	EACH	79.0	\$14,615.00	
CTM 217 AG Sand Equivalent, 3 Pt	\$130.00	EACH	78.0	\$10,140.00	
CTM 223 Water Content	\$28.00	EACH	21.6	\$605.00	
CTM 227AG Chlorides Value	\$150.00	EACH	14.0	\$2,100.00	
CTM 301 Resistance R-Value of Soil/Bases	\$300.00	EACH	20.0	\$6,000.00	
CTM 304-309 AC HYDRM Stability	\$325.00	EACH	13.0	\$4,225.00	
CTM 308 AC Core VAL/THCK (Bulk Sp. Gravity)	\$50.00	EACH	10.0	\$500.00	
CTM 309 AC Max. Theor. Sp. Gravity and Density	\$145.00	EACH	14.0	\$2,030.00	
CTM 370 AC Moisture Content	\$50.00	EACH	7.0	\$350.00	
CTM 371 AC Resist. Measure Induced Damage	\$1.400	EACH	4.0	\$5.600.00	
CTM 382 AC Asphalt Content by Ignition Oven	\$140.00	EACH	13.0	\$1,820.00	
CTM 573 Comp. Flex. Strength	\$100.00	EACH	14.0	\$1,400.00	
CTM 540 Comp. Compressive Test Specimens	\$30.00	EACH	30.0	\$900.00	
CHREB	\$300.00	DAY	7.0	\$2,100.00	
Other Tests Per Attached Published Rate Sheet	\$10,000.00	LS	1.0	\$10,000.00	
TOTAL OTHER DIRECT COSTS				\$91,378.48	

TOTAL COSTS	\$243,602.96
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ATTACHMENT 'B'

Leighton Consulting Group

San Bernardino Associated Governments (SANBAG)

Interstate 10/ Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
Source Inspection

July 30, 2013

I. DIRECT LABOR COSTS

Staff Classification	Initial Direct Hourly Rate	Hours	Total
Project Principal	\$77.44	4	\$309.76
Project Manager	\$51.44	240	\$12,345.60
Material Testing Manager	\$43.27	20	\$865.40
Word Processor	\$20.25	20	\$405.00
Project Administrator	\$18.70	20	\$374.00
Source Inspector	\$23.85	160	\$3,816.00
Source Inspector	\$29.48	160	\$4,716.80
Subtotal Hours & Direct Labor Costs		624	\$22,832.56
Anticipated Salary Increases			\$802.56
Total Direct Labor Costs			\$23,635.12 (1)

II. INDIRECT COSTS

INDIRECT RATE 170.00 % x \$ 23,635.12 = Subtotal \$40,179.71 (2)
Subtotal (1)

III. FEE (PROFIT)

8 % x \$ 63,814.84 = Subtotal \$5,743.34 (3)
Total (1) + (2)

IV. OTHER DIRECT COSTS

Item	Amount
Car Mileage	\$1,140.17
Mail/ Courier	\$200.00
Aggregate Quality/Durability for Base, HMA and JPCP	\$2,000.00
Concrete Masonry Units (CMU, one supplier)	\$2,500.00
Structural Nuts and Bolts (Signs, etc.)	\$2,500.00
Rebar Couplers (Bridge, one supplier)	\$2,000.00
Prestressing Components (Bridge, one supplier)	\$2,000.00
Headed Rebar (Bridge, one supplier)	\$3,000.00
Bridge Elastomeric Bearing Pads (one supplier)	\$3,000.00
Joint Seal Material	\$2,500.00
Electrical and Electronic Items	\$7,000.00
Striping Paint, Thermoplastic and Glass Beads	\$3,500.00
Other Tests Per Attached Published Rate Sheet	\$10,000.00
Subtotal \$	\$41,340.17 (4)

VI. TOTAL AMOUNT

\$110,898 (Total 1-5)

LABOR & OTHER DIRECT COST (000) SUMMARY
 Interstate 10/ Tippecanoe Avenue Interchange Widening / Improvement Project Phase 2
 Source Inspection

July 30, 2015

STAFF CLASSIFICATION	STAFF NAME	RANGE OF DIRECT HOURLY RATES		TOTAL HOURS	INITIAL DIRECT HOURLY RATE	SUB-TOTAL DIRECT LABOR COST	ANTICIPATED SALARY INCREASES	TOTAL DIRECT LABOR COST	FEE (PROFIT)	TOTAL LABOR COST	FULLY LOADED HOURLY RATE
		LOW	HIGH								
Project Principal	[REDACTED]	\$17.44	\$42.16	4	\$17.44	\$69.76	\$10.89	\$30.65	\$548.10	\$77.97	\$23.92
Project Manager	[REDACTED]	\$11.44	\$44.57	240	\$11.44	\$2,745.60	\$433.95	\$12,779.55	\$21,728.23	\$3,109.43	\$7,610.21
Assistant Project Manager	[REDACTED]	\$13.27	\$48.91	20	\$13.27	\$265.40	\$30.42	\$895.82	\$1,522.89	\$217.89	\$2,638.39
Senior Project Engineer	[REDACTED]	\$19.25	\$71.84	20	\$19.25	\$385.00	\$14.24	\$1,127.20	\$101.87	\$1,233.81	\$61.69
Project Administrator	[REDACTED]	\$18.79	\$19.84	20	\$18.79	\$375.80	\$13.15	\$507.35	\$84.08	\$1,200.37	\$60.87
Source Inspector	[REDACTED]	\$21.88	\$23.26	192	\$21.88	\$4,200.96	\$134.13	\$3,966.83	\$4,715.23	\$899.98	\$11,025.24
Source Inspector	[REDACTED]	\$9.48	\$31.28	160	\$9.48	\$1,516.80	\$183.80	\$1,682.60	\$4,300.41	\$1,188.47	\$14,308.48
				TOTAL =	624	\$22,832.66	\$882.58	\$23,635.12	\$40,178.71	\$5,743.24	\$69,858.17

FEE (PROFIT) 3.00%

INDIRECT COST	
Overhead	51.00%
General & Admin	112.00%
Total	170.00%

OTHER DIRECT COSTS (000's)	Unit	Quantity	Total	WBS
Car Mortgage	Mile	2078.0	\$1,140.17	
Photocopies (Black & White)	EA	0.5	\$0.00	
Photocopies (Color)	EA	0.0	\$0.00	
Mail Courier	EA	10.0	\$200.00	
Aggregate Quality Assurance for Base 18A and JPCP	LS	1.0	\$2,000.00	
Concrete Laboratory Tests (CALI, one supplier)	LS	1.0	\$1,500.00	
Structural Nbs and Bats (Sigm. 06)	LS	1.0	\$1,500.00	
Rebar Coupons (Sigm. one supplier)	LS	1.0	\$2,000.00	
Preexisting Components (Sigm. one supplier)	LS	1.0	\$2,000.00	
Rebar (Sigm. one supplier)	LS	1.0	\$3,000.00	
Single Elastomeric Bearing Pads (one supplier)	LS	1.0	\$3,000.00	
Joint Seal Material	LS	1.0	\$2,500.00	
Structural and Electronic Items	LS	1.0	\$7,000.00	
Structural Pkgs, Thermoplastic and Glass Beads	LS	1.0	\$3,500.00	
Clear Tape Per Attached Publishing/Estimate Sheet	LS	1.0	\$15,000.00	
TOTAL OTHER DIRECT COSTS			\$41,348.17	

Testing costs will be finalized upon completion of SQUAP.

Year	Escalation Per Year =		3.00%
	# of Months*	Esc.	
2013	0.00	1.0007	Value
2014	3.25	1.0300	3,348
2015	0.65	1.0811	0.680
		1.0931	0.000
		1.1281	0.000
		1.1581	0.000
TOTAL	3.90		4.037

*% of Months was calculated by dividing the total yearly staffing hrs by 160

TOTAL COSTS	\$110,899.34
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**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

SOIL TESTS

SOIL DENSITY TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Standard Proctor, 4" Mold	STANDARD PROCTOR, 4"	D698, T99	\$210.00 each
Standard Proctor, 6" Mold	STANDARD PROCTOR, 6"	D698, T99	\$235.00 each
Modified Proctor, 4" Mold	MODIFIED PROCTOR, 4"	D1557, T180	\$215.00 each
Modified Proctor, 6" Mold	MODIFIED PROCTOR, 6"	D1557, T180	\$240.00 each
Proctor Check Point	PROCTOR CHECK POINT	T272	\$115.00 each
Proctor Oversize Correction	PROCTOR CORR OVRSZ	D4718	\$65.00 each
Treated Soil Proctor	TREATED SOIL PROCTOR	D558	\$280.00 each
Minimum/Maximum Relative Density	MIN-MAX REL DENS	D4352, D4253	\$360.00 each
Moisture/Density, TEX 113-E	MOIST DENS TEX 113-E	TEX113-E	\$260.00 each
Moisture/Density, TEX 114-E	MOIST DENS TEX 114-E	TEX114-E	\$260.00 each
California Impact, CTM 216, Dry Method	CTM 216, DRY	CTM216	\$215.00 each
California Impact, CTM 216, Wet Method	CTM 216, WET	CTM216	\$185.00 each

SOIL CLASSIFICATION AND INDEX TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Visual Classification	CLASSIFICATN, VISUAL	D2488	\$10.00 each
Sieve Analysis, % Finer than 200 Sieve	SIEVE ANALYSIS, -200	C117, D1140	\$80.00 each
Sieve Analysis, Fine	SIEVE ANALYSIS, F	C136, D422, D6913	\$120.00 each
Sieve Analysis, Coarse	SIEVE ANALYSIS, C	C136, D422, D6913	\$100.00 each
Sieve Analysis, Coarse and Fine	SIEVE ANALYSIS, C&F	C136, D422, D6913	\$150.00 each
Hydrometer Analysis*	HYDROMETER ANALYSIS	D422	\$165.00 each
Water Content	WATER CONTENT	D2216, D4643	\$25.00 each
Water Content and Dry Unit Weight	WATER/DENSITY, SOIL	D2216, D2937, D7263	\$45.00 each
Atterberg Limits, Single Point	ATTERBERG, ONE PT.	D4318-Method B	\$110.00 each
Atterberg Limits, Multiple Point	ATTERBERG, MULTI PT.	D4318-Method A	\$170.00 each
Atterberg Limits, Liquid Limit Only	LIQUID LIMIT ONLY	D4318	\$110.00 each
Soil Specific Gravity	SOIL SPEC. GRAV.	D854	\$140.00 each
Soil Organic Content	SOIL ORGANIC CONTENT	D2974-Method C	\$105.00 each
Pinhole Dispersion Classification	PINHOLE DISPERSION	D4647	\$300.00 each
Soil pH	SOIL PH	D4972, G51	\$55.00 each
Soil Resistivity	SOIL RESISTIVITY	G187	\$160.00 each
Chloride Content	CHLORIDE CONTENT		\$50.00 each
Sulfate Content	SULFATE CONTENT		\$100.00 each
Thermal Resistivity, Soil, Point	THERMAL RES, POINT	D5334, IEEE 422	\$300.00 each
Thermal Resistivity, Soil, Curve	THERMAL RES, CURVE	D5334, IEEE 422	\$900.00 each

*Note: Requires a Sieve Analysis, not included.

SOIL BEARING PRESSURE TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
California Bearing Ratio, Single Point *	CBR, 1 POINT	D1883	\$350.00 each
California Bearing Ratio, 3 Points *	CBR, 3 POINTS	D1883	\$600.00 each
Resistance R-Value	R-VALUE	D2844	\$300.00 each
Resistance R-Value of Treated Material	R-VALUE, TREATED	D2844	\$350.00 each
Rock Correction for R-Value	R-VALUE, ROCK CORR.	D2844	\$80.00 each
Stabilized Soil UC Strength, 1 Point *	STABIL. SOIL UC PT.	D1633, D5102	\$150.00 each

*Note: Does not include Proctor Test

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

SOIL TESTS (continued)

SOIL BEARING PRESSURE TESTS (continued)

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Stabilized Soil UC Strength, Set of 3	STABIL. SOIL UC SET	D1633, D5102	\$900.00 each
CTM 373, 1 Lime Content, w/o Opt. Moist.	CTM 373, CHECK POINT	CTM373	\$150.00 each
CTM 373, 1 Lime Content	CTM 373, 1 LIME %	CTM373	\$350.00 each
CTM 373, 3 Lime Contents	CTM 373, 3 LIME %'S	CTM373	\$950.00 each
Eades and Grim Test (Opt. Lime Content)	EADES AND GRIM TEST	C977	\$135.00 each
Resilient Modulus	RESILIENT MODULUS	T307	\$450.00 each
CTB Strength, Individual Specimen	CTB STRENGTH, EACH		\$175.00 each
CTB Strength, Set of 3, Without Design	CTB STRENGTH, SET		\$400.00 each
CTB Complete Mix Design	CTB COMPLETE DESIGN		\$1,200.00 each

SOIL STRENGTH AND PERMEABILITY TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Pocket Penetration Value	POCKET PENETRATION		\$10.00 each
Unconfined Compressive Strength	UNCONFINED COMP STR.	D2166	\$135.00 each
Direct Shear, 1 Point	DIRECT SHEAR, 1 PT.	D3080	\$125.00 each
Direct Shear, 3 Points	DIRECT SHEAR, 3 PTS.	D3080	\$350.00 each
Direct Shear, Residual Strength, Each Pt	DIRECT SHEAR, RESID.	D3080-Modified	\$200.00 each
Consolidation without Time Rate Plots	CONSOL. W/O TR	D2435	\$330.00 each
Consolidation with 2 Time Rate Plots	CONSOL. W/2 TR	D2435	\$425.00 each
Consolidation, All Loads with Time Rates	CONSOL. ALL TR	D2435	\$600.00 each
Consolidation, Additional Rebound	CONSOL. ADD. REBOUND	D2435	\$75.00 each
Collapse Potential	COLLAPSE POTENTIAL	D5333	\$175.00 each
One Dimensional Free Swell	ONEDIM FREE SWELL	D4546	\$150.00 each
One Dimensional Swell, Percent Heave	ONEDIM SWELL % HEAVE	D4546	\$240.00 each
One Dimensional Swell with Consolidation	ONEDIMSWELL W/CONSOL	D4546	\$450.00 each
Expansion Index	EXPANSION INDEX	D4829	\$175.00 each
Denver Swell Test	DENVER SWELL TEST		\$65.00 each
Permeability, Rigid Wall	PERMEABILITY, RIGID	D2434	\$400.00 each
Permeability, Flexible Wall	PERMEABILITY, FLEX	D5084-Method C	\$358.00 each
Triaxial Shear, CU, 1 Point	TRIAx, CU, 1 POINT	D4767	\$450.00 each
Triaxial Shear, CU, 3 Points	TRIAx, CU, 3 POINTS	D4767	\$1,200.00 each
Triaxial Shear, UU, 1 Point	TRIAx, UU, 1 POINT	D2850	\$200.00 each
Triaxial Shear, UU, 3 Points	TRIAx, UU, 3 POINTS	D2850	\$500.00 each
Triaxial Shear, UU Saturated, 1 Point	TRIAx, UU SAT, 1 POINT	D2850-Modified	\$270.00 each
Triaxial Shear, UU Saturated, 3 Points	TRIAx, UU SAT, 3 POINTS	D2850-Modified	\$750.00 each
Triaxial Test, TEX117E, Part I	TRIAx, TEX117E-PART I	TEX117E	\$2,200.00 each
Triaxial Test, TEX117E, Part II	TRIAx, TEX117E-PART II	TEX117E	\$2,200.00 each
Resonant Column Torsional Shear	RCTS		\$4,000.00 each

AGGREGATE TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Acid Solubility	SOLUBILITY, ACID	AWWA B100	\$175.00 each
Air Degradation	AG AIR DEGRADATION	ODT TM208	\$200.00 each
ASR Reactivity, Long Method	AG ASR REACT., LONG	C227, C1293	\$1,500.00 each
ASR Reactivity, Short method	AG ASR REACT., SHORT	C1260, C1567	\$850.00 each

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

AGGREGATE TESTS (continued)

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Cleanness Value	AG CLEANNES VALUE	CTM227	\$150.00 each
Clay Lumps and Friable Particles, per sz *	AG CLAY LUMP/FRIABLE	C142	\$100.00 each
Coarse Specific Gravly & Absorption	AG COARSE SPG/ABSORP	C127	\$60.00 each
Fine Specific Gravity & Absorption	AG FINE SPG/ABSORP	C128	\$100.00 each
Coarse Durability	AG COARSE DURABILITY	D3744	\$150.00 each
Fine Durability	AG FINE DURABILITY	D3744	\$110.00 each
Flat and Elongated Particles, per size *	AG FLAT&ELONG/SIZE	D4791	\$75.00 each
Fractured Faces, per size *	AG FRACT. FACES/SIZE	D5821	\$100.00 each
Lightweight Pieces **	AG LIGHTWT. PIECES	C123	\$330.00 each
Los Angeles Abrasion, Large Aggregate	AG LA ABRASION, LG	C535	\$200.00 each
Los Angeles Abrasion, Small Aggregate	AG LA ABRASION, SM	C131	\$175.00 each
Mortar Sand Strength	AG MORTAR SAND STR.	C87, CTM515	\$550.00 each
Organic Impurities	AG ORGANIC IMPURITIES	C40	\$60.00 each
Potential Reactivity (Chem. Method)	AG ASR. REACT., CHEM.	C289	\$700.00 each
Sand Equivalent, 1 point	AG SAND EQUIV., 1PT.	D2419	\$70.00 each
Sand Equivalent, 3 points	AG SAND EQUIV., 3PT.	D2419	\$130.00 each
Sieve Analysis, % Finer than 200 Sieve	SIEVE ANALYSIS, -200	C117, D1140	\$80.00 each
Sieve Analysis, Fine	SIEVE ANALYSIS, F	C136	\$120.00 each
Sieve Analysis, Coarse	SIEVE ANALYSIS, C	C136	\$100.00 each
Sieve Analysis, Coarse and Fine	SIEVE ANALYSIS, C&F	C136	\$150.00 each
Soundness of Aggregate, per size *	AG SULFATE SOUND/SZ.	C88	\$140.00 each
Unit Weight	AG UNIT WEIGHT	C29	\$60.00 each
Water Content	WATER CONTENT	D2216, C566	\$25.00 each
Texas Wet Ball Mill	TX WET BALL MILL	TEX116E	\$250.00 each
Calcium Carbonate	AG CALCIUM CARBONATE		\$750.00 each
Decantation Wash	AG DECANTATION WASH	TEX406A	\$85.00 each
Disintegration	AG DISINTEGRATION	IDT T-116	\$100.00 each
Uncompacted Void Content of Fine Agg.	AG UNCOMP VOIDS FINE	C1252	\$130.00 each
Idaho Degradation	AG IDAHO DEGRADATION	IDT T-15	\$300.00 each

**Note: Tests are billed by each size fraction tested. The quantity of fractions tested is dependent on the sample gradation and specific test method.*

***Note: Tests are billed by each specific gravity of heavy liquid used (2.0 and/or 2.4).*

FILTER MEDIA TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Filter Media, Sieve Analysis*	FILTER MEDIA, SIEVE	AWWA B100	\$175.00 each
Filter Media, Mohs Hardness	FILTER MEDIA, MOHS	AWWA B100	\$175.00 each
Filter Media, Percent Silica	FILTER MEDIA, SILICA		\$200.00 each
Acid Solubility	SOLUBILITY, ACID	AWWA B100	\$175.00 each

**Note: Includes determination of d10, d60, effective size and uniformity coefficient.*

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

ROCK TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Rock Sample Preparation	ROCK SAMPLE PREP.		\$80.00 each
Direct Shear, 1 Point	ROCK DIR. SHEAR, 1PT	D5607	\$140.00 each
Direct Shear, 3 Points	ROCK DIR. SHEAR, 3PT	D5607	\$350.00 each
Direct Shear, 5 Points	ROCK DIR. SHEAR, 5PT	D5607	\$600.00 each
Mohs Hardness	ROCK MOHS HARDNESS		\$25.00 each
Point Load Index	ROCK PT. LOAD INDEX	D5731	\$20.00 each
Point Load, Set of 10	ROCK PT LOAD SET/10	D5731	\$125.00 each
Slake Durability	ROCK SLAKE DURABIL.	D4644	\$185.00 each
Splitting Tensile Strength	ROCK SPLIT. TENSILE	D3967	\$125.00 each
Triaxial Shear, Hard Rock	ROCK TRIAX, HARD	D7012	\$225.00 each
Triaxial Shear, Weak Rock	ROCK TRIAX, WEAK	D7012	\$350.00 each
Triaxial Shear, Weak w Mod. of Rup.	ROCK TRIAX, WEAK/MOD	D7012	\$450.00 each
Triaxial Shear, Weathered Rock	ROCK TRIAX, WEATHERD	D7012	\$225.00 each
Unconfined Compression	ROCK UNCON. COMP.	D7012	\$125.00 each
Unconfined Compression W/Mod of Rup	ROCK UC/MOD OF RUP	D7012	\$250.00 each

CONCRETE TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Compression	CONCRETE COMPRESSION	C39	\$30.00 each
Core Compression	CONCRETE CORE COMP.	C42	\$65.00 each
Creep	CONCRETE CREEP	C512	\$2,000.00 each
Cylinder Unit Weight	CONC. CYL. UNIT WT.	C567	\$100.00 each
Drying Shrinkage, set of 3	CONC. DRY SHRINKAGE	C157	\$440.00 each
Flexural Strength	CONC. FLEX STRENGTH	C78	\$100.00 each
Modulus of Elasticity	CONC. MOD OF ELAST	C469	\$250.00 each
Splitting Tensile Strength	CONC. SPLIT. TENSILE	C496	\$80.00 each
Concrete Core Thickness	CONC. CORE THICKNESS	C174	\$10.00 each
Laboratory Trial Batch	CONCRETE TRIAL BATCH	C192	\$1,000.00 each
RCC Compression	RCC COMPRESSION	C39	\$60.00 each
Shotcrete Compression	SHOTCRETE COMPRESS.	C1140	\$80.00 each
Concrete Absorption after 3-Hour Boil	CONC. ABSP. 3HR BOIL	C497	\$125.00 each
Concrete Absorption after 5-Hour Boil	CONC. ABSP. 5HR BOIL	C497, C642	\$150.00 each
Concrete Absorption after 10-Minute Soak	CONC. ABSP. 10M SOAK	C497	\$100.00 each
CLSM Compression	CLSM COMPRESSION	D4832	\$40.00 each
Concrete Permeability	CONC. PERMEABILITY	COE CRD C 48	\$2,800.00 each
Concrete Chloride Ion Penetration	CONC. CHLORIDE ION	C1202	\$750.00 each

MASONRY TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Grout Compression	GROUT COMPRESSION	C1019	\$30.00 each
Non-Masonry Grout Compression	NON-MAS. GROUT COMP.	C579	\$30.00 each
Mortar Compression	MORTAR COMPRESSION	C942	\$30.00 each

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

MASONRY TESTS (continued)

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Core Compression	MASONRY CORE COMP.	CA DSA	\$60.00 each
Core Shear	MASONRY CORE SHEAR	CA DSA	\$50.00 each
Prism Compression	MASONRY PRISM COMP.	C1314	\$110.00 each
CMU Absorption and Received Moisture	CMU ABSORP/MOIST.	C140	\$75.00 each
CMU Compression	CMU COMPRESSION	C140	\$100.00 each
CMU Dimension Verification	CMU DIMENSION VERIF.	C140	\$25.00 each
CMU Lineal Shrinkage	CMU LINEAL SHRINKAGE	C426	\$175.00 each
Masonry Brick Absorption	MASONRY BRICK ABSORP	C67	\$80.00 each

ASPHALT TESTS

BINDER TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Absolute Viscosity	AC ABSOLUTE VIS.	D2171	\$210.00 each
Bitumen Penetration	AC BIT. PENETRATION	D5	\$75.00 each
Kinematic Viscosity	AC KINEMATIC VISC.	D2170	\$190.00 each
Recovery by Roto-Vapor	AC RECOVERY ROTOVAP	D5404	\$365.00 each
Softening Point, Ring & Ball	AC SOFT. PT., R & B	D36	\$100.00 each
Bitumen Recovery by Abson Method	AC ABSON RECOVERY	D5404	\$350.00 each
Ductility of Bitumen	AC BITUM. DUCTILITY	D113	\$125.00 each
Resilience of AR Binders	AC RESILIENCE	D5329	\$75.00 each

EMULSION TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Emulsion Elastic Recovery	EM ELASTIC RECOVERY	D6084, T301	\$250.00 each
Emulsion Settlement	EM SETTLEMENT	D6930, T59	\$225.00 each
Emulsion Sieve Test	EM SIEVE TEST	D6933, T59	\$100.00 each
Emulsion Storage Stability	EM STORAGE STABILITY	D6930, T59	\$175.00 each
Emulsion Torsional Recovery	EM TORSION RECOVERY	CTM332	\$150.00 each
Particle Charge	EM PARTICLE CHARGE	D7402, T59	\$100.00 each
Residue by Evaporation	EM RESIDUE BY EVAP	D6934, T59	\$110.00 each
Saybolt Viscosity	EM SAYBOLT VISCOSITY	D7946, T59	\$155.00 each

MIX PROPERTY TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Air Voids Determination*	AC AIR VOIDS DETERM	D3203	\$50.00 each
VMA Determination*	AC VMA DETERM		\$50.00 each
VFA Determination*	AC VFA DETERM		\$50.00 each
Gradation of Extracted Aggregate	AC AGG. GRADATION	D5444	\$100.00 each
Core Thickness	AC CORE THICKNESS	D3549	\$10.00 each
AC Content by Extraction	AC EXTRACTION	D2172	\$200.00 each
Hveem Stability	AC HVEEM STABILITY	D1560	\$325.00 each
Hveem Stability without Compaction	AC HVM STAB W/O COMP	D1560	\$165.00 each

*Note: Calculation only, other test methods required.

**Note: Does not include compaction of test briquettes

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

ASPHALT TESTS (continued)

MIX PROPERTY TESTS (continued)

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
AC Content by Ignition Oven	AC IGNITION OVEN	D6307, T308	\$140.00 each
Ignition Oven Callbration	AC IGNT. OVEN CALIB.	D6307	\$300.00 each
Moisture Content	AC MOISTURE CONTENT	T329	\$50.00 each
AC Content by Nuclear Gauge	AC NUC. CONT. GAUGE	D4125	\$200.00 each
Marshall Stability and Flow**	AC STABILITY & FLOW	D6927	\$150.00 each
Swell	AC SWELL	CTM305	\$100.00 each
Core Unit Weight & Thickness	AC CORE WT./THICK.	D1188,D2726,D3549	\$50.00 each
Slurry Seal Wet Track Abrasion	AC WET TRACK ABRAS.	D3910, ISSA TB100	\$300.00 each

DESIGN AND DENSITY TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Centrifuge Kerosene Equivalent	AC CKE	CTM303	\$240.00 each
Film Stripping	AC FILM STRIPPING	CTM 302	\$120.00 each
Index of Retained Strength	AC INDEX RET. STRGTH	D1075	\$1,000.00 each
Unit Weight, Gyrotory Method	AC UNIT WT., GYRA.	T312	\$350.00 each
Unit Weight, Hveem Method	AC UNIT WT., HVEEM	D1561	\$285.00 each
Unit Weight, Marshall Method	AC UNIT WT., MARSH.	D6926	\$210.00 each
Maximum Theoretical Specific Gravity	AC MAX THEO. SPG	D2041	\$145.00 each
Moisture Induced Damage	AC MOIST. IND. DAM.	T283	\$1,400.00 each
Caltrans Tensile Strength Ratio	AC CALTRANS TSR	CTM371	\$2,100.00 each
Moisture Vapor Susceptibility	AC MOIST. VAPOR SUS.		\$250.00 each
Mix Design, Hveem Method W/RAP	HVEEM DESIGN W/RAP		\$7,600.00 each
Mix Design, Hveem Method	HVEEM MIX DESIGN		\$5,400.00 each
Mix Design, Marshall Method	MARSHALL MIX DESIGN		\$3,000.00 each
Mix Design, Superpave Method	SUPERPAVE MIX DSGN		\$6,000.00 each
Caltrans Opt Bitumen Content OGFC	CTM368 OBC OPENGRADE	CTM368	\$1,500.00 each

METAL TESTS

BOLT TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Bolt Assembly Suite (Bolt, Nut, Washer)*	BOLT ASSEMBLY SUITE	F606	\$180.00 each
Bolt Hardness	BOLT HARDNESS	E18	\$25.00 each
Bolt Proof Load	BOLT PROOF LOAD	F606	\$35.00 each
Bolt Wedge Tensile	BOLT WEDGE TENSILE	F606	\$35.00 each
Nut Hardness	NUT HARDNESS	E18	\$25.00 each
Nut Proof Load	NUT PROOF LOAD	F606	\$35.00 each
Washer Hardness	WASHER HARDNESS	E18	\$25.00 each

**Note: An 'assembly' is one bolt, one nut and one washer. The suite consists of a bolt wedge tensile test, bolt and nut proof load tests, and hardness tests on all three pieces.*

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

METAL TESTS (continued)

STRUCTURAL METAL TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Bend	METAL, BEND	A370, E290	\$40.00 each
Rebar Coupler Slippage	METAL, COUPLER SLIP	A370, CTM 670	\$130.00 each
Rebar Coupler Tensile	METAL, COUPLER TENS.	A370, CTM 670	\$80.00 each
Rebar Coupler Tensile ≥ 2 Sq. In. CrossSect	METAL, COUP TENS > 2 "	A370, CTM 670	\$140.00 each
CTM 670 Strain (Elongation)	METAL, CTM670 STRAIN	CTM670	\$15.00 each
PT Strand Tensile	METAL, PT TENSILE	A370	\$145.00 each
Spliced Specimen Tensile	METAL, SPLICE TENS.	A370	\$80.00 each
Tensile < 2.0 Sq. In. Cross-Sect.	METAL, TENSILE < 2 "	A370, E8	\$85.00 each
Tensile and Bend < 2.0 Sq. In. Cross-Sect.	METAL, TENS/BEND < 2 "	A370, E8, E290	\$125.00 each
Tensile ≥ 2.0 Sq. In. Cross-Sect.	METAL, TENSILE > 2 "	A370, E8	\$140.00 each
Tensile and Bend ≥ 2.0 Sq. In. Cross-Sect.	METAL, TENS/BEND > 2 "	A370, E8, E290	\$180.00 each
Rockwell Hardness	ROCKWELL HARDNESS	E18	\$30.00 each
Macroetch	METAL, MACROETCH	E381	\$125.00 each
Charpy Impact, Set of 3 *	METAL, CHARPY, SET/3	A370, A673	\$300.00 set
Fireproofing Density	FIREPROOFING DENSITY	E605	\$50.00 each

**Note: Price does not include cost of machining test specimens. Price is for testing at 40 °F; other test temperatures will result in additional fees.*

DIMENSION STONE AND ROOFING MATERIAL TESTS

DIMENSION STONE

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Dimension Stone, Absorption/Spec. Grav.	DIM STONE-ABS/SPG	C97	\$210.00 set/5
Dimension Stone, Compressive Strength	DIM STONE-COMPRESS	C170	\$210.00 set/5
Dimension Stone, Flexural Strength	DIM STONE-FLEX STR	C880	\$210.00 set/5
Dimension Stone, Modulus Of Rupture	DIM STONE-MD OF RUP	C99	\$210.00 set/5
Dimension Stone, Anchor Pull Out Strngth	DIM STONE-PULL OUT		\$150.00 each

ROOFING MATERIAL TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Roof Tile Absorption	ROOF TILE ABSORPTION		\$100.00 each
Roofing, Unit Weight of Surfacing	ROOF UNIT WT. SURF.	D2829	\$100.00 each
Roof Tile Breaking Load	ROOF TILE BREAK LOAD	UBC 15-5	\$50.00 each
Roof Tile Permeability	ROOF TILE PERM.		\$150.00 each

MISCELLANEOUS TESTS

MISCELLANEOUS TESTS

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method[†]</u>	<u>Price</u>
Hydraulic Ram Calibration	HYDRAULIC RAM CALIB.		\$200.00 each

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

SAMPLE PREPARATION

SAMPLE PREPARATION

<u>Test</u>	<u>Invoice Name</u>	<u>Test Method</u> [†]	<u>Price</u>
Rock Sample Preparation	ROCK SAMPLE PREP.		\$80.00 each
Sample Crushing	SAMPLE CRUSHING		\$100.00 each
Sample Cutting and Trimming	SAMPLE CUT & TRIM		\$30.00 each
Sample Mixing and Processing	SAMPLE MIX&PROCESS		\$40.00 each
Sample Preparation	SAMPLE PREPARATION		\$25.00 each
Sample Preparation, per hour	SAMPLE PREP./HR.		\$90.00 hour
Sample Remolding	SAMPLE REMOLDING		\$75.00 each
Contamination Fee	CONTAMINATION FEE		\$250.00 each
Sample Disposal Fee	SAMPLE DISPOSAL FEE		\$10.00 each

OTHER EQUIPMENT CHARGES

MATERIALS TESTING EQUIPMENT

<u>Equipment</u>	<u>Invoice Name</u>	<u>Test Method</u> [†]	<u>Price</u>
Anchor Bolt Testing Device	ANCHOR BOLT TST/DAY		\$150.00 / day
Asphalt Sampling Box	ASPHLT SAMPLE BOXES		\$1.15 each
Brinell Hardness Tester	BRINELL HARDNESS/DAY	E10	\$20.00 / day
British Pendulum Tester	BRITISH PENDULUM	E303	\$150.00 / day
Concrete Rebound (Schmidt) Hammer	SCHMIDT HAMMER/DAY	C805	\$55.00 / day
Concrete Vapor Emission Test Kit	MOIST FLOOR/SLAB TST	F1869	\$30.00 / kit
Coring Machine	CORING MACHINE /DAY		\$85.00 / day
Coring Machine with Generator	CORING MCH W/GEN DAY		\$165.00 / day
Cylinder Mold	CYLINDER MOLDS		\$3.00 each
Diamond Bit Core Barrel Charge			
2" Diameter	CORING, 2" DIAM./IN		\$2.20 / Inch
3" Diameter	CORING, 3" DIAM./IN		\$3.30 / inch
4" Diameter	CORING, 4" DIAM./IN		\$4.40 / inch
6" Diameter	CORING, 6" DIAM./IN		\$6.60 / inch
Digital Thickness Gauge	THICKNESS GAUGE /DAY		\$50.00 / day
FerroScan Equipment	FERROSCAN EQUIPMENT		\$275.00 / day
Floor Flatness Testing Device (Per Sq Ft)	FLOOR FLATNESS /SF	E1155	\$0.10 / sq ft
Floor Flatness Testing Device (Per Test)	FLOOR FLATNESS TST	E1155	\$150.00 / day
Hand Auger and Soil Sampler	HAND AUGER/DAY		\$75.00 /day
Magnetic Particle Testing Device	MAGNETIC PARTICLE	ASNT, AWS B1.1	\$45.00 /day
Nuclear Asphalt Content Gauge	NUC ASPHLT CON GAUGE		\$110.00 / day
Nuclear Soil Density/Moisture Gauge	NUCLEAR DENS GAUGE	D6938	\$75.00 / day
Nuclear Soil Density/Moisture Gauge	NUCLEAR DENSOMTR/TST	D6938	\$4.40 / test
Thin-Lift Nuclear Asphalt Density Gauge	THIN LFT ASPHT GG/DY		\$110.00 / day
Rebar Locator	REBAR LOCATOR/DAY		\$75.00 / day
Skidmore Bolt Tenslon Calibrator	SKID WILH BOLT/DAY	A325, A490	\$55.00 / day
Thermal Resistivity Meter	THERMAL RES, METER	D5334, IEEE 422	\$200.00 / day
Torque Wrench, up to 1,000 foot-pounds	TORQUE WRENCH/DAY	A325, A490	\$50.00 / day
Ultrasonic Testing Device	UT TESTING EQUIP/DAY	ASNT, AWS B1.1	\$75.00 / day

[†]Examples of common test methods. Other methods may exist.

**KLEINFELDER FEE SCHEDULE FOR
GEOTECHNICAL and MATERIALS TESTING SERVICES**

OTHER EQUIPMENT CHARGES (continued)

VEHICLES

<u>Description</u>	<u>Invoice Name</u>	<u>Price</u>
Mileage, 2 Wheel Drive (Per Mile)	MILEAGE, 2 WH/MILE	\$0.80 / mile
Mileage, 4 Wheel Drive (Per Mile)	MILEAGE, 4 WH/MILE	\$1.60 / mile
Vehicle, 2 Wheel Drive (Per Hour)	VEHICLE, 2 WHEEL/HR	\$10.00 / hour
Vehicle, 4 Wheel Drive (Per Hour)	VEHICLE, 4 WHEEL/HR	\$19.00 / hour
Vehicle w/Std Testing Equip (Per Hour)	VEH W/STD EQUIP/HR	\$19.00 / hour
Vehicle w/Nuclear Dens Equip (Per Hour)	VEH W/ND EQUIP/HR	\$25.00 / hour
Veh w/ Ultrasonic, Magnetic Particle Equip (Per Hour)	VEH W/UT EQUIP/HR	\$25.00 / hour

OFFICE EQUIPMENT

<u>Description</u>	<u>Invoice Name</u>	<u>Price</u>
Microcomputer & Support Hardware (Per Hour)	MICROCOMPUTER / HR.	\$25.00 / hour
Personal Computer with Basic Software (Per Hour)	PERSONAL COMPUTER/HR	\$19.00 / hour
Reproduction (Per Page)	REPRODUCTION/PAGE	\$0.65 / page
Telephone (Per Minute)	TELEPHONE, PER MIN.	\$0.65 / min
Facsimile Copies (Per Page)	FAXES (PER PAGE)	\$3.00 / page
Report Surcharge (Per Copy)	REPORT (PER COPY)	\$44.00 / each
Bond Cost for CADD (Per Square Foot)	CADD – BOND	\$0.60 / sq ft
Mylar Cost for CADD (Per Square Foot)	CADD – MYLAR	\$3.50 / sq ft
Press Bond for CADD (Per Square Foot)	CADD – PRESS BOND	\$1.15 / sq ft
Vellum Cost for CADD (Per Square Foot)	CADD – VELLUM	\$1.75 / sq ft
CADD Workstation (Per Hour)	CADD WORKSTATION /HR	\$15.75 / hour

[†]*Examples of common test methods. Other methods may exist.*



Leighton

2013 PROFESSIONAL FEE SCHEDULE

CLASSIFICATION	\$/HR	CLASSIFICATION	\$/HR
Project Administrator /Word Processor	80	Deputy Grading Inspector	120
Dispatcher	80	Field/Laboratory Supervisor	130
Technician I	85	GIS Specialist	130
Technician II / Special Inspector	90	Staff Engineer/Geologist/Scientist	130
Senior Technician / Inspector	95	Senior Staff Engineer/Geologist/Scientist	145
Information Specialist	110	Operations/Laboratory Manager	165
Prevailing Wage (Building / Construction Inspector) *	115	Project Engineer/Geologist/Scientist	165
Prevailing Wage (Field Soils Tester) *	115	Senior Project Engineer/Geologist/Scientist	190
System Operation & Maintenance Specialist	115	Associate	210
CAD Operator	115	Principal	225
		Senior Principal	270

* See Prevailing Wages in Terms and Conditions

GEOTECHNICAL LABORATORY TESTING

METHOD	\$/TEST	METHOD	\$/TEST
CLASSIFICATION & INDEX PROPERTIES		Modified Proctor Compaction (ASTM D 1557) 4 points	
Moisture Content (ASTM D 2216)	\$20	- 4 inch diameter mold (Methods A & B)	220
Moisture & Density (ASTM D 2937) ring samples	30	- 6 inch diameter mold (Method C)	245
Moisture & Density (ASTM D 2937) Shelby tube or cutting	40	Check Point (per point)	65
Atterberg Limits (ASTM D 4318) 3 points:	150	SOIL CHEMISTRY & CORROSIVITY	
- single point, non-plastic	85	pH Method A (ASTM 4972 or CTM 643)	45
- Atterberg Limits (Organic ASTM D 2487 / 4318)	180	Electrical Resistivity – single point – in-situ moisture	45
- Visual classification as non-plastic (ASTM D 2488)	10	Minimum Resistivity 3 moisture content points	90
Particle Size		(ASTM G 187/CTM 643)	
- sieve only 1½" to #200, (ASTM D 6913/CTM 202)	135	pH + Minimum Resistivity (CTM 643)	130
- large sieve - 6" to #200 (ASTM D 6913/CTM 202)	175	Sulfate Content - Gravimetric (CTM 417 B Part II)	70
- hydrometer only (ASTM D 422)	110	Sulfate Screen (HACH kit)	30
- sieve + hydrometer (≤3" sieve, ASTM D 422)	185	Chloride Content (AASHTO T291/CTM 422)	70
Dispersive Characteristics of Clay Soil (double hydrometer, ASTM D 4221)	90	Corrosion Suite: minimum resistivity, sulfate, chloride, pH (CTM 643)	245
Specific Gravity-fine (passing #4, ASTM D 854/CTM 207)	125	Organic Matter Content (ASTM 2974)	65
Specific Gravity-coarse (ASTM C 127/CTM 206)	100	SHEAR STRENGTH	
> #4 retained		Pocket Penetrometer	15
- Total Porosity - on Shelby tube sample (calculated from density & specific gravity)	165	Direct Shear (ASTM D 3080, mod., 3 points)	
- Total Porosity - on other sample	155	- Consolidated Undrained - 0.05 inch/min (CU)	285
Photograph of sample	10	- Consolidated Drained - <0.05 inch/min (CD)	345
Shrinkage Limits (Wax Method, ASTM D 4943)	126	Residual Shear EM 1110-2-1906-IXA	50
Pinhole Dispersion (ASTM D 4647)	210	(price per each additional pass after shear)	
Percent Passing #200 Sieve, wash only (ASTM D 1140)	70	Remolding or hand trimming of specimens (3 points)	90
As-Received Moisture & Density (chunk/carved samples)	60	Oriented or block hand trimming (per hour)	65
Sand Equivalent (ASTM D 2419/CTM 217)	105	Single Point Shear	105
COMPACTION & PAVEMENT SUBGRADE TESTS		Torsional Shear (ASTM D 6467 / ASTM D 7608)	820
Relative Compaction of Untreated & Treated Soils & Aggregates (CTM 216)	250	CONSOLIDATION & EXPANSION/SWELL TESTS	
Relative Density (0.1 ft ³ mold, ASTM D 4253, D 4254)	235	Consolidation (ASTM D 2435)	195
California Bearing Ratio (ASTM D 1883)		- Each additional time curve	45
- 3 point	500	- Each additional load/unload w/o time reading	40
- 1 point	185	Expansion Index (ASTM D 4829)	130
R-Value (CTM 301) Untreated	310	Swell/Collapse – Method A (ASTM D 4546-A, up to 10 load/unloads w/o time curves)	290
R-Value (CTM 301) Lime or cement treated soils	340	Single Load Swell/Collapse - Method B (ASTM D 4546-B, seat, load & inundate only)	105
Standard Proctor Compaction, (ASTM D 698) 4 points:			
- 4 inch diameter mold (Methods A & B)	180		
- 6 inch diameter mold (Method C)	215		

METHOD	\$/TEST	METHOD	\$/TEST
TRIAXIAL TESTS		HYDRAULIC CONDUCTIVITY TESTS	
Unconfined Compression Strength of Cohesive Soil (with stress/strain plot, ASTM D 2166)	135	Triaxial Permeability in Flexible-Wall Permeameter with backpressure saturation at one effective stress (EPA 9100/ASTM D 5084, falling head Method C)	310
Unconsolidated Undrained Triaxial Compression Test on Cohesive Soils (USACE Q test, ASTM D 2850, per confining stress)	170	- Each additional effective stress	120
Consolidated Undrained Triaxial Compression Test for Cohesive Soils, (ASTM D 4767, CU, USACE R-bar test) with back pressure saturation & pore water pressure measurement (per confining stress)	375	- Hand trimming of soil samples for horizontal K	60
Consolidated Drained Triaxial Compression Test (CD, USACE S test, with volume change measurement. Price per soil type below EM 1110-2-1908(X):		Remolding of Test Specimens	65
- Sand or silty sand soils (per confining stress)	375	Permeability of Granular Soils (ASTM D 2434)	135
- Silt or clayey sand soils (per confining stress)	500	SOIL-CEMENT	
- Clay soils (per confining stress)	705	Moisture-Density curve for Soil-Cement Mixtures (ASTM D 558)	240
- Three-stage triaxial (sand or silty sand soils)	655	Wet-Dry Durability of Soil-Cement Mixtures (ASTM D 559) ¹	1,205
- Three-stage triaxial (silt or clayey sand soils)	875	Compressive Strength of Molded Soil-Cement Cylinders (ASTM D 1633) per cylinder ¹	60
- Three-stage triaxial (clay soils)	1,235	Soil-Cement Remolded Specimen (for shear strength, consolidation, etc.) ¹	235
Remolding of Test Specimens	65	¹ Compaction (ASTM D 558 maximum density) should also be performed – not included in above price	

CONSTRUCTION MATERIALS LABORATORY TESTING

TECHNICIAN SERVICES	\$/UNIT	METHOD	\$/TEST
Pick-up & Delivery – (weekdays, per trip, <50 mile radius from Leighton office)	85	AGGREGATE PROPERTIES	
METHOD		\$/TEST	
CONCRETE STRENGTH CHARACTERISTICS		Sieve Analysis (fine & coarse aggregate, ASTM C 136/CTM 202) with (finer than #200, Wash, ASTM C117)	135
Concrete Cylinders Compression (ASTM C 39) (6" x 12")	25	LA Rattler-smaller coarse aggregate <1.5" (ASTM C 131)	200
Compression, Concrete or Masonry Cores (testing only) ≤6" diameter (ASTM C 42)	40	LA Rattler-larger coarse aggregate 1-3" (ASTM C 535)	250
Trimming concrete cores (per core)	20	Durability Index (CTM 229)	200
Flexural Strength of Concrete (Simple Beam with 3rd pt. Loading, ASTM C 78/CTM 523)	85	Cleanness Value of Coarse Aggregate (CTM 227)	210
Flexural Strength of Concrete (simple beam w/ center point loading, ASTM 293/CTM 523)	85	Unit Weight of Aggregate (CTM 212)	50
Non Shrink Grout Cubes (2" ³ , ASTM C 109/C 1107)	25	Soundness Magnesium (ASTM C 88)	225
Drying Shrinkage (four readings, up to 90 days, 3 bars, ASTM C 157)	400	Soundness Sodium	650
ASPHALT CONCRETE (HMA)		Uncompacted Void Content -fine aggregate (CTM 234)	130
Extraction by Ignition Oven, percent asphalt (ASTM D 6307/CTM 382)	150	Flat & Elongated Particles in Coarse Aggregate (CTM 235)	215
Extraction by Centrifuge, percent asphalt (ASTM D 2172)	150	Percent of Crushed Particles (CTM 205)	135
Gradation of Extracted Aggregate (ASTM D 5444/CTM 202)	135	Organic Impurities in Concrete Sand (CTM 213)	60
Stabilometer Value (CTM 366)	265	Specific Gravity – coarse aggregate (CTM 206)	100
Bituminous Mixture Preparation (CTM 304)	80	Specific Gravity - fine aggregate(CTM 207)	125
Moisture Content of Asphalt (CTM 370)	60	Apparent Specific Gravity of Fine Aggregate (CTM 208)	130
Bulk Specific Gravity – Molded Specimen or Cores (ASTM D 1188/CTM 308)	55	Moisture Content of Aggregates by Oven Drying (CTM 226)	40
Maximum Density - Hveem (CTM 308)	200	Clay Lumps, Friable Particles (ASTM C 142)	175
Theoretical Maximum Density and Specific Gravity of HMA (CTM 309)	130	MASONRY	
Ignition Oven Correction/Correlation Values	quote	Mortar Cylinders (2" by 4", ASTM C 780)	25
Thickness or Height of Compacted Bituminous Paving Mixture Specimens (ASTM 3549)	40	Grout Prisms (3" by 6", ASTM C 1019)	25
Rubberized Asphalt (add to above rates)	+ 25%	Masonry Cores Compression, ≤6" diameter (testing only, ASTM C 42)	40
		CMU Compression to size 8" x 8" x 16" (3 required, ASTM C 140)	45
		CMU Moisture Content, Absorption & Unit Weight (6 required, ASTM C 140)	40
		CMU Linear Drying Shrinkage (ASTM C 426)	175
		CMU Grouted Prisms (compression test ≤8" x 8" x 16", ASTM E 447 C 1314)	180
		CMU Grouted Prisms (compression test > 8" x 8" x 16", ASTM E 447 C 1314)	250
		Masonry Core-Shear, Title 24 (test only)	70

METHOD	\$/TEST	METHOD	\$/TEST
BRICK		STEEL	
Compression (5 required, cost for each, ASTM C 67)	40	Tensile Strength, ≤100,000 pounds axial load (ASTM A 370)	45
SLAB-ON-GRADE MOISTURE EMISSION KIT		Prestressing Wire, Tension (ASTM A 416)	150
Moisture Test Kit (excludes labor to perform test, ASTM E 1907)	60	Sample Preparation (cutting)	50
REINFORCING STEEL		SPRAY APPLIED FIREPROOFING	
Rebar Tensile Test, Up to No. 10 (ASTM A 370)	45	Unit Weight (Density, ASTM E 605)	60
Rebar Tensile Test, No. 11 & over (ASTM A 370)	100		
Rebar Bend Test, Up to No. 11 (ASTM A 370)	45		

EQUIPMENT, SUPPLIES & MATERIALS

	\$/UNIT		\$/UNIT
1/4" Grab Plates	5 ea	Lockable Equipment Box	15 day
1/4" Tubing (bonded)	0.55 foot	Magnahelic Gauge	15 day
1/4" Tubing (single)	0.35 foot	Manometer	25 day
3/8" Tubing, clear vinyl	0.55 foot	Mileage	IRS rate/mile
4-Gas Meter (RKI Eagle or Similar)	120 day	Nitrile Gloves	20 pair
Air Flow Meter and Purge Pump (200 cc/min)	50 day	Nuclear Moisture and Density Gauge	88 day
Box of 10 soil drive-sample rings	25 day	Pachometer	25 day
Brass Sample Tubes	10 each	pH/Conductivity/Temperature Meter	55 day
Caution Tape (1000-foot roll)	20 each	Photo-Ionization Detector (PID)	110 day
Combination Lock or Padlock	11 each	Pump, Typhoon 2 or 4 stage	50 day
Compressed air tank and regulator	50 day	QED Bladder Pump w/QED control box	160 day
Concrete coring machine (6-inch-dia)	150 day	Resistivity Field Meter & Pins	50 day
Consumables (gloves, rope, soap, tape, etc.)	35 day	Service Vehicle Usage	150 day
Core Sample Boxes	11 each	Slip / Threaded Cap, 2-inch or 4-inch diameter, PVC Schedule 40	15 each
Crack monitor	25 each	Slope inclinometer	50 day
Cutoff Saws, reciprocating, electric (Saws All)	75 day	Soil Sampling T-handle (Encore)	10 day
Disposable Bailers	12 each	Soil Sampling Tripod	35 day
Disposable Bladders	10 each	Stainless Steel Bailer	40 day
Dissolved Oxygen Meter	45 day	Submersible Pump, 10 gpm, high powered	160 day
DOT 55-gallon containment drum with lid	65 each	Grunfos 2-inch with controller	
Double-ring infiltrometer	125 day	Submersible Sump/Transfer Pump, 10-25 gpm	50 day
Dual-Stage Interface Probe	80 day	Survey/Fence Stakes	8 each
Field Vehicle Usage	17 hour	Tedlar® Bags	18 each
GEM 2000	130 day	Traffic Cones (≤25)/Barricades (single lane)	50 day
Generator, portable gasoline fueled, 3,500 watts	90 day	Turbidity Meter	70 day
Global Positioning System (GPS)	80 day	Tyvek® Suit (each)	18 each
Hand Auger Set	90 day	Vapor Sampling Box	45 day
HDPE Safety Fence	40 roll	VelociCalc	35 day
Horiba U-51 Water Quality Meter	135 day	Visqueen (20' x 100')	100 roll
In-Situ Level Troll 500 (each)	90 day	Water Level Indicator (electronic well sounder) <300 feet deep well	60 day
In-Situ Troll 9500 low flow water sampling equipment	150 day		

Other specialized geotechnical and environmental testing & monitoring equipment are available, and priced per site



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

Minute Action

AGENDA ITEM: 14

Date: October 2, 2013

Subject: Interstate 15 Base Line Interchange Improvement Project

Recommendation: That the Board of Directors, acting in its capacity as the San Bernardino County Transportation Authority:

1. Approve Amendment No. 1 to the Advance Expenditure Agreement No. C13030 with the City of Rancho Cucamonga for all phases of the Interstate 15 Base Line Road Interchange Improvement Project to increase the project cost by \$1,745,000.00 for a new total project cost of \$57,503,000.00.

2. Approve Amendment No. 1 to Construction Cooperative Agreement No. R13028 with the City of Rancho Cucamonga for the Interstate 15 Base Line Road Interchange Improvement Project to increase the cost by \$721,000.00 for a new total of \$43,471,000.00; amending the agreement to address invoicing and reimbursement of State Local Partnership Program funds and federal funds; and amending the agreement to address timing and amounts of escrow deposits.

Background: These are amendments to existing agreements. The City of Rancho Cucamonga (City) is the lead of the design and right of way phases of the I-15 Base Line Road Interchange Improvement Project. Prior to finalizing these phases of work the City requested that San Bernardino Associated Governments (SANBAG) take the lead for the construction phase. In June 2013 the SANBAG

*Approved
Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

BRD1310a-pb

- Attachments: <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C13030.doc>
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C13030-01.doc>
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared Documents/R13028.docx>
<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared Documents/R13028-01.docx>

Board of Directors responded to this request by approving both the Advance Expenditure Agreement C13030 and the Construction Cooperative Agreement R13028 with the City.

As design and right of way progressed, the engineer's estimate and elements of the design were updated or revised in preparation for 100% Project, Specifications & Estimate approval by Caltrans. In addition, the City staff finalized utility relocation expenses. Project cost increases include additional design support costs of \$1,443,000.00, a construction cost increase of \$721,000.00, and an electrical utility relocation cost of \$475,000.00 which was previously not included, for a total increase of \$2,639,000.00. It was recently determined that two utility relocation expenses which were previously included in the total project cost are to be reimbursed to the City so the total project cost is decreased by \$894,000.00, resulting in a net increase of \$1,745,000.00. This net increase is to be shared equally between the City and SANBAG per the Development Mitigation Nexus Study and the subject Advanced Expenditure Agreement. To record these expenses it is necessary to amend both advancement and construction cooperative agreements. For the Advancement Agreement C13030, which covers all phases of the project, the \$1,745,000.00 increase brings the total project cost to \$57,503,000.00.

The second recommendation proposes to amend the Construction Cooperative agreement R13028 to include the construction cost of \$721,000 discussed previously. Secondly the amendment addresses the City's responsibility, as the recipient of discretionary State Local Partnership Program (SLPP) funds, to ensure that its initial escrow deposit includes the required SLPP 1:1 match of local developer impact fees and for submittal of invoices to the State for reimbursement of SLPP funds and federal funds. SANBAG, as the implementing agency for construction, will assist in the invoicing process by providing sufficient information to the City for their preparation of the invoice and submittal to the State. The City will remain the lead agency because they were the applicant for the State and federal funds. The final topic addressed in this amendment relates to the timing of the City's deposit of funds into the escrow account. The original agreement required that the City make a deposit for the full value of the construction cost prior to the advertisement of the construction project. The amendment requires the City to deposit \$18,581,500.00 into an escrow account prior to the advertisement of the construction project and to deposit the remaining construction cost into the escrow account within four months after award of the construction contract. The \$18,581,500.00 represents the City share as defined the Development Mitigation Nexus Study and the remaining amount is the advancement portion of the construction costs.

Staff requests that the Board of Directors approve these two recommendations.

Financial Impact: The item is consistent with the Fiscal Year 2013/2014 budget under Task No. 0892.

Reviewed By: This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the amendments.

Responsible Staff: Garry Cohoe, Director of Project Delivery

CONTRACT SUMMARY SHEET

Contract No. C 13030 Amendment No. 1

By and Between

San Bernardino Transportation Authority and City of Rancho Cucamonga

Contract Description Advance Expenditure Agreement

Board of Director's Meeting Date: 10/2/2013	
Overview of BOD Action: Approve Amendment 1 to the Advance Expenditure Agreement No. C13030 with the City of Rancho Cucamonga for the construction phase of the I-15/Base Line Interchange to increase the total construction cost by \$721,000, adding in some shared costs for SCE, design const. support, and Landscape for a SANBAG share net increase of \$872,500.	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

CONTRACT OVERVIEW					
Original Contract Amount	\$	19,980,500.00	Original Contingency Amount	\$	0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	19,980,500.00	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	0
Current Amendment Amount	\$	872,500.00	Contingency Amendment	\$	0
TOTAL CONTRACT VALUE	\$	20,853,000.00	TOTAL CONTINGENCY VALUE	\$	0
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 20,853,000.00

Contract Start Date 6/5/2013	Current Contract Expiration Date 12/31/2017	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION				
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>0892</u> . FY 13/14 = no expenditures.				
<input type="checkbox"/> A Budget Amendment is required.				
How are we funding current FY?				
<input type="checkbox"/> Federal Funds	<input type="checkbox"/> State Funds	<input type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input type="checkbox"/> Measure I Funds
Provide Brief Overview of the Overall Funding for the duration of the Contract: SANBAG reimbursed City with Meas. I VF Interchange Program funds at a later date, not to exceed \$20,853,000.				
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable				

CONTRACT MANAGEMENT INFORMATION	
Check all applicable boxes:	
<input type="checkbox"/> Retention? If yes, indicate % _____.	
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %	

Barbara Fortman	
Project Manager (Print Name)	Signature 9.5.13
<u>Garry Cohoe</u>	
Task Manager (Print Name)	Signature 9.5.13
<u>Andrea Unreich</u>	
Dir. of Fund Admin. & Programming (Print Name)	Signature 9/5/13
<u>Jeffery H. II</u>	
Contract Administrator (Print Name)	Signature 9/5/13
<u>W. S. W. R. S. H.</u>	
Chief Financial Officer (Print Name)	Signature Date

ADVANCE EXPENDITURE AGREEMENT NO. C13030

AMENDMENT NO. 1

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF RANCHO CUCAMONGA

FOR

**INTERSTATE 15 BASE LINE ROAD INTERCHANGE IMPROVEMENTS
IN THE CITIES OF RANCHO CUCAMONGA AND FONTANA**

This Advance Expenditure Agreement Amendment No. 1 ("AMENDMENT") is made and entered into by and between the San Bernardino County Transportation Authority (hereinafter referred to as "AUTHORITY") and the CITY of Rancho Cucamonga (hereinafter referred to as "CITY") for AUTHORITY's reimbursement of CITY expenditures on all phases of the Interstate 15 Base Line Road Interchange Improvement Project to include: Base Line Road and East Avenue widening, modification of the four diamond interchange ramps, and construction of the southbound loop on-ramp, highway planting, plant establishment, and extended plant maintenance. The Effective Date of this AMENDMENT shall be the date upon which AUTHORITY executes this AMENDMENT.

RECITALS

A. The Parties entered into Agreement No. C13030 (AGREEMENT) on June 5, 2013, said Agreement defining the terms and conditions for reimbursement of AUTHORITY's share of eligible PROJECT expenditures incurred after April 5, 2006, in accordance with Measure I 2010-2040 Strategic Plan Advanced Expenditure (AEA) Reimbursement Policy as adopted by AUTHORITY; and

B. The Parties have identified additional PROJECT costs and desire to revise the PROJECT cost in the Agreement.

NOW THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

1. COOPERATIVE AGREEMENT NO. C13030 is amended in the following particulars:

- a. Delete Attachment A to the AGREEMENT, and replace it with Attachment A.1 "Interstate 15 Base Line Road Interchange Improvement Project: Project Scope, Cost, and Schedule", attached to and incorporated into this AMENDMENT.
- 2. The Recitals are incorporated into this AMENDMENT.
- 3. All other terms and conditions of the AGREEMENT shall remain the same and are incorporated into this AMENDMENT.

IN WITNESS WHEREOF, the Parties have executed this AMENDMENT below.

**San Bernardino County
Transportation Authority**

City of Rancho Cucamonga

By: _____
W.E. Jahn, President

By: _____
L. Dennis Michael, Mayor
City of Rancho Cucamonga

Date: _____

Date: _____

APPROVED AS TO FORM AND
PROCEDURE:

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Eileen Monaghan Teichert
AUTHORITY General Counsel

By: _____
James Markman
CITY Attorney

Date: _____

Date: _____

CONCURRENCE:

ATTEST:

By: _____
Jeffery Hill,
Contract Administrator

By: _____
Janice C. Reynolds
City Clerk

**Attachment A.1
(Amendment 1)
Interstate 15 Base Line Road Interchange Improvement Project:
Project Scope, Cost, and Schedule**

Proposed Project Work:

I-15 Base Line Road Interchange Improvement Project will include Base Line Road and East Avenue widening, modification of the four diamond interchange ramps, and construction of the southbound loop on-ramp, highway planting, plant establishment, and extended plant maintenance (PROJECT). Reimbursed work will cover expenses related to all phases of the aforementioned PROJECT subject to the Measure I 2010-2040 Strategic Plan Policy.

Summary of Project Costs (Estimate) and Funding:

Phase	Total Cost (\$1,000)	Cost Incurred after 4/5/2006 (\$1,000)	Federal Earmarks (\$1,000)	State Funds Buy Down Funds (\$1,000)	Remaining Balance (\$1,000)	Local Agency Share (\$1,000) City of Rancho Cucamonga ¹	Authority Share ² (\$1,000)
<u>Preconstruction</u>							
PA/ED	1,178	1,000	752		248	124.0	124.0
PS&E	4,630	4,630	419		4,211	2,105.5	2,105.5
Right of Way	7,200	954			954	477.0	477.0
SCE Utility Relocations	475	475			475	237.5	237.5
Subtotal	13,483	7,059	1,171		5,888	2,944.0	2,944.0
<u>Construction</u>							
Const. Management ³	7,398	7,398			7,398	3,699.0	3,699.0
Const. Capital ⁴	34,579	34,579	6,602	1,000	26,977	13,488.5	13,488.5
Utility Costs ⁵	894	894			894	894.0	
SANBAG Management & Oversight	600	600			600	600.0	
Subtotal	43,471	43,471	6,602	1,000	35,869	18,681.5	17,187.5
<u>Other costs</u>							
Design Const. Support	693	693			693	346.5	346.5
Landscape Maintenance	750	750			750	375.0	375.0
Utility Company Reimbursement ⁵	(894)	(894)			(894)	(894.0)	
Subtotal	549	549			549	(172.5)	721.5
Total Project Cost	57,503	51,079	7,773	1,000	42,306	21,453.0	20,853.0

Footnotes are on next page.

¹ Local Share is 50% of Remaining Balance of eligible expenses: Rancho Cucamonga share is 66.6% of Local Share and the City of Fontana is 33.4% of Local Share. By separate agreement, the City of Rancho Cucamonga is responsible for collection of the City of Fontana share of costs for project expenses.

² Authority Share is 50% of Remaining Balance, minus the \$894,000 utility cost and SANBAG Management and Oversight which is 100% local share.

³ Construction Management includes \$250,000 for Source Inspection and \$100,000 of pre-construction services.

⁴ Construction Capital includes all items listed on the July 10, 2013, Engineer's Estimate prepared by AECOM except items related to SCE, CVWD, and IEUA relocations. Const. Capital also includes \$44,000 for Caltrans Mix Design (HMA JMF and Concrete Mixes).

⁵ Utility Costs include items listed on the July 10, 2013 Engineer's Estimate prepared by AECOM related to CVWD and IEUA relocations. Costs for CVWD and IEUA are to be paid for entirely by the City. The City will be reimbursed by the respective utility companies.

Proposed Project Schedule (milestone delivery dates):

Estimated construction start date: December 2013

Estimated completion date: December 2015

CONTRACT SUMMARY SHEET

Contract No. R 13028 Amendment No. 1

By and Between

San Bernardino Transportation Authority and City of Rancho Cucamonga

Contract Description Construction Coop Agreement Amendment

Board of Director's Meeting Date: October 2, 2013

Overview of BOD Action: Approve Amendment 1 to Construction Cooperative Agreement No. R13028 with the City of Rancho Cucamonga for the construction phase of the I-15 Base Line Road Interchange to increase the total construction cost by \$721,000. Additionally, the original CSS for R13028 showed \$100,000 which is the CM commitment for constructability review. This was only a portion of the total contract amount of \$42,750,000. It has been corrected below.

Is this a Sole-Source procurement? Yes No justification - City is Lead agency

CONTRACT OVERVIEW			
Original Contract Amount	\$	42,750,000	Original Contingency Amount
			\$ 0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	42,750,000	Revised Contingency Amount <i>Inclusive of prior amendments</i>
			\$ 0
Current Amendment Amount	\$	721,000	Contingency Amendment
			\$ 0
TOTAL CONTRACT VALUE	\$	43,471,000	TOTAL CONTINGENCY VALUE
			\$ 0
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 43,471,000

Contract Start Date 6/5/2013	Current Contract Expiration Date 12/31/2017	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0892.

A Budget Amendment is required.

How are we funding current FY? This is a receivable.

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

Provide Brief Overview of the Overall Funding for the duration of the Contract:
City of Rancho Cucamonga to fund escrow account for \$35,769,000 and \$100,000 for CM constructability review and subsequently reimburses escrow account for \$7,602,000 State and federal funds. SANBAG reimburses City with Meas I our fair share at a later date.

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Barbara Fortman
Project Manager (Print Name)

Mike Barnum
Task Manager (Print Name)

Andrew Wick
Dir. of Fund Admin. & Programming (Print Name)

Jeffrey Hill
Contract Administrator (Print Name)

W. STAWARSKI
Chief Financial Officer (Print Name)

	9.24.13
Signature	Date
	9-24-13
Signature	Date
	9/24/13
Signature	Date
	9/24/13
Signature	Date
	9/29/13
Signature	Date

CONSTRUCTION COOPERATIVE AGREEMENT NO. R13028

AMENDMENT NO. 1

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF RANCHO CUCAMONGA

FOR

**INTERSTATE 15 BASE LINE ROAD INTERCHANGE IMPROVEMENTS IN THE
CITIES OF RANCHO CUCAMONGA AND FONTANA**

This Amendment No. 1 ("AMENDMENT") to Construction Cooperative Agreement No. R13028 is made and entered into by and between the San Bernardino County Transportation Authority (hereinafter referred to as "AUTHORITY") and the CITY of Rancho Cucamonga (hereinafter referred to as "CITY"). (AUTHORITY and CITY are each a "Party" and collectively "Parties"). The Effective Date of this AMENDMENT shall be the date upon which AUTHORITY executes this AMENDMENT.

RECITALS

A. The Parties entered into Construction Cooperative Agreement No. R13028 (AGREEMENT) in June 5, 2013, setting forth the roles and responsibilities of the Parties for the construction of the Interstate 15 (I-15) Base Line Road Interchange Improvements.

B. The Parties have identified additional project costs and funding sources and desire to revise the funding plan in the AGREEMENT.

C. CITY is to seek reimbursement for State Local Partnership Program funds from the State of California as a funding source.

D. CITY is to seek reimbursement for federal Interstate Maintenance Discretionary Program funds and federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Demonstration funds from the State of California as a funding source.

E. The Parties also desire to revise the timing and amounts of CITY funding share deposits CITY is to make into an escrow account under the AGREEMENT.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, CITY and AUTHORITY agree as follows:

1. The AGREEMENT is amended in the following particulars:
 - a. Add new Paragraph 16 to Section I (AUTHORITY RESPONSIBILITIES) as follows:

“16. To provide sufficient invoice documentation to CITY for submission to the State of California for reimbursement of the \$1,000,000 of competitive Proposition 1B State Local Partnership Program funds and \$6,602,000 of federal funds awarded to the CITY.”
 - b. Delete Paragraph 2 of Section II (CITY RESPONSIBILITIES) and replace it with the following:

“2. To reimburse AUTHORITY up to \$100,000 for preconstruction services to be performed by the selected construction management firm; to enter into a joint escrow account with AUTHORITY pursuant to an escrow agreement; to deposit \$18,581,500 into said escrow account, prior to advertisement of the PROJECT construction contract; and to deposit into the escrow account the remaining advancement amount of PROJECT funds as shown in Attachment A based upon the actual amount of the construction contract award plus the other components of “Total Construction Costs” set forth in Attachment A, within four months following award of a construction contract, and as further described below in Section III.”
 - c. Add new Paragraph 10 and 11 to Section II (CITY RESPONSIBILITIES) as follows:

“10. To invoice the State of California for reimbursement of the \$1,000,000 of competitive Proposition 1B State Local Partnership Program funds awarded to the CITY. Within thirty days of receiving a reimbursement from the State of California, the CITY shall replenish the escrow account with amount of funds equal to the amount reimbursed by the State of California. Additionally, the CITY shall deposit at least \$1,000,000 of Developer Impact Fees, as part of CITY’s first deposit, totaling \$18,581,500 into the escrow account to satisfy the local developer impact fee match requirements for the competitive Proposition 1B State Local Partnership Program funds awarded to the CITY.”

“11. To invoice the State of California for reimbursement of the \$6,602,000 of federal funds, including both Interstate Maintenance Discretionary Program funds and SAFETEA-LU Demonstration funds, awarded to the CITY. Within thirty days of receiving a reimbursement from the State of California, the CITY shall replenish the escrow account with amount of funds equal to the amount reimbursed by the State of California.”

- d. Delete Attachment A to the AGREEMENT, and replace it with Attachment A.1 “Project Costs and Funding Table for the Construction Phase” that is attached to and incorporated into this AMENDMENT.”
2. The Recitals are incorporated into this AMENDMENT.
3. All other terms and conditions of the AGREEMENT remain the same and are incorporated into this AMENDMENT.

SIGNATURES ON FOLLOWING PAGE:

IN WITNESS WHEREOF, the Parties have executed this AMENDMENT below.

**San Bernardino County
Transportation Authority**

City of Rancho Cucamonga

By: _____
W.E. Jahn, President

By: _____
L. Dennis Michael, Mayor
City of Rancho Cucamonga

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Eileen Monaghan Teichert
AUTHORITY General Counsel

By: _____
James Markman
City Attorney

Date: _____

Date: _____

CONCURRENCE:

ATTEST:

By: _____
Jeffery Hill
Contract Administrator

By: _____
Janice C. Reynolds
City Clerk

Construction Cooperative Agreement No. R13028, Amendment No. 1

Attachment A.1

Project Costs and Funding Table for the Construction Phase

I-15 Base Line Road Interchange PROJECT CONSTRUCTION Costs & Funding

Construction Component	Cost	City, State, and Federal Participation	Authority Participation*
Const. Management ¹	\$7,398,000	\$7,398,000	\$0
Const. Capital ²	\$34,579,000	\$34,579,000	\$0
Utility Costs	\$894,000	\$894,000	\$0
SANBAG Management & Oversight	\$600,000	\$600,000	\$0
Total Deposit	\$43,471,000	\$43,471,000	\$0

Construction Funding	Funding Source
Federal Funds for Construction	\$6,602,000
State Funds for Construction	\$1,000,000
City Funds for Pre Construction (direct payable to AUTHORITY)	\$100,000
City Funds for Construction (to be deposited into an escrow account prior to advertisement of construction contract)	\$18,581,500
Remaining Amount of Funds to be deposited into escrow account within four months of the construction contract being awarded ³	\$17,187,500
Total Deposit plus Federal, State, and preconstruction costs	\$43,471,000

*AUTHORITY share and reimbursement for all phases of the project is addressed in AEA C13030-01.

¹ Construction Management includes \$250,000 for Source Inspection.

² Construction Capital includes \$44,000 for Caltrans Mix Design (HMA JMF and Concrete Mixes), \$515,808 for State Furnished Materials, \$894,000 for CVWD and IEUA (utility relocations to be funded by the City and reimbursed by the utility companies), and is based on the Engineer's Cost Estimate dated 7/10/13 totalling \$31,474,346.00.

³ This amount will be "trued up" based upon the total construction contract awarded plus contingency, Caltrans Mix Design cost estimate, State Furnished Materials value, and State Furnished Materials.



- 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: 15

Date: October 2, 2013

Subject: Interstate 10 Tippecanoe Avenue Interchange Project – Phase II

Recommendation: That the Board of Directors acting in its capacity as the San Bernardino County Transportation Commission approve the Plans, Specifications, and Estimate (PS&E) and authorize advertising Invitation for Bids for construction of the Interstate 10 Tippecanoe Phase II Interchange Project, and take the award of the construction contract directly to the Board without prior Metro Valley Study Session review.

Background: This is a required approval to allow the Interstate 10 (I-10) Tippecanoe Phase II interchange project to proceed to construction. Staff has been working with California Department of Transportation (Caltrans), the City of Loma Linda, the City of San Bernardino, and Inland Valley Development Agency (IVDA) through a Project Development Team (PDT) to complete the final design of the I-10/Tippecanoe Phase II interchange project. This project will widen Tippecanoe Avenue from Anderson/Court Street intersection to the south to the Tippecanoe/Hospitality Lane intersection to the north; will widen Redlands Boulevard from 400 feet west to 500 feet east of Anderson Street; will construct a new westbound loop on-ramp and a new westbound off-ramp; and will widen the westbound overpass structure on Interstate 10.

The project is almost ready to proceed to construction. It is anticipated that the construction contract invitation for bids advertising period will begin in early January 2014, with bids opened in March and a construction contract award

Approved
Board of Directors

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

BRD1310b-bmf

recommendation presented at the April 2014 Board meeting. This could occur earlier, pending favorable resolution of the last right-of-way parcel acquisition. Construction is anticipated to span about 15 months. Staff is requesting the Board members at the Metro Valley Study Session recommend Board approval of the PS&E and authorization for advertisement of the bid package for construction of this project. At bid opening, an evaluation of funding will be done comparing the actual bid amount with the amount programmed. If the bids come in higher than what is programmed, alternatives will be considered and a recommendation brought forward for the Board's consideration. This construction contract will be recommended for award based on verification of the lowest responsive/responsible bid in accordance with established criteria. Since the award of the contract is based on the lowest responsive/responsible bidder, it is recommended that the award of the construction contract proceed directly to the Board without prior Metro Valley Study Session review. This will allow the execution of the contract and start of construction to occur at the earliest possible date and ensure timely use of Federal funding.

Financial Impact: This item is consistent with the SANBAG Fiscal Year 2013/2014 budget under Task No. 0842.

Reviewed By: This item was reviewed and recommended for approval (12-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Responsible Staff: Garry Cohoe, Director of Project Delivery



- 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: 16

Date: October 2, 2013

Subject: Transportation Development Act Triennial Performance Audit for Fiscal Years 2008/2009 to 2010/2011 San Bernardino Associated Governments (SANBAG)

Recommendation: Receive Triennial Performance Audit Report for Fiscal Years 2008/2009 through 2010/2011 for San Bernardino Associated Governments.

Background: California Public Utilities Code Sections 99246(a) and 99248 require that San Bernardino Associated Governments (SANBAG), acting as the County Transportation Commission, designate an entity other than itself to prepare and submit an audit of its performance, and each of the transit operators to whom receive Transportation Development Act (TDA) funding, on a triennial basis to the California State Department of Transportation (Caltrans) in order to continue receiving TDA funding.

On November 2, 2011, the Board approved the release of Request for Proposals (RFP) No. 12100 which solicited proposals from qualified firms to execute the Transportation Development Act Triennial Performance Audits of SANBAG and the six transit operators within the County for Fiscal Years 2008/2009 through 2010/2011. The SANBAG Board awarded the contract to PMC on March 7, 2012.

Attached is the executive summary for SANBAG's audit, which includes a review of the administrative and planning obligations under the TDA requirements, status

*

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	CTC	X	CTA	SAFE	CMA	
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Check all that apply.

BRD1310a-mmm

<http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a1-mmm.pdf>

of prior audit recommendations, as well as its organizations management and efficiency.

The audit contains seven new recommendations:

1. Update the checklist contained in the TDA claim form for submittal of required attachments – The audit found that some of the descriptions of the documentation requested by SANBAG were too vague. SANBAG will modify the claim form for Fiscal Year 2014/2015 to ensure that the required documentation is clearly identified.
2. Update the SANBAG TDA application manual – This is a prior audit recommendation, and SANBAG has included funding in the Fiscal Year 2013/2014 budget for preparation of an update to the TDA Manual.
3. Formalize the allocation procedures for State Transit Assistance Regional Funds – The State Transit Assistance (STA) Regional funds are currently allocated to the Valley and Mountain/Desert subareas on a 75/25 split. The audit states that the funds should be split based on actual population shares. Additionally, the funds are currently allocated to specific projects based on need with each operator guaranteed a minimum share. The audit recommends that a more formal allocation process be developed so that transit operators have a better estimation of anticipated revenue. Staff will work with the transit operators in conjunction with the Public and Specialized Transportation Advisory Coordination Counsel (PASTACC) to develop an allocation policy and procedure for presentation to the Committee and Board for approval.
4. Develop a TDA fund reserve policy – It is SANBAG practice to set-aside a reserve of TDA Local Transportation Funds (LTF) prior to the apportionment of funds for eligible uses. This reserve is intended to minimize the impact if receipts are less than anticipated and to provide funding for an unanticipated need. The audit recommends that SANBAG adopt a formal policy that outlines the reserve amount and eligible uses of the funds. Staff will work with transit operators in conjunction with PASTACC to develop a reserve policy for presentation to the Committee and Board for approval.
5. Develop and adopt TDA Article 4.5 evaluation criteria – The audit recommends adopting evaluation criteria for claims filed by Community Transit Services Agencies. This will be included in the TDA Manual referenced above.

6. Update and adopt the intermediate fare box ratio for Victor Valley Transit Authority (VVTA) – In March 1997 the SANBAG Board adopted Rules and Regulations for determining the required fare revenue to operating cost ratio for VVTA. In September 1997, the SANBAG Board approved the VVTA request that the ratio of fares to cost be set at 15%, which was lower than that determined by the Rules and Regulations, and the ratio has not been revisited since that time. Because the service area and population has changed since 1997, the audit recommends that SANBAG and VVTA work together to evaluate options for determining the ratio and adopt an updated methodology and ratio. Although this process does not require that the ratio be changed, staff expects that the consolidation of Barstow Area Transit with VVTA, which is expected to be complete in early Fiscal Year 2014/2015, would impact the analysis. Therefore, upon completion of the consolidation, staff will work with VVTA to determine an appropriate methodology and ratio. If the ratio does change, SANBAG has the discretion to allow time for VVTA to meet the new standard.

7. Consider alternate methods to promote focused meeting structure in PASTACC – The audit recommends structuring the PASTACC meetings in a more focused manner that better responds to the diversity of transportation interests and geography of the members, such as alternating between a social service focus and a public transportation focus. Staff discussed this recommendation with the PASTACC in June 2013. The PASTACC believes that the purpose of PASTACC is to allow social services and public transportation to be informed of the varying issues and to work together to resolve them. Their recommendation was to hold special meetings if there were significant issues of special focus to be discussed but to continue the meetings as they are currently organized.

The status of the prior triennial performance audit recommendations:

- Enhance the transit productivity improvement program (PIP): **Implemented.**
- Require transit operators to consistently submit CHP inspection certificates with TDA claims: **Implemented.**
- Maintain transit staff development for TDA administration: **Implemented.**
- Updated the SANBAG TDA application manual: **Not Implemented** and is carried forward in this audit for full implementation.
- Develop orientation packet for new and existing PASTACC members: **Implemented.**
- Consider development of a broader transit policy committee in light of multimodal planning in the county and region: **Implemented.**

The departments of Finance, Fund Administration and Transit and Rail will be working through the audit recommendations with a goal of full implementation of all items by the end of Fiscal Year 2013/2014.

Financial Impact: This item is consistent with the current adopted FY2013/2014 budget, Task No. 0502 TDA Administration.

Reviewed By: This item was received by the General Policy Committee on September 11, 2013.

Responsible Staff: Mitch Alderman, Director of Transit and Rail Programs

Executive Summary

PMC, in association with CH2MHILL and Patti Post & Associates, was retained by the San Bernardino Associated Governments (SANBAG) to conduct its Transportation Development Act (TDA) performance audit for Fiscal Years (FY) 2008–09 through 2010–11. As a Regional Transportation Planning Agency (RTPA), SANBAG is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) to continue receiving TDA funding. TDA funding is used for SANBAG administration and planning, and distributed to local jurisdictions for motorized and non-motorized forms of transportation.

This performance audit is intended to describe how well SANBAG is meeting its administrative and planning obligations under TDA, as well as its organizational management and efficiency. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008 (third edition)* published by the California Department of Transportation was used to guide in the development and conduct of the audit. To gather information for the TDA performance audit, PMC conducted interviews, reviewed various documents, and evaluated SANBAG's responsibilities, functions, and performance of the TDA guidelines and regulations. Interviews were conducted with agency staff, the transit operators within SANBAG's jurisdiction, and stakeholders that facilitate and serve on the SANBAG Public and Specialized Transportation Advisory and Coordination Council (PASTACC).

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

SANBAG has satisfactorily complied with most State legislative mandates for Regional Transportation Planning Agencies. One compliance measure was not applicable during the audit period pertaining to the adoption of rules and regulations to evaluate TDA Article 4.5 claims. Such claims for funds have not been submitted to SANBAG although the relatively new CTSA, VTrans, would be an eligible claimant. Another compliance measure was partially met, and a separate measure was not met pertaining to timely submittal of audit reports.

While SANBAG remains in compliance with TDA state mandates, recommendations are made to revise, update, or develop certain functions under its purview to improve clarity and to reflect current conditions. Recommendations include updating the TDA checklist contained in the claim form, updating the intermediate farebox ratio for VVTA, begin

developing Article 4.5 evaluation criteria in light of potential eligible claimants, and formalizing the allocation procedures for State Transit Assistance Regional Funds.

Status of Prior Audit Recommendations

SANBAG has responded to and implemented five of the six prior performance audit recommendations. The recommendation not yet implemented is to update its TDA application manual which is forwarded in this audit for full implementation.

Functional Review

1. The agency has taken an increased perspective on multimodal investments and interconnectivity not only for highways, but for transit and non-motorized transportation. With the evolving nature of the transportation commission, the renewal of Measure I, and changes in top leadership, SANBAG has been progressing toward serving in a greater project funding and delivery role. The agency has seen notable departmental and staff changes particularly at the senior management and executive leadership level.
2. SANBAG commissioned Comprehensive Operations Analysis for each of the transit operators. An exception was Needles Area Transit which had not undergone a similar type study. Each COA provided detailed analyses of socioeconomic conditions and current service trends. Recommendations for alternative service provision and benchmark performance measures to gauge productivity were developed. Due to poor economic conditions from the recession resulting in lower TDA receipts (decline of 17 percent between FYs 2009 and 2010), COA recommendations with regard to service expansion were delayed from being implemented. During the tail end of this audit period, however, revenue was increasing and resulting in improved allocations of TDA funding.
3. SANBAG completed the San Bernardino County Long Range Transit Plan (LRTP) in October 2009 that establishes a vision for transit for the next 25 years. The LRTP prioritizes goals and projects for transit growth and connects land use and transportation strategies. The LRTP also meets legal mandates for planning and programming set by SB 375.
4. The uses of TDA revenues apportioned to San Bernardino County flow through a priority process prescribed in state law. SANBAG is able to claim TDA revenues for administration of the fund and for transportation planning and programming purposes. SANBAG has been responsible in the amount it claims, limiting its apportionment to 3 percent of Local Transportation Funds for Planning and Programming.
5. There was complete turnover of Transit and Rail Program staff during the audit period. Two of the prior staff retired in 2009 while the third prior staff departed in late 2011. With the hiring of a new Director of Transit and Rail Programs in 2009, the

other vacant positions were filled by in-house employees who transferred from other departments, as well as by outside staff with prior local transit experience. Priorities for staff have shifted and have been placed on supporting program and project implementation and delivery.

6. During this period of transition among the transit program staff, there was a learning curve with regard to TDA that carried over to the communication between SANBAG and the transit operators. Whereas in prior years SANBAG was more passive in its handling of the distribution and expenditure of TDA by the transit agencies, the new staff was more pro-active in aligning the expenditure of the revenue to the requirements of the statute. Also, SANBAG staff ensure that the transit operator TDA claims are clean and consistent with adopted rules and regulations.
7. The relatively new Fund Administration and Programming Department is anticipated to handle TDA administrative duties, among other roles. Several transit fund administrative and grant monitoring responsibilities are being transferred to this department, with Finance taking on additional roles as well in preparing external TDA reports and financial auditing.
8. A significant accomplishment agencywide was the production of the Annual SANBAG General Assembly. The General Assembly began in 2011 and includes SANBAG's "Year in Review" featuring the agency's accomplishments of the past year and presentations by panels on the outlook for the year ahead. The Year in Review publication highlights accomplishments by program area and completion of major construction projects and studies, as well as services provided to the local jurisdictions and community members.

Recommendations

Performance Audit Recommendation	Background	Timeline
#1 Update the checklist contained in the TDA claim form for submittal of required attachments.	<p>The checklist in the TDA claim form for submittal of materials for the Productivity Improvement Program only vaguely describes the necessary attachments that should be submitted with the claim. It is unclear what types of submittals would be acceptable to SANBAG. It is recommended that the checklist in the claim be modified and expanded to specifically identify what documentation would be acceptable for the Productivity Improvement Program. Each transit claimant would then indicate on the checklist which items are included in the claim for compliance. This would clarify for both the transit operators and SANBAG how this required submittal is being met.</p> <p>Examples of acceptable documentation include 1) table showing responses to and status of implementing prior performance audit recommendations; 2) budgetary actions and performance data that would result in increased productivity; 3) responses to and status of implementing short range plan and COA recommendations; 4) status update on issues and improvements in usage of TransTrack; and 5) additional specific claimant-initiated efforts to improve productivity. While some of this information is being provided by most of the transit claimants, it is beneficial that the acceptable types of documentation also be clearly identified in the checklist for SANBAG review and approval.</p>	High Priority
#2 Update the SANBAG TDA application manual.	As a carryover recommendation from the prior performance audit, the agency's guidebook should be updated to reflect changes to the administration of TDA. These include the updated TDA statute book (February 2009), the updated TDA performance audit guidelines (September 2008), utilization of TransTrack as a performance monitoring tool, intermediate farebox ratio formula, and utilization of the TDA claim form. In addition, the new roles served by different SANBAG departments (Transit and Rail Program, Funds Administration and Programming, and Finance) in the administration of TDA should be described in the updated manual.	High Priority
#3 Formalize the allocation procedures for State Transit Assistance Regional Funds.	<p>PUC 99313 STA Regional Funds are allocated based on a population proportion of 75 percent San Bernardino Valley and 25 percent High Desert/Mountain region. However, the current allocation proportions are general estimates and should be updated to reflect current population location data using Census 2010 data or more recent estimates. It is estimated that the Valley share would decrease by a small proportion while the High Desert/Mountain share would increase.</p> <p>The existing distribution of these funds is based on need with a</p>	High Priority

Performance Audit Recommendation	Background	Timeline
	<p>minimum amount for each transit operator. A more formal distribution formula should be developed to provide a better indicator of revenue that a transit operator could expect. An example of such a formula could be an allocation by jurisdictional area or transit service area on the basis of population in these areas compared to the population of the county as a whole. In a situation where there are two or more eligible claimants in the same area, SANBAG could work with the eligible claimants on a distribution amount, or develop evaluation criteria in scoring and determining an allocation. Potential evaluation criteria could include meeting regional goals such as reduction in vehicle miles traveled as directed by SB 375. Calculation of transit ridership, passenger miles, and net reduction in vehicle miles traveled for each eligible transit claimant could be used as an approximation for competing STA regional allocations.</p> <p>As significant levels of STA have been used in the past for large transit projects (e.g. VVTA operations facility), current policy does not preclude SANBAG from over allocating revenue to a jurisdiction in light of a significant transit project need. A regional STA pot of funds could still be a part of the formalized procedures, but should be accompanied by a set of rules in how the regional funds can be allocated and for which purposes. Examples include meeting a regional need beyond the service area of the transit operator, or to improve compliance with air quality measures. Both rolling stock and fixed assets (e.g. facilities) would be eligible.</p>	
<p>#4 Develop TDA fund reserve policy.</p>	<p>Beginning in FY 2011-12, SANBAG has set aside about \$5 million countywide during the TDA Local Transportation Fund apportionment process. The unrestricted set aside is made before apportionment for eligible uses and provides a reserve cushion to minimize the impact of a decline in revenue or an unexpected financial need. SANBAG should develop a fund reserve policy that outlines the reserve amount and eligible uses of the funds. The policy should be consistent with CCR 6655.1 that describes the retention of LTF. One aspect of the policy should limit the unrestricted reserve funds for eligible public transportation and specialized transit uses only (non street and roads). Equity could be achieved through basing the maximum allocation to each eligible claimant on a population and geographic basis, similar to the existing apportionment areas. This ensures that at a minimum, there will be available reserves for each transit system.</p> <p>LTF reserves should be available for transit services that have been funded through the annual TDA claim process, whether actual LTF revenues fall short of LTF budget allocations, or from circumstances that warrant an additional allocation. This would be on a case-by-case basis, and help to either minimize operating and/or capital shortfalls. An additional potential use would be to provide short term funding during a demonstration period to meet</p>	<p>High Priority</p>

Performance Audit Recommendation	Background	Timeline
	unmet transit needs that are found to be reasonable to meet.	
#5 Develop and adopt TDA Article 4.5 evaluation criteria.	In light of potential eligible CTSA claimants, SANBAG should develop the evaluation criteria and required findings for approval under this article section (PUC 99275.5). The article section contains the necessary steps and findings that must be made by SANBAG in approving a future claim submitted for TDA funds. The corresponding TDA claims forms and adopting resolutions should also be updated to accommodate such claim.	Medium Priority
#6 Review options for updating the farebox ratio for VVTA	<p>The current farebox recovery ratio of 15 percent for VVTA was adopted in September 1997. Over the years, the service area and population have changed. As the intermediate farebox ratio is intended to reflect the proportional services in rural and urban areas, it is recommended that SANBAG revisit the intermediate farebox formula described in a May 1997 board report that shows how the VVTA farebox ratio is calculated.</p> <p>An update to the farebox formula would result in a potential fare ratio between 10 and 20 percent depending on the current service breakdown between rural and urban areas. The current farebox ratio of 15 percent remains an option as well. As VVTA is an Article 8 claimant, SANBAG has the capacity to set reasonable standards for a transit operator. Should there be a change in the farebox standard, SANBAG could also provide a certain amount of time for VVTA to meet the new standard.</p> <p>SANBAG should work with VVTA in reviewing options how the farebox ratio is calculated, including using the same or similar formula methodology contained in that board report and using current VVTA service and performance data. SANBAG should then adopt both the methodology and the updated farebox ratio, and submit to Caltrans District 8 for approval. This sequence is required by Public Utilities Code (PUC) 99270.1 and California Code of Regulations (CCR) 6645. Because VVTA currently claims TDA funds under Article 8, PUC 99405 would also apply that references back to the other statute sections.</p>	Medium Priority
#7 Consider alternate methods to promote focused meeting structure in PASTACC.	<p>While we applaud the activities and general enhancements made to PASTACC over the last several years, the diversity of transportation interests and geography of the voting and non-voting members create challenges for SANBAG to develop a program that furthers the objectives and interest of all committee members.</p> <p>Consideration should be given to alternative meeting structures that may be vetted for feasibility and consistency with the updated PASTACC goals and bylaws. One such structure is that in-lieu of holding bi-monthly meetings intended for all members, the bi-monthly meetings would focus on topics pertaining primarily to either specialized transit or public transit in an alternate meeting</p>	Medium Priority

Performance Audit Recommendation	Background	Timeline
	<p>format. Agenda materials would be customized to fit the needs for each group for their respective meeting. All members would be invited to every meeting and provided the full agenda, but with the understanding that the particular meeting will be focused on social service or public transit issues. This alternating format could be conducted for a few meetings throughout the year. For the remaining meetings, the full membership would meet for required business such as during the unmet transit needs process, discussion of regional transportation issues, and receipt of updates from the more focused meetings.</p>	



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

Minute Action

AGENDA ITEM: 17

Date: October 2, 2013

Subject: Receive Financial Audits for Transit Operators

- Recommendation:***
1. Receive Morongo Basin Transit Authority (MBTA) Basic Financial Statements for Fiscal Year 2011/2012.
 2. Receive Victor Valley Transit Authority (VVTA) Basic Financial Statements for Fiscal Year 2011/2012.

Background: Public Utility Code 99245.2, Single Audit Act, and the U.S. Office of Management and Budget (OMB) require an annual audit be conducted of SANBAG and its affiliated organizations; Barstow Area Transit (BAT), Mountain Area Regional Transit Authority (MARTA), Morongo Basin Transit Authority (MBTA), Needles Area Transit (NAT), Omnitrans, Valley Transportation Services (Vtrans) and Victor Valley Transit Authority (VVTA). This item presents the results of audits performed on MBTA and VVTA. The audit of the financial statements for Fiscal Year 2011/2012 was completed by Vavrinek Trine and Day Co., LLC.

*Approved
 Board of Directors*

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

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

Each financial audit is included and includes the following reports:

1. Audit of Operators Basic Financial Statements and Annual Financial Report
2. Single Audit Compliance Reports in accordance with Budget and Management (OMB) Circular A-133
3. Statement on Auditing Standards 114 (SAS 114)
4. Statement on Auditing Standards 115 (SAS 115)

The financial statements for the transit operators includes an Independent Auditors' Report (MBTA Attachment A1, VVTA Attachment B1). Each transit operator received an unqualified opinion.

Report/Letter	MBTA	VVTA
Basic Financial Report	X	X
Single Audit Report	X	X
TDA/Prop 1B Report	X	X
SAS 114 Letter	X	
SAS 115 Letter	X	

A management letter from Vavrinek, Trine, Day & Co., LLP for MBTA (Attachment A2) and VVTA (Attachment B2) are included. It provides recommendations to improve the following controls:

MBTA:

- Ensure compliance with procedures over approval of timesheets for employees' time adjustments.
- Ensure that bank reconciliations are complete and that all reconciling items are investigated.
- Implement formalized procedures to ensure that all capital assets are appropriately captured, depreciated, reconciled, and disclosed in the financial statements.

VVTA:

- Update Information Technology Disaster Recovery Plan and the Information Technology Security Plan to include storing backup offsite, test recovery process on a monthly basis, establish risk assessment relating to user access, and set frequency for updating passwords.

Audit requirement SAS 114 (The Auditor's Communication with Those Charged with Governance) establishes standards and guidance on the auditor's communication with those charged with governance in relation to an audit of financial statements. It describes the role of communication, legal considerations, those who are charged with governance, management, matters to be communicated, the communication process, and documentation.

Audit requirement SAS 115 (Communicating Internal Control Related Matters Identified in an Audit) establishes standards and provides guidance on communicating matters related to an entity's internal control over financial reporting identified in an audit of financial statements. It is applicable whenever an auditor expresses or disclaims an opinion on financial statements. The section defines the terms deficiency in internal control, significant deficiency, and material weakness; provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements; and requires the auditor to communicate in writing, to management and those charged with governance, significant deficiencies and material weaknesses identified in an audit.

The SAS 114 and SAS 115 findings are indicated for MBTA (Attachment A3):

- Corrected material misstatements including grants receivable, deferred revenue, understatement of compensated absences and correcting depreciation expense. Immaterial understatement of accounts payable and payroll liability are also identified.

Single audit report includes report of internal control over financial reporting, Compliance, and schedule of expenditures of Federal Awards. The following significant deficiency and material weaknesses were identified by the Auditors:

- MBTA (Attachment A4):
 - Document the review of journal entries through a signature, initial, date, or other testable evidence to ensure that the control was performed and timing of completion.
 - Existing cash disbursement procedures should include evidence of review of original bank statement by the General Manager.
 - Formalize policies and procedures over year-end close to ensure that all entries have been accurately recorded.
 - Management should routinely monitor the liability balances in relation to available cash balances.

- Formalize policies and procedures over year-end close to ensure that all financial reporting matters are resolved in a timely manner to allow for the submission of the Single Audit report by March 31st deadline.
- VVTA – (Attachment B3)
 - Document the review of journal entries through a signature, initial, date, or other testable evidence to ensure that the control was performed and timing of completion Perform monthly bank reconciliation of the lease trustee statements and have it reviewed by designated individual.
 - Revise closing checklist and formalize policies to ensure that year-end balances are accurate and in compliance with Generally Accepted Accounting Principles.
 - Revise policies and procedures relating to year-end closing to ensure all financial reporting matters are resolved in a timely manner to submit single audit report by March 31st.

Effective Audit Fiscal Year 2011/2012, SANBAG procured Vavrinek Trine and Day Co., LLC as the new auditor for the transit operators (excluding Omnitrans). The previous auditor Miers & Miers provided audit services since 1992. This change created challenges for the operators since it was a new process for them. Typically the audits are completed within 180 days after the end of the fiscal year. The transition to the new auditor required a 90 day extension. MBTA and VVTA were not able to meet this extension deadline.

Barstow Area Transit and Needles Area Transit are still in the process of completing their financial reports. Once these reports are completed, SANBAG staff will present and report them to SANBAG Board.

- Financial Impact:*** This item has no financial impact to the SANBAG Fiscal Year 2013/2014 budget.
- Reviewed By:*** This item was received by the Mountain/Desert Committee on September 13, 2013. The finance department has reviewed and approved this item.
- Responsible Staff:*** Mitch Alderman, Director of Transit and Rail Programs

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

Attachment A1
**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

We have audited the accompanying financial statements of the Morongo Basin Transit Authority (MBTA) as of and for the year ended June 30, 2012. These financial statements are the responsibility of MBTA's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MBTA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of MBTA as of June 30, 2012, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 of the financial statements, MBTA restated beginning net assets as of July 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2013, on our consideration of MBTA's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
May 13, 2013

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 105,818
Restricted cash	240,718
Receivables:	
Grants	352,015
Accrued revenue	1,500
Total Current Assets	<u>700,051</u>

NONCURRENT ASSETS

Property, plant and equipment, net	<u>7,809,208</u>
TOTAL ASSETS	<u>8,509,259</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	19,566
Health reimbursement liability	181,628
Accrued compensated absences	60,580
Deferred revenue	248,086
TOTAL LIABILITIES	<u>509,860</u>

NET ASSETS

Invested in capital assets	7,809,208
Unrestricted	190,191
TOTAL NET ASSETS	<u>\$ 7,999,399</u>

See accompanying notes to financial statements.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012**

OPERATING REVENUES	
Passenger fares	\$ 408,476
Procurement services	251,529
Taxi licensing services	19,099
Total Operating Revenues	<u>679,104</u>
OPERATING EXPENSES	
Operations	1,852,905
Administration	498,003
Depreciation	1,070,245
Total Operating Expense	<u>3,421,153</u>
Operating income (loss)	(2,742,049)
NON-OPERATING REVENUES AND EXPENSES	
Operating Assistance:	
Local Transportation Fund Article 4 Measure 1	1,363,187
Federal Transit Administration Section 5311	288,271
Federal grants	15,613
State and local grants	27,771
Interest income	779
Other	17,806
Total Non-Operating Revenues	<u>1,804,039</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(938,010)</u>
CAPITAL CONTRIBUTIONS	
State Transit Assistance Fund	189,295
Local Transportation Fund Article 4	169,384
Federal Congestion Mitigation and Air Quality	470,759
Total Capital Contributions	<u>829,438</u>
CHANGE IN NET ASSETS	(108,572)
NET ASSETS, Beginning of year, as restated	<u>8,107,971</u>
NET ASSETS, End of year	<u><u>\$ 7,999,399</u></u>

See accompanying notes to financial statements.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Cash flows from operating activities:	
Cash received from customers	\$ 677,604
Payments to employees	(1,627,898)
Payments to vendors for services	(882,773)
Net cash used in operating activities	<u>(1,833,067)</u>
Cash flows from non-capital financing activities:	
Operating grants received	1,176,802
Other receipts	17,806
Net cash provided by non-capital financing activities	<u>1,194,608</u>
Cash flows from capital and related financing activities:	
Capital grants received	872,818
Purchase of capital assets	(869,688)
Net cash provided by capital and related financing activities	<u>3,130</u>
Cash flows from investing activities:	
Interest received	779
Net cash used in investing activities	<u>779</u>
Net increase in cash and cash equivalents	(634,550)
Cash and cash equivalents, beginning of year	981,086
Cash and cash equivalents, end of year	<u>\$ 346,536</u>
Reconciliation of cash and cash equivalents to statement of financial position:	
Cash and cash equivalents	\$ 105,818
Restricted cash	240,718
Total Cash and Cash Equivalents	<u>\$ 346,536</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating income (loss)	<u>\$ (2,742,049)</u>
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation expense	1,070,245
Changes in assets and liabilities:	
(Increase) in assets:	
Accrued receivables	(1,500)
(Decrease) in liabilities:	
Accounts payable and accrued liabilities	(159,763)
Total Adjustments	<u>908,982</u>
Net cash used in operating activities	<u>\$ (1,833,067)</u>

See accompanying notes to financial statements.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – ORGANIZATION

Morongo Basin Transit Authority (MBTA) is a joint powers agency whose members are the County of San Bernardino, the City of Twentynine Palms, California, and the Town of Yucca Valley, California. MBTA provides bus services to the City of Twentynine Palms and the Town of Yucca Valley as well as certain surrounding county areas of the Morongo Basin. Transit services provided include fixed route and certain demand-response services. MBTA is governed by a Board of Directors comprised of representatives of the member jurisdictions and a member-at-large.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity - MBTA meets the criteria as a stand-alone government, and accordingly, is accounted for and reported on as though it were a primary government.

Basis of Accounting – MBTA's proprietary fund financial statements are reported using the *economic resources measurement focus* and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred. The MBTA has elected under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. MBTA has elected not to follow subsequent private sector guidance.

Cash & cash equivalents includes demand deposits and amounts invested in the State treasurer's investment pool (the State of California Local Agency Investment Fund). For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid deposits with original maturities of three months or less from the date of acquisition.

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Federal capital grant funds claimed on a reimbursement basis have receivables for grant funds recorded as the related obligations are incurred. Capital grant funds advanced but not yet earned are treated as deferred revenues. Also, operating funds advanced from San Bernardino Associated Governments for working capital are treated as deferred revenues until earned. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related expenses are incurred. Revenue earned under capital grants are recorded as capital contributions. Operating grant activity for the fiscal year is detailed in Note 7.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment is stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Capital assets being depreciated:

Buildings and improvements	7 to 25 years
Office furniture, fixtures, and equipment	5 years
Buses	5 to 7 years
Vehicles	5 years
Information systems	5 years
Data handling equipment	5 years

MBTA's capitalization threshold for recognition of property, plant and equipment assets is \$0.

Self-Insurance Liabilities – MBTA's self-insured retention and incurred but not reported claims liabilities are covered by the California Transit Insurance Pool Joint Powers Insurance Authority pool in which they participate, detailed in note 9.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Restricted Cash – Certain MBTA cash accounts are internally-restricted for the following capital projects:

<u>Restricted Cash</u>	
CNG Station Upgrade	\$ 199,945
Security Doors	39,924
Cutaways	849
Total Restricted Cash	<u>\$ 240,718</u>

Operating and Non-Operating Revenue – MBTA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from directly providing services in connection with MBTA's operation of bus transit services, procurement services and taxi licensing services. These revenues are primarily passenger fares, fees collected from transit agencies for procurement assistance and taxi licensing fees collected. Operating expenses include the cost of sales and services, administrative expenses, contracted services and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital contributions consist of grants that are legally restricted for capital expenses by federal, state, or local law that established those charges.

When both restricted and unrestricted resources are available for use, it is MBTA's policy to use restricted resources first, and then unrestricted resources as they are needed.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restatement of Beginning Net Assets – Effective July 1, 2011, MBTA corrected errors to beginning balances for grant receivables, deferred revenue, and compensated absences. The correction of these errors resulted in a restatement of beginning net assets as follows:

	<u>Transit Fund</u>
NET ASSETS	
Beginning net assets	\$ 8,009,761
Correction of grants receivable	(52,235)
Correction of deferred revenue	211,593
Correction of compensated absences	(61,148)
Beginning net assets, restated	<u>\$ 8,107,971</u>

NOTE 3 – PROCUREMENT ACTIVITY AND TAXI LICENSING ACTIVITY

Procurement activities are for services provided to local transit agencies assisting with procurement of buses. The State of California Department of Transportation and San Bernardino Associated Governments have agreed that procurement revenues are available to be retained and expended at management's discretion including TDA eligible projects. For the year ended June 30, 2012, procurement revenues were expended on bid expenses and transit assistance grant programs to local transit agencies. Remaining procurement expenses were allocated to fund administrative activities of MBTA, these allocations were based on approved budgeted balances.

Taxi licensing activities are for the licensing of taxi service providers of the Morongo Basin and funds are retained to reimburse costs incurred in operation and administration of taxi licensing activity. For the year ended June 30, 2012 these expenses included legal fees, insurance, drug testing, background verification, rents and utilities.

MBTA reports procurement and taxi licensing activities with transit operations, internally MBTA tracks procurement activities separately as follows:

	<u>Procurement</u>
Procurement activities balance from prior year	\$ -
Change in balance	15,816
Ending balance of procurement activities	<u>\$ 15,816</u>

The procurement balance is included within unrestricted net assets on the statement of activities.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS

	2012
Cash and cash equivalents	\$ 105,818
Restricted cash	240,718
Total	\$ 346,536

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 300
Demand accounts	27,411
Savings accounts	315,021
Investments in Local Agency Investment Fund	3,804
Total	\$ 346,536

Policies and Practices

MBTA is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600. MBTA does not have a formal policy for investments that is more restrictive than that noted in government code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The fair value of the deposits with the LAIF at June 30, 2012 was \$3,804. MBTA does not have a formal policy related to its investments interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF balances of \$3,804 are unrated as of June 30, 2012.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, MBTA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. MBTA does not have a policy of custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012 the first \$250,000 of deposits were insured under FDIC, MBTA maintained bank balances in excess of FDIC insurance of \$38,543. These balances were collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the MBTA.

LAIF Investment Pool

MBTA is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the MBTA's investment in this pool is reported in the accompanying financial statements at amounts based upon the MBTA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2012, the MBTA's investments in the State Treasurer's investment pool (LAIF) were \$3,804. The total amounts invested by all public agencies in LAIF at June 30, 2012 were \$60,502,186,417. Of these amounts, as of June 30, 2012, 93.06 percent is invested in non-derivative financial products, and 6.94 percent is invested in structured notes and asset-backed securities. The District relied upon information provided by the State Treasurer in estimating the District's fair value position of its holdings in LAIF.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT REQUIREMENTS

MBTA is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code.

MBTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within San Bernardino County and are allocated based on annual claims filed by MBTA and approved by SANBAG.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT REQUIREMENTS (CONTINUED)

MBTA also receives allocated Federal operating assistance funds pursuant to Section 5311 of the Federal Transit Act of 1964. Such funds are apportioned to the local urbanized area by the Federal Transit Authority (FTA). Expenditures of Federal operating assistance funds are subject to final audit and approval by the FTA.

A. Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the local transportation fund and the State Transit Assistance Fund in an amount which exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

The computation of deferred revenue for 2012 is as follows:

	Operating Funds	Capital Funds	Total
Beginning balance, June 30, 2011	\$ 763,954	\$ 480,074	\$ 1,244,028
Gross receipts: **			
State Transit Assistance Fund		153,232	153,232
Local Transportation Fund, Article 4	606,602	165,893	772,495
Federal Transportation Admin, Section 5311 Measure I	288,271	470,759	759,030
Interest income	90,612		90,612
Fares	696	83	779
State and local grants	408,476		408,476
Federal grants - CDBG		27,767	27,767
Other revenue		15,613	15,613
Total Gross Receipts	10,728	7,078	17,806
Operating expenses, less depreciation	1,405,385	840,425	2,245,810
Less:			
MBTA reported procurement operations expense	2,350,908		2,350,908
MBTA reported taxi licensing operations expense	(235,713)		(235,713)
Capital acquisitions *	(14,372)		(14,372)
Receipts over (under) expenses in current period	868,188	868,188	868,188
Adjustments to prior period			
Net impact of adjustments to beginning net assets	(695,438)	(27,763)	(723,201)
Amounts received in excess of costs as of June 30, 2012	(61,148)	(211,593)	(272,741)
Amount deferred at June 30, 2012	\$ (756,586)	\$ (239,356)	
	\$ 7,368	\$ 240,718	\$ 248,086

*\$1,500 of capital acquisition expense excluded from calculation. This balance is to be reimbursed from other revenue and is reported as accrued revenue in the statement of net assets.

**\$251,529 of procurement operating revenue and \$19,099 of taxi licensing operating revenue were excluded from deferred revenue calculation as these activities represent operations excluded from Transportation Development Act requirements.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT REQUIREMENTS (CONTINUED)

B. Section 99268.4

Section 99268.4 indicates that in the case of an operator which is serving a non-urbanized area, the operator shall be eligible for local transportation funds in any fiscal year if it maintains, for the fiscal year, a ratio of fare revenues to operating cost at least equal to 10%.

The fare ratio as of June 30, 2012, is calculated as follows:

Operating expenses	\$ 3,421,153
Less MBTA reported procurement operations expense	(235,713)
Less MBTA reported taxi licensing operations expense	(14,372)
Less depreciation	(1,070,245)
Adjusted operating expenses	<u>\$ 2,100,823</u>
Fare revenue	<u>\$ 408,476</u>
Fare ratio	<u>19.44%</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2012, is as follows:

	Beginning Balance July 01, 2011	Additions	Retirements	Ending Balance June 30, 2012
Capital assets being depreciated:				
Buildings and improvements	\$ 8,717,375	\$ 155,638	\$ -	\$ 8,873,013
Office furniture, fixtures and equipment	294,410	108,659		403,069
Buses	3,224,181	588,451		3,812,632
Vehicles	123,996	13,267		137,263
Information systems	29,130	3,673		32,803
Data handling equipment	1,341			1,341
Total capital assets being depreciated	<u>\$ 12,390,433</u>	<u>\$ 869,688</u>	<u>\$ -</u>	<u>\$ 13,260,121</u>
Less accumulated depreciation for:				
Buildings and improvements	2,168,977	530,268		2,699,245
Office furniture, fixtures and equipment	210,949	43,070		254,019
Buses	1,903,299	480,840		2,384,139
Vehicles	73,214	12,810		86,024
Information systems	23,201	2,989		26,190
Data handling equipment	1,028	268		1,296
Total accumulated depreciation	<u>4,380,668</u>	<u>1,070,245</u>	<u>-</u>	<u>5,450,913</u>
Capital assets, net of accumulated depreciation	<u>\$ 8,009,765</u>	<u>\$ (200,557)</u>	<u>\$ -</u>	<u>\$ 7,809,208</u>

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 7 – OPERATING GRANTS

Operating grants receivable at June 30, 2012 were \$352,015. This balance was composed of \$288,271 of Federal operating assistance grant funds, \$55,762 of State Transit Assistance Funds and \$7,982 of Local Transportation Fund allocations.

NOTE 8 – LINE OF CREDIT

MBTA has an unsecured line of credit with Pacific Western Bank. As of June 30, 2012, the principal amount available on the line of credit was \$250,000 with a maturity date of July 12, 2012. Upon drawing on loan, MBTA will pay regular monthly payments of all accrued interest. The interest rate on the line of credit is fixed at 5.5% as of June 30, 2012. MBTA made no draws on the line of credit during the fiscal year.

NOTE 9 – SELF-INSURANCE

MBTA is a member of the California Transit Insurance Pool Joint Powers Insurance Authority (Authority). The Authority is composed of over 30 California public entities, and is organized under a joint powers agreement pursuant to California law. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1987.

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, MBTA's outstanding claims are valued. A rate offset computation is then conducted annually thereafter, until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. As of June 30, 2012, the retrospective calculation has not resulted in any additional liabilities for the general liability and physical damage policies. MBTA paid premiums to CalTIP of approximately \$70,599 for the fiscal year ended June 30, 2012. MBTA has had no settled claims resulting from these risks that exceeded its coverage in any of the past three fiscal years.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk sharing pool. Additional information regarding the cost allocation methodology is provided below.

MBTA has self-insurance programs for the following risks:

- Liability to a maximum of \$1,000,000 per incident is insured through CalTIP, over which coverage is provided to \$20,000,000 per incident by a private carrier through CalTIP.
- Physical damage to a maximum of \$2,500 to \$5,000 for buses and support vehicles per incident, over which coverage is provided to \$100,000 per incident by CalTIP and from \$100,000 to \$5,000,000 per incident, coverage is provided by a private carrier through CalTIP.
- Workers compensation to a maximum of \$125,000 per incident is covered by CSAC Insurance Authority, over which coverage is provided to \$50,000,000 by the excess workers compensation program of the CSAC Insurance Authority.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 10 – COMPENSATED ABSENCES

Accumulated unpaid personal leave, consisting of vacation and comp pay, have been accrued at June 30, in the amount of \$60,580. MBTA accrued \$51,391 and paid \$51,959 during fiscal year 2012. MBTA's liability for compensated absences typically is liquidated within one year. The balance related to compensated absences is included in accrued compensated absences in the Statement of Net Assets.

NOTE 11 – EMPLOYEES' RETIREMENT PLAN

Plan Description

MBTA contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan that acts as a common investment and administrative agent for participating entities within the State of California. PERS provides retirement, disability and death benefits to plan members and beneficiaries. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law.

CalPERS issues a public Comprehensive Annual Financial Report that includes financial statements and required supplementary information for CalPERS. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, California 94229-2715.

Funding Policy

Employees are required to contribute 7% of covered salary to CalPERS. MBTA is required to contribute the amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2012 the employer contribution rate was 8.029%. MBTA, as part of its compensation to employees, pays the employees' contributions.

Annual Pension Cost

For the fiscal years ended June 30, 2012, June 30, 2011 and June 30, 2010, MBTA's annual pension cost of \$110,535, \$81,247 and \$83,639, respectively, was equal to 100% of MBTA's required and actual contributions. The funded status of the pool may be obtained from CalPERS.

NOTE 12 – HEALTH REIMBURSEMENT ARRANGEMENT

MBTA maintains a Health Reimbursement Arrangement (HRA) qualifying as a tax-favored benefit under IRS publication 502. Active MBTA employees accrue up to \$500 a month towards the HRA for the reimbursement of qualifying medical expenses. Qualifying medical expenses are reimbursed to an employee, or their immediate family, at management's discretion. Unused balances are carried over year to year. MBTA does not pay unused HRA benefits upon termination of employment. As of June 30, 2012, the HRA liability \$181,628 was reported as health reimbursement liability accrued expenses in the Statement of Net Assets.

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 13 – DEFERRED COMPENSATION PLAN

MBTA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all non-represented MBTA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

MBTA has adopted the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that MBTA has no fiduciary role under the plan, and plan funds are not available to MBTA's general creditors. Accordingly, MBTA has not reported plan assets in the accompanying financial statements.

NOTE 14 – RELATED PARTIES

MBTA procurement services revenue is received through allocation from the California Association for Coordinated Transportation (CalACT) pursuant to a cooperative purchasing agreement between CalACT and MBTA. The General Manager of MBTA is the chair of the CalACT board of directors.

**MORONGO BASIN TRANSIT AUTHORITY
MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 2012**



May 13, 2013

To the Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

We have audited the financial statements of the Morongo Basin Transit Authority (MBTA) as of and for the year ended June 30, 2012 and have issued our report thereon dated May 13, 2013. In planning and performing our audit of the basic financial statements of the MBTA, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These observations and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CURRENT YEAR MANAGEMENT LETTER COMMENTS

PAYROLL

OBSERVATION:

MBTA's procedure over time entry requires that adjustments to employee time be approved by the employees' supervisor. As part of our testwork over payroll internal controls, we noted two (2) instances where adjustments to employee time were not approved by supervisors.

RECOMMENDATION:

MBTA should ensure compliance with procedures over approval of employee time adjustments.

MANAGEMENT'S RESPONSE:

The instances observed were a result of human error, not a lack of internal control. We will exert additional effort to ensure adjustments are documented.

BANK RECONCILIATIONS

OBSERVATION:

MBTA performs monthly reconciliations between balances reported for all MBTA bank accounts and the general ledger. As part of our testwork over June 2012 bank reconciliations, we noted two (2) accounts where the June bank reconciliation did not reconcile between the trial balance and bank statements, the total variance was \$817.

RECOMMENDATION:

MBTA should ensure that bank reconciliations are complete and that all reconciling items are investigated.

MANAGEMENT'S RESPONSE:

Concur.

CAPITAL ASSETS

OBSERVATION:

MBTA is required to track capital assets for financial reporting purposes. MBTA did not maintain formalized policies and procedures over their capital assets. As a result, MBTA's capitalization policy was \$0 for the fiscal year 2011-2012. Also, adjustments were identified for depreciation expense and depreciable lives.

RECOMMENDATION:

We recommend MBTA implement formalized procedures to ensure that all capital assets are appropriately captured, depreciated, reconciled and disclosed in the financial statements.

MANAGEMENT'S RESPONSE:

Morongo Basin Transit Authority has a long-standing policy for capitalizing assets; any purchases made with capital funding are capitalized. MBTA will consider if it is appropriate to establish a threshold to determine capitalization of assets; if appropriate, MBTA will revise the accounting procedures.

Our audit procedures are designed primarily to enable us to form our opinions on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the MBTA gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of MBTA's Board, management and others within the organization and should not be used by anyone other than these specified parties.

Vaurimale, Tami, Day, Co., LLP

Rancho Cucamonga, California
May 13, 2013



Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

We have audited the financial statements of the Morongo Basin Transit Authority (MBTA) for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MBTA are described in Note 2 to the financial statements. The application of these policies was changed during the year from a regulatory basis of accounting to a presentation in accordance with Generally Accepted Accounting Principles (GAAP) resulting in adjustments to beginning equity described in Note 2. We noted no transactions entered into by MBTA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation of capital assets is based upon the estimated useful lives of the related capital assets.
- Management's estimate of the costs allocated to the procurement and taxi operations.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the restatement of beginning net assets in Note 2 of the financial statements.
- The disclosure of procurement and taxi licensing activities in Note 3 of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

The timing of our audit was modified to allow management to perform additional research on items related to financial reporting and disclosure.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The misstatements noted below were corrected by management:

- Grants receivable were overstated by \$52,235 as of July 1, 2011
- Deferred Revenue was overstated by \$211,593 as of July 1, 2011
- Compensated absences were understated by \$61,148 as of July 1, 2011
- Depreciation expense was incorrectly calculated on one asset resulting in an overstatement of depreciation expense of \$12,915 as of June 30, 2012

Also, we noted the following uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

- Accounts payable were understated by \$9,772
- Payroll liability was understated by \$12,178

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 13, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as MBTA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of MBTA and is not intended to be and should not be used by anyone other than these specified parties.

Vawter, Tami, Day, Co., LLP

Rancho Cucamonga, California
May 13, 2013

**MORONGO BASIN
TRANSIT AUTHORITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

Attachment A4
MORONGO BASIN TRANSIT AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2012

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

We have audited the basic financial statements of the Morongo Basin Transit Authority (MBTA) as of and for the year ended June 30, 2012 and have issued our report thereon dated May 13, 2013. Our report included an explanatory paragraph regarding restated beginning net assets as of July 1, 2011. Our report also included an explanatory paragraph regarding MBTA's omission of management's discussion and analysis. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of MBTA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered MBTA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MBTA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MBTA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2012-01, 2012-02, 2012-03, and 2012-04, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MBTA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Part 21 of the California Code of Regulations and the allocation instructions of San Bernardino Associated Governments, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we also reported to management of the MBTA in a separate letter dated May 13, 2013.

MBTA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit MBTA's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of MBTA's Board, management, federal agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vawter, Tami, Day, Co., LLP

Rancho Cucamonga, California
May 13, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM,
INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

Compliance

We have audited the Morongo Basin Transit Authority's (MBTA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MBTA's major federal programs for the year ended June 30, 2012. MBTA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of MBTA's management. Our responsibility is to express an opinion on MBTA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MBTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of MBTA's compliance with those requirements.

In our opinion, MBTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2012-05.

Internal Control Over Compliance

Management of MBTA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered MBTA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MBTA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2012-05. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of MBTA as of and for the year ended June 30, 2012, and have issued our report thereon dated May 13, 2013, which contained an unqualified opinion on those financial statements. Our report included an explanatory paragraph regarding MBTA's restated beginning net assets as of July 1, 2011. Our report also included an explanatory paragraph regarding MBTA's omission of management's discussion and analysis. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise MBTA's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

MBTA's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit MBTA's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of MBTA's Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vourvris, Trane, Day, Co., LLP

Rancho Cucamonga, California
May 13, 2013

MORONGO BASIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor Program Title (Direct or Indirect)	Federal CFDA Number	Pass-Through Entity's Identifying Number	Pass-Through Entity's Name	Federal Expenditures
Department of Transportation				
Federal Transit Administration				
Formula Grants for Other than Urbanized Areas (Indirect)	20.509	642151	State of California Department of Transportation	\$ 288,271
Formula Grants for Other than Urbanized Areas (Indirect)	20.509	640203	State of California Department of Transportation	246,119
Formula Grants for Other than Urbanized Areas (Indirect)	20.509	640204	State of California Department of Transportation	<u>224,640</u>
Subtotal - Department of Transportation Federal Transit Administration				<u>759,030</u>
Department of Housing and Urban Development				
Community Development Block Grants (Indirect)	14.218	238-32105	County of San Bernardino	<u>15,613</u>
Subtotal - Department of Housing and Urban Development				<u>15,613</u>
Total Expenditures of Federal Awards				<u>\$ 774,643</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

MORONGO BASIN TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs of the Morongo Basin Transit Authority's (MBTA). MBTA's reporting entity is defined in Note 1 of MBTA's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the Schedule of Expenditures of Federal Awards.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 of MBTA's Financial Statements.

MORONGO BASIN TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material Weakness(es) identified?	<u>Yes</u>
Significant Deficiency(ies) identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material Weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>Yes</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.509</u>	<u>Formula Grants for Other than Urbanized Areas</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

MORONGO BASIN TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-01

INTERNAL CONTROLS

Criteria:

The use of journal entries is an important element of MBTA's financial reporting processes. Journal entries are used to record financial transactions, post adjustments and to post accruals.

Condition:

While testing transaction cycles over key financial statement line items, we noted that approval of journal entries into the MBTA financial system were asserted by management to be obtained; however evidence that the approval was obtained was not documented.

Context:

The condition noted above was identified during testing of the revenue, expense, cash, accounts payable, and accounts receivable transaction cycles and inquiry with personnel throughout the engagement.

Effect:

The internal control environment is weakened as journal entries are not supported by a formal approval process.

Cause:

The performance of internal controls related to review and approval of financial information posted to MBTA's financial reporting system was not documented.

Recommendation:

MBTA should document the review of journal entries through a signature, initial, date, or other testable evidence to ensure that the control was performed and to demonstrate the timing of the completion of the control.

View of Responsible Official and Planned Corrective Actions:

Management notes that preapproval of journal entries is not practical due to the sheer quantity of accounts payable and receivables that must be posted into the financial system on a frequent basis. Going forward however, a Journal Entry report will be created documenting financial activity and emailed to the General Manager. Maintaining this email record will create a testable event.

MORONGO BASIN TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-02

SEGREGATION OF DUTIES

Criteria:

A proper segregation of duties should include different employees; performing the initiation of a transaction, recording the transaction, approving the transaction, and having custody of the related asset. When one employee performs two or more of these functions, evidence of controls should be implemented to mitigate associated risks.

Condition:

We noted that at various times throughout the fiscal year there were instances where an adequate segregation of duties did not exist. Internal controls to mitigate these risks either were not performed or the control was not documented to provide evidence of the review/approval.

For cash disbursements, one employee had the ability to create a vendor, post invoices to the general ledger, prepare monthly bank reconciliations and had access to check stock (although the employee was not an authorized signer on the account).

For cash receipts, employees had the ability to count and reconcile daily cash receipts, deposit cash, post receipts into the financial reporting system and perform monthly cash reconciliations. Daily cash counts and deposits were reconciled by two different employees; however, daily cash receipts and deposits did not include evidence of secondary approval of reconciled balances.

Context:

The accounting department for MBTA has limited staffing which provides for difficulties in designing internal control systems to include a proper segregation of duties. Although management asserted that certain controls were performed, evidence of these controls and/or mitigating controls over the cash receipts and disbursement processes was not documented.

Effect:

For cash disbursements, the lack of segregation of duties over disbursements, could lead to unauthorized or inaccurate transactions and misappropriation of assets.

For cash receipts, a lack of evidence of controls over the dual custody and reconciliation of daily cash receipts could lead to circumvention of internal controls and misappropriation of assets.

MORONGO BASIN TRANSIT AUTHORITY**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****FOR THE YEAR ENDED JUNE 30, 2012****II. FINANCIAL STATEMENT FINDINGS****Cause:**

For cash disbursements, one employee had ability to perform the disbursement functions above. MBTA's controls did not require procedures such as the General Manager review of the monthly bank statements, including review of cleared checks, review of vendors, and the review of check sequences.

For cash receipts, one employee maintained the ability to perform the cash receipt functions detailed above. As a mitigating control, current procedures require dual custody of daily cash receipts; however, they do not require documentation of this control.

Recommendation:

MBTA should ensure existing cash disbursement procedures are modified to allow for evidence of review of original bank statements by the General Manager. These statements should be received directly by the General Manager. This review should be performed prior to the bank statements being provided to the employee responsible for preparation of the bank reconciliation. This review should include verification of the following:

- Checks sequentially numbered
- Checks are authorized
- Check signature is accurate
- Vendors paid are included on approved vendor listing

MBTA should ensure existing cash receipts procedures are modified to evidence dual custody of daily cash receipts from the collection of cash to the bank deposit. This evidence should include signed approval of cash counts performed by both employees responsible for the daily count and reconciliation.

View of Responsible Official and Planned Corrective Actions:

The additional tasks will be implemented and reflected in our accounting procedures policy to satisfy the auditors recommendation.

Finding 2012-03**YEAR-END CLOSING PROCEDURES****Criteria:**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein and for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. This requires management to work through a year-end closing process to accumulate, reconcile, and summarize information for inclusion in the annual financial statements.

MORONGO BASIN TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Condition:

MBTA did not have formal year-end closing procedures. As a result, deficiencies were noted in the year end closing process resulting from adjustments to the following:

- Accounts receivable
- Capital asset depreciation
- Deferred revenue
- Compensated absences

Context:

The condition noted above was identified during testing of transactions related to MBTA's significant financial statement line items.

Effect:

As a result of the year-end closing process utilized by MBTA the financial information provided contained material misstatements.

Cause:

MBTA should ensure that a comprehensive closing checklist and formalized policies and procedures are implemented to ensure that year-end balances are correct.

Recommendation:

MBTA should formalize policies and procedures over year-end close to ensure that all entries have been accurately recorded.

View of Responsible Official and Planned Corrective Actions:

MBTA noted that it was the practice of the previous auditor to perform year end closing procedures.

We concur with the need to develop year-end closing policies, procedural checklists and subsequent implementation.

MORONGO BASIN TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-04

HEALTH REIMBURSEMENT ACCOUNT (HRA) LIABILITY

Criteria:

MBTA should have formalized policies to ensure timely reconciliation and review of HRA liability accruals, as well as to ensure the adequacy of available cash in relation to liabilities accrued.

Condition:

We noted a lack of procedures for the review of available cash in relation to the liability balance which could lead to cash shortages if significant qualifying reimbursements are required by employees.

Context:

MBTA is required to track accrued HRA benefit for each qualifying employee in accordance with applicable regulations. Also, MBTA should ensure that medical reimbursements are appropriate in accordance with definitions set forth in the MBTA employee handbook each pay period.

Effect:

With no formal evidence of review and approval of employee benefit accrual and qualifying medical reimbursements, the control environment is weakened.

Cause:

MBTA did not maintain formalized policies and procedures over the reconciliation and approval of the HRA liability activity in comparison to the amount of available cash.

Recommendation:

Management should routinely monitor the liability balances in relation to available cash balances.

View of Responsible Official and Planned Corrective Actions:

Management will monitor cash balances to ensure the liability can be funded.

MORONGO BASIN TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2012-05

Program: Formula Grants for Other than Urbanized Areas

CFDA No.: 20.509

Federal Grantor: U.S. Department of Transportation, Federal Transit Administration

Passed-through: State of California Department of Transportation

Award Year: Various

Compliance Requirement: Reporting

Criteria:

OMB A-133 § __.320 requires all Single Audit report submissions are to be received within 9 months of fiscal year end (March 31st).

Condition:

MBTA did not maintain formal year-end closing procedures for the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP). This resulted in several delays to the issuance of the financial statements. As a result, MBTA did not submit the Single Audit report by the March 31st deadline.

Questioned Costs:

None

Context:

MBTA did not submit the Single Audit report in a timely manner.

Effect:

The Single Audit March 31, 2012 filing deadline was not met by MBTA.

Cause:

Delays in year-end closing and resolution of financial reporting matters resulting from a lack of formalized year-end closing procedures lead to the Single Audit report not being issued by the March 31st deadline.

Recommendation:

MBTA should formalize policies and procedures over year-end close to ensure that all financial reporting matters are resolved in a timely manner to allow for the submission of the Single Audit report by the March 31st deadline.

View of Responsible Official and Planned Corrective Actions:

Management notes that there was a change in the year end closing process; MBTA has always made it a high priority to make staff available to the auditors and respond promptly to requests for information.

Management further observes that submission of the audit was in fact delayed also because resolution of the treatment of unrestricted net assets had to be performed in compliance with the Transit Development Act and additional time was required to respond, research and make management comments on this issue.

MORONGO BASIN TRANSIT AUTHORITY

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2012

None reported.

**VICTOR VALLEY
TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

We have audited the accompanying basic financial statements of the Victor Valley Transit Authority (VVTA) as of and for the year ended June 30, 2012. These financial statements are the responsibility of VVTA's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of VVTA as of June 30, 2012, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13, VVTA restated beginning balances for cash, capital assets and due from other agencies. In addition, VVTA restated beginning balances for deferred revenue for both operating and capital grants.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2013, on our consideration of VVTA's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vawter, Tami, Day, Co., LLP

Rancho Cucamonga, California
July 15, 2013

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

This discussion and analysis of the Victor Valley Transit Authority's financial performance for the fiscal year ended June 30, 2012, provides a financial summary of the Authority's current year results in comparison to the prior year. It should be read in conjunction with the accompanying, financial statements and notes to the financial statements.

The Management's Discussion and Analysis (MD&A) section of the Authority's annual financial report provides condensed comparative data and briefly discusses the financial activities during the Fiscal Year ended June 30, 2012. It is a separate but an integral part of the financial statements and notes that follow. The purpose of this MD&A is to promote an understanding of the Authority's financial statements.

The Financial Statements of the Authority supply information using accounting methods similar to those used by private sector companies. These statements offer short and long-term information about its activities.

The *Statement of Net Assets* includes all of the Authority's assets and liabilities and provides the basis for evaluating the capital structure, liquidity and overall financial integrity of the Authority.

The *Statement of Revenues, Expenses and Changes in Net Assets* displays the revenues, expenses and changes in net assets for the Authority and measures the success of operations over the past year. It can be used to determine credit worthiness and whether revenue sources matched, exceeded or failed to meet expenses.

The final financial statement is the *Statement of Cash Flows*. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It accounts for the cash and cash equivalents balance available at the beginning of the year and at years end. It displays cash received, cash expended, and the net change in the amount of cash and cash equivalents.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

HIGHLIGHTS

- **The authority's net assets increased by \$5,265,458 or 17% as a result of the year's operations. Net asset increases for VVTA were due to an increase of capital assets. Net assets in the amount of \$2,931,252, are restricted for debt service on a long term lease arrangement maturing in 2037.**
- **VVTA incorporated a change in accounting policy that now reports "Cash and investments with Fiscal Agent- restricted" that was previously reported as part of the "construction in progress" Capital Assets. This cash is restricted to use for the construction of VVTA's Administration and Maintenance facility ("New Facility"). The cash may also be used to repay long term debt resulting from a lease liability on the same property. The change was made to more accurately present on the Financial statements the actual value of the portion of the Capital Asset labeled "Construction In Process" for VVTA's New Facility.**
- **Property and Equipment assets (net of depreciation) increased by \$2,695,925 or 23% due to an increase in the acquisition of plant property and equipment for VVTA's Administration and Maintenance facility as well as revenue and non-revenue vehicles. Construction in progress (Capital Assets- Non-Depreciable), decreased by (\$8,273,987), due to the reclassification of the net present value of future capital lease payments relating to the construction of VVTA's new bus facility, to a restricted cash account. The reclassified value for the new facility in the Construction In-Process account (Capital Assets- Non-Depreciable) is now based solely on expensed transactions that support that project. Therefore, total Capital assets decreased by \$5,578,062.**
- **Operating (Program) revenues increased 6% by \$110,258. The operating revenue increase was due largely to an 8% increase in passenger fares system wide.**
- **Non-operating (Capital) revenue totaled \$7,688,536. These are revenues derived mostly from Federal, State and local grants and are used to support operating expenses.**
- **Operating expenditures for the fiscal year totaled \$13,012,847, an increase of 11% when compared to the prior fiscal year. This increase was due to an increase in services offered to VVTA's clients and the costs of providing those services.**
- **Cash and equivalents available for operations at end of year were \$3,081,404. Restricted cash with fiscal agent was \$10,478,006, and is available for support required in completing the construction of VVTA's new facility. Any funds from this restricted cash which is not used to support construction, may be used to support debt service of future lease payments for the facility.**

Victor Valley Transit Authority**Management's Discussion and Analysis**

June 30, 2012

FINANCIAL ANALYSIS OF VICTOR VALLEY TRANSIT AUTHORITY

One of the most important questions asked is "Is the Authority better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information about the Authority's activities to help answer that question. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. VVTA uses the enterprise method of accounting and all transactions are netted through a single fund. The activity shown in Table A-1 represents all activity through that single fund.

ASSETS AND LIABILITIES

A summary of the Authority's *Statement of Net Assets* is presented in Table A-1.

Table A-1
Condensed Statement of Net Assets

	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
Current Assets	\$17,208,145	\$10,069,341	\$7,138,804	71%
Capital assets	<u>\$59,081,693</u>	<u>\$64,659,755</u>	<u>\$(5,578,062)</u>	(9%)
Total Assets	<u>\$76,289,838</u>	<u>\$74,729,096</u>	<u>\$1,560,742</u>	2%
Current Liabilities	\$7,737,026	\$10,746,742	\$(3,009,716)	(28%)
Long-term Liabilities	<u>\$32,855,000</u>	<u>\$33,550,000</u>	<u>\$ (695,000)</u>	(2%)
Total Liabilities	<u>\$40,592,026</u>	<u>\$44,296,742</u>	<u>\$(3,704,716)</u>	(8%)
Net Assets				
Invested in capital assets, Net of debt	\$33,078,448	\$30,432,354	\$2,646,094	8%
Restricted for Debt Service	\$2,931,252	\$0	\$3,088,983	100%
Unrestricted	<u>(\$311,888)</u>	<u>\$0</u>	<u>(\$311,888)</u>	(100%)
Total Net Assets	<u>\$35,697,812</u>	<u>\$30,432,354</u>	<u>\$5,265,458</u>	17%
Total Liabilities & Net Assets	<u>\$76,289,838</u>	<u>\$74,729,096</u>	<u>\$1,560,740</u>	2%

Victor Valley Transit Authority**Management's Discussion and Analysis****June 30, 2012**

- **Table A-1, shows the authority's total net assets increased from \$30,432,354 in FY 10-11 to \$35,697,812, or 17% in FY 11-12, as a result of the year's operations.**
- **Net assets invested in capital assets increased by \$2,646,094. This change was due to the purchase of Capital Assets.**
- **Current assets increased by \$7,138,804 or 71% due to a change in accounting policy that now reports "Cash and investments with Fiscal Agent- restricted" that was previously reported as part of the "construction in progress" Capital Assets. This cash is restricted to use for the construction of VVTA's Administration and Maintenance facility. The cash may also be used to repay long term debt resulting from a lease liability on the same property. Excluding this change, VVTA's current assets actually declined \$3,038,526 or 30% due to a change in cash and receivables.**
- **Total Capital Assets (net of depreciation)**
As restated by a prior period adjustment to FY2011. (see note 13)

	FY2012	FY2011
Land	\$1,500,000	\$1,500,000
Construction in Process	\$48,594,448	\$40,335,681
Total Non-Depreciable	\$50,094,448	\$41,835,681
Property & Equipment	\$8,987,245	\$6,291,320
TOTAL ASSETS (net)	\$59,081,693	\$48,127,001

Property and Equipment assets (net of depreciation) increased by \$2,695,925 or 43% due to an increase in the acquisition of plant property and equipment for VVTA's Administration and Maintenance facility (new facility) as well as revenue and non-revenue vehicles. Construction in progress (Capital Assets- Non-Depreciable), increased by \$8,258,767, due to invested capital in the construction of VVTA's New Facility. VVTA occupied the New Facility beginning in November, 2011, however the construction is still in progress and will continue through FY12-13. Total Capital assets, net of depreciation increased by \$10,954,692.

Included in the increase in Property & Equipment are purchased capital assets of thirty-four (34) revenue service transit coaches, three (3) non-revenue service vehicles, along with furnishings, fixtures and computer equipment to support the New Facility. Additionally, VVTA completed Phase II of the Intelligent Transportation Systems (ITS) project which provides fare boxes and security cameras to its Fixed Route buses.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

- **Total Liabilities decreased by \$3,704,716** when compared to FY10-11 due to the use of cash to pay down Current and Long Term debt. Long term liabilities represent the amount due on VVTA's lease agreement with California Transit Finance Corporation, used to provide financing for the construction of VVTA's new transit facility

- **Net assets in the amount of \$2,931,252 are restricted for debt service on a long term lease arrangement maturing in 2037.** The change in restricted net assets as compared to FY2011 is 100% due to an accounting change which resulted in a reclassification of the net present value of future capital lease payments, relating to the construction of VVTA's new bus facility and previously reported in the capital asset account, to a restricted cash account. The largest portion of the restricted cash account is available to use in the completion of VVTA's new transit facility. However, this portion of the restricted cash account, noted as "restricted for debt service" is a reserve fund required by lease documents to provide security to the lessor for future lease payment obligations by VVTA. These funds will remain in this restricted status until the lease agreement matures in 2037.

- **Net assets in the amount of (\$311,888) are unrestricted.** Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from a \$0.00 at 06/30/2011 to a \$(311,888) at the end of this year. This change in balances is due to an accounting change which resulted in a reclassification of the net present value of future capital lease payments, relating to the construction of VVTA's new bus facility and previously reported in the capital asset account, to a restricted cash account.

Victor Valley Transit Authority**Management's Discussion and Analysis**

June 30, 2012

REVENUES – EXPENSES – AND CHANGES IN NET ASSETS

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers as to the nature and source of these changes.

Table A-2
Statement of Revenues, Expenses and Changes in Net Assets

	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
	<u>2012</u>	<u>2011</u>	<u>Changes</u>	<u>Changes</u>
Revenues				
Program Revenues (operating):				
Charges for Services (Fares)	\$1,975,629	\$1,865,371	\$110,258	
Federal Grants-Operating	\$1,327,068	\$1,990,468	(\$663,400)	
State and Local Grants-Operating	\$6,959,484	\$6,244,476	\$715,008	
Other Revenues	\$327,588	\$69,669	\$257,919	
Capital Revenues:				
Federal Grants	\$3,568,968	\$5,504,205	(\$1,935,237)	
State and Local Grants	\$2,641,860	\$2,643,465	(\$1,605)	
Other revenues	\$1,477,708	\$525,918	\$951,790	
Total Revenues	<u>\$18,278,305</u>	<u>\$18,843,572</u>	<u>(\$565,267)</u>	(3%)
Program Expenses				
Operations	\$9,054,118	\$8,068,909	\$985,209	
General and Administration	\$1,362,161	\$1,070,468	\$291,693	
Depreciation	\$2,596,568	\$2,415,215	\$181,353	
Total Expenses	<u>\$13,012,847</u>	<u>\$11,554,592</u>	<u>\$1,458,255</u>	13%
Changes in net assets	<u>\$5,265,458</u>	<u>\$7,288,980</u>	<u>(\$2,023,522)</u>	(27%)
Net Assets - Beginning of year, as restated	\$30,432,354	\$23,150,775	\$7,281,579	31%
Net Assets - End of year	\$35,697,812	\$30,432,354	\$5,265,458	17%

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

As shown on Table A-2, **Fare Revenues** increased to \$1,975,629 in FY 11/12. This increase was due to an increase in ridership on VVTA's transit system. The increased ridership was partially due to a new commuter service that began in FY2012.

Program revenues to support operations received from Federal, State and Local agencies increased by \$419,785 as compared to prior year. These revenues came from a variety of support grants and were sufficient to meet the needs of the agency.

Capital revenues contributed by Federal, State and Local agencies decreased by \$985,052. Capital revenues from these sources were provided by grants to support specific capital purchases. These were sufficient to meet the capital needs of the agency for FY2012.

Total revenues decreased 3% from \$18,843,572 for FY 10/11 to \$18,278,305 for FY 11/12. The result was a decrease in the Change in Net Assets of \$2,023,522.

Program expenses increased 13%, or \$1,458,255 when compared to the prior year. Of this amount, operations expense increased by \$985,209 due to a contractual increase with Veolia, the agency's primary operations contractor, as well as the addition of a new life line service between Victorville and Barstow known as "BV Link". Administration costs increased by \$291,693. This cost increase was due to several factors, including the addition of a Mobility Manager to the VVTA staff, a three percent (3%) cost of living raise given to the administrative staff, and the contracting for a Comprehensive Operations Analysis which is an FTA requirement every five years.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

FINANCIAL CONDITION

Overall, the authority's financial condition improved as a result of various program activity growth along with significant continued capital investment. VVTA continues to enjoy strong financial support from a variety of sources including Federal, State and Local funding sources as well as continued growth in its ridership which has resulted in continued fare revenue growth. This financial condition is evidenced in Table A-1, which shows the authority's total net assets increased from \$30,432,354 in FY 10-11 to \$35,697,812, or 17% in FY 11-12.

Some specific activities that have led to VVTA's financial condition as of 06/30/2012 include:

- During FYE June 30, 2008 VVTA entered into a lease agreement with California Transit Finance Corporation (CTFC) for the construction of the VVTA Transit Facilities. VVTA moved forward on its project to design and construct this new Bus Facility. To date, VVTA has approximately ninety percent (90%) of the construction of the Maintenance and Administration facilities. VVTA moved into this facility in November 2011.
- In May 2012, VVTA began a new commuter service between Victorville and NTC Fort Irwin after the Fort had decided to discontinue its privatized service. This vital service provides, civilians and members of the U.S. Armed Forces serving at Fort Irwin, a cost effective option to a long commute while reducing congestion on local highways. This project has been funded through passenger fares and a Federal JARC grant.
- In addition, VVTA received delivery of six (6) new Arboc vehicles used to support ADA services, (6) new Glaval Entourage vehicles and eight (8) new Eldorado Areotech vehicles in support of revenue services. VVTA also received five (5) pre-owned New Flyer transit vehicles used initially in providing commuter services to NTC Fort Irwin and nine (9) used Ford E450 Starcraft vehicles used to support ADA services. Additionally, VVTA received three (3) non-revenue vehicles which support vital aspects of VVTA's operations.
- VVTA continued its extensive program for increasing the number of bus shelters, benches, solar lights and other passenger amenities. This program of bus stop improvements will continue into the next fiscal year.
- VVTA completed Phase II of the Intelligent Transportation Systems (ITS) project for its motor bus fleet, and began Phase 3 which will provide upgrades to its ADA fleet. Phase 3 will continue on into next fiscal year.
- VVTA experienced a twelve percent (12%) growth system wide in ridership for fiscal year 2011-12.

VVTA expects continued capital and program growth through the next fiscal year.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2012

CONTACTING THE AUTHORITY

This financial report is designed to provide our citizens and customers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions regarding this report or require additional financial information, please contact Mr. Kevin Kane, Executive Director at: Victor Valley Transit Authority, 17150 Smoketree St., Hesperia, CA 92345.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

ASSETS

Cash	\$ 3,081,404
Cash and investments with fiscal agent - restricted	10,478,006
Accounts receivable	29,295
Grants receivable	3,577,910
Prepaid expenses	41,530
Total Current Assets	<u>17,208,145</u>

CAPITAL ASSETS

Non-depreciable	50,094,448
Depreciable	24,071,702
Accumulated depreciation	(15,084,457)
Capital assets, net	<u>59,081,693</u>
TOTAL ASSETS	<u>76,289,838</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable & accrued liabilities	982,109
Deferred revenue	6,059,917
Lease / trust agreement	695,000
Total Current Liabilities	<u>7,737,026</u>

NON CURRENT LIABILITIES

Lease / trust agreement	<u>32,855,000</u>
TOTAL LIABILITIES	<u>40,592,026</u>

NET ASSETS

Invested in capital assets, net of related debt	33,078,448
Restricted for:	
Debt service	2,931,252
Unrestricted	(311,888)
TOTAL NET ASSETS	<u>\$ 35,697,812</u>

The accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012**

OPERATING REVENUES:	
Fares	\$ 1,843,909
Special transit fares	131,720
Total Operating Revenues	<u>1,975,629</u>
OPERATING EXPENSES:	
Operations	9,054,118
General and administration	1,362,161
Depreciation	2,596,568
Total Operating Expenses	<u>13,012,847</u>
OPERATING LOSS	<u>(11,037,218)</u>
NON-OPERATING REVENUES AND EXPENSES:	
Operating Assistance:	
Federal Transit Administration Section 5307, operating	1,038,084
Federal Transit Administration Section 5311	213,002
Federal Congestion Mitigation and Air Quality Improvement Program Demonstration	75,982
Local Transportation Fund Article 8c, operating	6,194,927
Measure I	664,757
AB 2766	99,800
Loss on disposal of assets	(4,306)
Interest income	198,066
Miscellaneous	133,828
Total Non-operating Revenues, Expenses	<u>8,614,140</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(2,423,078)</u>
CAPITAL CONTRIBUTIONS:	
Federal Transit Administration Section 5307, capital	1,757,508
Federal Transit Administration Section 5310	487,621
Federal Congestion Mitigation and Air Quality Improvement Program (CMAQ)	1,323,839
Local Transportation Fund Article 3	157,200
Local Transportation Fund Article 8c, capital	424,494
State Transit Assistance Fund	1,654,927
PTMISEA (Proposition 1B)	405,239
Miscellaneous	1,477,708
Total Capital Contributions	<u>7,688,536</u>
CHANGES IN NET ASSETS	5,265,458
NET ASSETS, Beginning of year (as restated)	<u>30,432,354</u>
NET ASSETS, End of year	<u>\$ 35,697,812</u>

The accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Cash flows from operating activities:	
Cash received from fares	\$ 2,057,055
Payments to employees	(767,752)
Payments to vendors for services	(11,230,115)
Net cash used in operating activities	<u>(9,940,812)</u>
Cash flows from non-capital financing activities:	
Operating grants received	<u>6,935,230</u>
Cash flows from capital and related financing activities:	
Capital grants received	7,419,179
Purchase of capital assets	(11,982,626)
Payments, lease / trust agreement	(670,000)
Interest expense (capitalized)	(1,568,634)
Loss on disposal of capital assets	(4,306)
Net cash used in capital and related financing activities	<u>(6,806,387)</u>
Cash flows from investing activities:	
Interest received	<u>198,066</u>
Net decrease in cash and cash equivalents	(9,613,903)
Cash and cash equivalents, beginning of year	<u>20,242,061</u>
Cash and cash equivalents, end of year	<u>\$ 10,628,158</u>
Reconciliation of cash and cash equivalents to statement of financial position:	
Cash	\$ 3,081,404
Cash and investments with fiscal agent	10,478,006
Less: long-term investments	(2,931,252)
Total Cash and Cash Equivalents	<u>\$ 10,628,158</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (11,037,218)</u>
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation expense	2,596,568
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivables	81,426
Prepaid expenses	(32,095)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	(1,549,493)
Total Adjustments	<u>1,096,406</u>
Net cash used in operating activities	<u>\$ (9,940,812)</u>
Schedule of non-cash capital and related financing activities	
Contributions of capital assets	<u>\$ 145,888</u>

The accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – ORGANIZATION

Victor Valley Transit Authority (VVTA) is a joint powers authority whose members are the cities of Victorville, Adelanto, Hesperia, the Town of Apple Valley and the County of San Bernardino. VVTA provides bus services to these cities, as well as the communities of Lucerne Valley, Phelan, Pinon Hills, Wrightwood, Helendale and Oro Grande as a means of meeting the transit needs of various transit-dependent groups within the geographic area. The bus services VVTA provides includes fixed route services, deviated route services, county routes, ADA para-transit routes, and commuter services. VVTA is governed by a Board of Directors comprised of representatives of the member jurisdictions and a member is appointed by the County of San Bernardino.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity – VVTA meets the criteria as a stand-alone government, and accordingly, is accounted for and reported as though it were a primary government.

Basis of Accounting – VVTA’s proprietary fund financial statements are reported using the *economic resources measurement focus* and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows. VVTA has elected under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. VVTA has elected not to follow subsequent private sector guidance.

Cash and cash equivalents includes demand deposits and amounts invested in savings and trustee accounts. For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term deposits with original maturities of three months or less from the date of acquisition.

Cash and investments with fiscal agent restricted – Certain VVTA cash accounts are restricted by debt agreements to fund specified capital projects and debt service requirements:

Project Fund	\$ 7,546,754
Debt Reserve	2,931,252
Total cash with fiscal agent	<u>\$ 10,478,006</u>

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Federal capital grant funds claimed on a reimbursement basis have receivables for grant funds recorded as the related obligations are incurred. Capital grant funds advanced but not yet earned are treated as deferred revenues. Also, operating funds advanced from San Bernardino Associated Governments (SANBAG) for working capital are treated as deferred revenues until earned. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related expenses are incurred. Revenue earned under capital grants are recorded as capital contributions.

Prepaid Expenses – Prepaid expenses include inventories and costs for certain payments to vendors that reflect costs applicable to future accounting periods. The cost of prepaid items is recorded as expenses when consumed rather than when purchased. Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel for VVTA vehicles. The cost of such inventories is recorded as expenses when consumed rather than purchased. The value of fuel held at the transit facility on June 30, 2012 was \$29,670.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Operations equipment	3 to 12 years
Furniture and office equipment	3 to 10 years

VVTA's capitalization threshold is \$100. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the useful lives are not capitalized. Interest incurred during the construction phase of the new facility project is included as part of the capitalized value of the assets constructed. Interest in the amount of \$1,568,634 was capitalized during the fiscal year as part of construction in progress for interest paid on the Certificates of Participation.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Operating and Non-Operating Revenue – VVTA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from directly providing services in connection with VVTA's principal operation of bus transit services. These revenues are primarily passenger fares. Non-operating revenues consist of federal, state and local operating grants, fuel tax credits, and investment income.

Operating Expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as Non-Operating Expenses. Non-operating expenses consist of "loss on disposal of assets."

Capital Contributions consist of grants that are legally restricted for capital expenses by federal, state, or local law that established those charges.

When both restricted and unrestricted resources are available for use, it is VVTA's policy to use restricted resources first, and then unrestricted resources as they are needed.

NOTE 3 – FEDERAL, STATE, AND LOCAL GRANTS

Federal Assistance

Under the provision of the Federal Transit Administration (FTA), funds are available to VVTA for preventive maintenance, security, and various capital costs. Total FTA revenue recognized during the fiscal year ended June 30, 2012 was \$4,896,036.

Transportation Development Act

VVTA is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code. VVTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within San Bernardino County and are distributed based on annual claims filed by VVTA and approved by SANBAG.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

A. Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

The computation of deferred revenue for fiscal year 2012 is as follows:

	Operating Funds	Capital Funds	Total
Beginning balance, June 30, 2011	\$ 5,279,357	\$ 2,265,710	\$ 7,545,067
Gross receipts			
Local Transportation Fund:			
Article 3	-	157,200	157,200
Article 8c	6,264,367	424,494	6,688,861
Federal Transportation Administration:			
Section 5307	1,038,084	1,753,696	2,791,780
Section 5310	-	487,621	487,621
Section 5311	213,002	-	213,002
CMAQ	75,982	1,323,839	1,399,821
State Transportation Fund, Article 6.5	-	1,656,520	1,656,520
Measure I	633,950	-	633,950
AB2766	99,800	-	99,800
Prop 1B (PTMISEA)	-	164,741	164,741
Fares	2,015,362	-	2,015,362
Other non-transportation revenue	115,366	-	115,366
Disposal of Capital Assets	6,585	-	6,585
Interest	22,163	239,439	261,602
Miscellaneous	7,585	8,038	15,623
Total gross receipts	<u>10,492,246</u>	<u>6,215,588</u>	<u>16,707,834</u>
Operating expenses, less depreciation	(10,416,631)	-	(10,416,631)
Capital acquisitions	-	(7,776,353)	(7,776,353)
Receipts over (under) expenses in current period	75,615	(1,560,765)	(1,485,150)
Adjustments to prior period			
Net impact of adjustments to beginning deferred revenue	(49,100)	49,100	-
Amounts received in excess of costs as of June 30, 2012	<u>\$ 5,305,872</u>	<u>\$ 754,045</u>	
Amount deferred at June 30, 2012	<u>\$ 5,305,872</u>	<u>\$ 754,045</u>	<u>\$ 6,059,917</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

B. Section 99268.4 and 99405

Section 99268.4 indicates that in the case of an operator which is providing services using vehicles for the exclusive use of elderly and handicapped person, the operator shall be eligible for the Local Transportation Funds commencing with claims for the 1980-81 fiscal year if it maintains, for the fiscal year, a ratio of fare revenue to operating costs at least equal to 10%.

Section 99405(c) indicates that the 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400. The city, county or transit district shall be subject to Sections 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county subarea purposes of those sections, or shall be subject to regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.

The Victor Valley Transit Authority was granted in September of 1997, pursuant to Section 99405, a fare ratio requirement of 15% by the San Bernardino Associated Governments.

The fare ratio as of June 30, 2012, is calculated as follows:

	Motor Bus Routes	Handicapped Demand Response	Total
Operating expenses	\$ 9,233,218	\$ 3,779,629	\$ 13,012,847
Less depreciation	(1,983,673)	(612,895)	(2,596,568)
Adjusted operating expenses	<u>\$ 7,249,545</u>	<u>\$ 3,166,734</u>	<u>\$ 10,416,279</u>
Fare revenue	<u>\$ 1,599,900</u>	<u>\$ 375,729</u>	<u>\$ 1,975,629</u>
Fare ratio	<u>22.1%</u>	<u>11.9%</u>	
Total fare ratio pursuant to P.U.C. Sections 99405(c) and 99268.4, respectively	15.0%	10.0%	

The fare ratio requirement for the Motor Bus Routes and for the Handicapped Demand Response was met by VVTA this year.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

Proposition 1B

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund is a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the PTMISEA fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement. Proposition 1B cash receipts and cash disbursements were as follows:

Unspent PTMISEA funds as of July 1, 2011	\$ 989,756
PTMISEA funds received during fiscal year ended June 30, 2012	167,583
PTMISEA expenses incurred during fiscal year ended June 30, 2012	(405,239)
Balance, June 30, 2012	<u>\$ 752,100</u>

NOTE 4 – CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Cash	\$ 3,081,404
Cash and investments with fiscal agent - restricted	10,478,006
Total	<u>\$ 13,559,410</u>

Cash and Investments consist of the following:

Cash on hand	\$ 10,387
Deposits with financial institutions	3,071,017
Cash and cash equivalents with fiscal agent:	
CAMP	<u>7,546,754</u>
Subtotal - cash and cash equivalents	10,628,158
Investment with trustee	
Guaranteed investment contracts	<u>2,931,252</u>
Total	<u>\$ 13,559,410</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS, (CONTINUED)

Policies and Practices

VVTA is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600. VVTA does not have a formal policy for investments that is more restrictive than the noted Government Code.

Investments of cash within the new facility project and accompanying funds held by the lease trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. VVTA does not have a formal policy related to its investments interest rate risk.

Information about the sensitivity of the fair value of VVTA's investments to market interest rate fluctuations is provided by the following table shows the distribution of the investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)	
		12 Months Or Less	More than 60 Months
Held by trustee			
Guaranteed Investment Contract	\$ 2,931,252	\$ -	\$ 2,931,252
CAMP	7,546,754	7,546,754	
Total	<u>\$ 10,478,006</u>	<u>\$ 7,546,754</u>	<u>\$ 2,931,252</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS, (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Holdings held by the trustee are insured by the trust agreement. VVTA does not have a formal policy related to its investments credit risk. Presented below is the minimum rating required by (where applicable) the California Government Code and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End Not Rated
Held by trustee			
Guaranteed Investment Contract	\$ 2,931,252	NR	\$ 2,931,252
CAMP	7,546,754	N/A	7,546,754
Total	\$ 10,478,006		\$ 10,478,006

Concentration of Credit Risk

Investments in any one issuer that represent 5 percent or more (other than investments in State Investment Pools) of total investments are disclosed below.

Issuer	Investment Type	Reported Amount
Citigroup Financial Planning Investment Agreement	Investment Agreement	\$ 2,931,252

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, VVTA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. VVTA does not have a policy of custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012, VVTA holds cash deposits with Desert Community Bank \$2,821,017 in excess of FDIC insurance limits. These amounts are fully collateralized by securities held by the bank.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS, (CONTINUED)

California Asset Management Program

VVTA is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Section 6500 et seq. or the “Act”) for the purpose of exercising the common power of its participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. VVTA reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2012, is as follows:

	Beginning Balance July 1, 2011	Adjustments*	Additions	Retirements	Ending Balance June 30, 2012
Non-depreciable assets					
Land	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Construction in progress	56,868,435	(16,532,754)	9,803,483	(1,544,716)	48,594,448
Total assets, not depreciated	58,368,435	(16,532,754)	9,803,483	(1,544,716)	50,094,448
Depreciable assets					
Operations equipment	18,394,318	-	4,635,707	(303,976)	22,726,049
Furniture and office equipment	753,730	-	661,090	(69,167)	1,345,653
Total depreciated assets	19,148,048	-	5,296,797	(373,143)	24,071,702
Accumulated depreciation					
Operations equipment	(12,352,295)	-	(2,433,823)	303,977	(14,482,141)
Furniture and office equipment	(504,433)	-	(162,745)	64,862	(602,316)
subtotal accumulated depreciation	(12,856,728)	-	(2,596,568)	368,839	(15,084,457)
Net depreciable assets	6,291,320	-	2,700,229	(4,304)	8,987,245
Total capital assets, net	\$ 64,659,755	\$ (16,532,754)	\$ 12,503,712	\$ (1,549,020)	\$ 59,081,693

*Refer to Note 13 regarding restatement of beginning net assets

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6 – RISK MANAGEMENT

VVTA is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of twenty-seven participating member agencies: nineteen cities, three transit agencies and five special districts. VVTA participates in the general liability, property, and business auto physical damage programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. VVTA participates in risk sharing pools for losses of up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Agency (EIA) for \$49 million excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis, eliminating the traditional commercial "named peril" policy.

The business auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Business auto physical damage is written on an agreed amount basis.

VVTA has not had any settlements that exceeded coverage within the last three (3) years and there have been no significant changes in insurance policies or coverage amounts.

NOTE 7 – COMMITMENTS

VVTA has a 7-year contract with their service provider for operations, Veolia Transportation Inc. The contract includes services for the Fixed Routes, Demand Response, and commuter routes for Fort Irwin, and County connector routes. This contract is due to expire June 30, 2018. There are three (3) one-year extension periods that could be added by mutual agreement of the parties.

VVTA currently contracts through ADA Ride for its ADA eligibility certification process. This contract provides ADA certifications for all disabled transit riders seeking transportation services within ADA guidelines. The current contract was established in 2008 and is due to expire June 30, 2013. There are two one-year option periods that may be exercised by the consent of both parties.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 8 – LONG-TERM LIABILITIES

The following is a summary of the changes in the principal balance of long-term liabilities for the year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012	Due within One year	Due beyond One year
Governmental activities:						
Lease / Trust Agreement (COP)	\$ 34,220,000	\$ -	\$ (670,000)	\$ 33,550,000	\$ 695,000	\$ 32,855,000
Compensated absences	15,676	33,756	(15,676)	33,756	33,756	-
Total Long-Term Liabilities	\$ 34,235,676	\$ 33,756	\$ (685,676)	\$ 33,583,756	\$ 728,756	\$ 32,855,000

Certificates of Participation

In August 2007, VVTA issued Certificates of Participation (COP) in the amount of \$36,830,000 jointly with the California Transit Financing Corporation (CTFC). The COPs were issued to finance the construction of the transit facility located in Hesperia, California. As part of the financing, VVTA pledged farebox revenues as collateral for the issuance. Additionally, debt service payments were to be made from all legally available revenues, including farebox revenues, Federal Transit Assistance Funds, Local Transportation Funds, and State Transit Assistance Funds. Interest rates range from 4% to 5% until 2037 and are due every six months in June and December. Principal is due every June.

As part of the issuance, VVTA entered into a lease agreement for its new transit facility with the CTFC for payments equaling the debt service for the COP's used to finance the construction of the facility. Accompanying the lease agreement was a trust agreement that transfers the right of the CTFC to receive the lease payments to the Bank of New York as the trustee and holder of the COP's.

The future lease payment requirements for the Certificates of Participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 695,000	\$ 1,541,834	\$ 2,236,834
2014	725,000	1,514,034	2,239,034
2015	755,000	1,485,034	2,240,034
2016	785,000	1,453,284	2,238,284
2017	815,000	1,421,884	2,236,884
2018-2022	4,655,000	6,533,694	11,188,694
2023-2027	5,780,000	5,414,731	11,194,731
2028-2032	7,255,000	3,933,088	11,188,088
2033-2037	12,085,000	2,040,838	14,125,838
Total	\$ 33,550,000	\$ 25,338,421	\$ 58,888,421

NOTE 9 – COMPENSATED ABSENCES

Accumulated unpaid personal leave consisting of vacation pay, has been accrued at June 30, 2012 in the amount of \$33,756. VVTA's liability for compensated absences is typically liquidated within one year. The balance related to compensated absences is included in accrued liabilities in the Statement of Net Assets.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 10 – EMPLOYEES' RETIREMENT PLAN

Plan Description

VVTA entered into a contract with California Public Employees Retirement System (CalPERS) effective August 15, 2011, where VVTA contributes to a cost-sharing multiple-employer defined benefit plan that acts as a common investment and administrative agent for participating entities within the State of California. CalPERS provides retirement, disability, and death benefits to plan members and beneficiaries. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the public Employees Retirement Law.

CalPERS issues a public Comprehensive Annual Financial Report that includes financial statements and required supplementary information for CalPERS. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, California 94229-2715.

Funding Policy

Employees are required to contribute 8% of covered salary to CalPERS. VVTA is required to contribute the amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2012, the employer contribution rate was 14.566%. VVTA, as part of its benefits plan to employees, pays 3% of the employees' contributions.

Annual Pension Cost

For the fiscal year ended June 30, 2012, VVTA's annual pension cost of \$67,409 was 100% of VVTA's required and actual contributions. The funded status of the pool may be obtained from CalPERS.

Annual Pension Cost

Fiscal Year	Employer Contribution Rate	Employer Contribution	Percentage Contributed
6/30/2010	N/A	N/A	N/A
6/30/2011	N/A	N/A	N/A
6/30/2012	14.566%	\$ 67,409	100%

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 11 – DEFERRED COMPENSATION PLAN

VVTA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all non-represented VVTA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

VVTA has adopted the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that VVTA has no fiduciary role under the plan, and plan funds are not available to VVTA's general creditors. Accordingly, VVTA has not reported plan assets in the accompanying financial statements.

NOTE 12 – DEFICIT NET ASSETS

VVTA has a deficit unrestricted net asset balance of \$311,888. This will be remedied through the receipts of Local Transportation Fund revenues, State Transit Assistance Funds, and other grant proceeds.

NOTE 13 – RESTATEMENT OF BEGINNING NET ASSETS

Effective July 1, 2011, VVTA corrected errors to beginning balances for cash and cash equivalents, due from other agencies and capital assets as follows:

	<u>Net Assets</u>
Beginning balances, as previously reported	\$ 30,432,354
Correction for misclassified lease agreement:	
Capital Assets (Consutruction in progress)	(16,532,754)
Cash w/ fiscal agent - restricted	18,738,031
Due from other agencies	<u>(2,205,277)</u>
Beginning balances, as restated	<u>\$ 30,432,354</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

MANAGEMENT LETTER

FOR THE YEAR ENDED JUNE 30, 2012



July 15, 2013

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

We have audited the financial statements of the Victor Valley Transit Authority (VVTA) as of and for the year ended June 30, 2012 and have issued our report thereon dated July 15, 2013. In planning and performing our audit of the basic financial statements of the VVTA, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. This observation and recommendation, which has been discussed with the appropriate members of management, is intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CURRENT YEAR MANAGEMENT LETTER COMMENTS

INFORMATION TECHNOLOGY

OBSERVATION:

VVTA adopted the Information Technology Disaster Recovery Plan and the Information Technology Security Plan in September of 2012. Therefore for the year under audit (FY 11-12) these plans were not in place. We have reviewed each of these plans and noted the following:

- VVTA has not stored backup tapes in accordance with the policies approved in the plan. The backup is not stored offsite and had not been stored in a fireproof cabinet.
- The monthly testing of the recovery process has not been implemented.
- The policies do not provide a risk assessment relating to user access profiles and how user access should be assigned.
- The policies do not address the frequency for updating passwords.

RECOMMENDATION:

VVTA should review the IT polices/practices for the areas noted above.

MANAGEMENT'S RESPONSE:

Management agrees with this finding. Management realizes the need to fully support VVTA's Information Technology Disaster Recovery Plan and Information Technology Security Plan. The primary reason for this deficiency is a lack of IT support staff to adequately perform all necessary functions required within the instructions. As such, Management has recommended to the VVTA Board of Directors, the addition of contracted IT support services in its current budget. Once these recommendations have been approved and adopted, Management will vigorously implement the recommendations in this letter.

Our audit procedures are designed primarily to enable us to form our opinions on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the VVTA gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of VVTA's Board, management and others within the organization and should not be used by anyone other than these specified parties.

Vawter, Tami, Day, Co., LLP

Rancho Cucamonga, California
July 15, 2013

**VICTOR VALLEY
TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

Attachment B3
VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)

FOR THE YEAR ENDED JUNE 30, 2012

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

We have audited the basic financial statements of the Victor Valley Transit Authority (VVTA) as of and for the year ended June 30, 2012 and have issued our report thereon dated July 15, 2013. Our report included an explanatory paragraph regarding the restatement of certain beginning balances in the financial statements as of July 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of VVTA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered VVTA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of VVTA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, cannot provide assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2012-01 and 2012-03, to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether VVTA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Part 21 of the California Code of Regulations and the allocation instructions of San Bernardino Associated Governments, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we also reported to management of the VVTA in a separate letter dated July 15, 2013.

VVTA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit VVTA's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of VVTA's Board, management, federal agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vermelle, Tami, Day, Co., LLP

Rancho Cucamonga, California
July 15, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM,
INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

Compliance

We have audited the Victor Valley Transit Authority's (VVTA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of VVTA's major federal programs for the year ended June 30, 2012. VVTA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of VVTA's management. Our responsibility is to express an opinion on VVTA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about VVTA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of VVTA's compliance with those requirements.

In our opinion, VVTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2012-04.

Internal Control Over Compliance

Management of VVTA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered VVTA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of VVTA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2012-04. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of VVTA as of and for the year ended June 30, 2012, and have issued our report thereon dated July 15, 2013, which contained an unqualified opinion on those financial statements. Our report included an explanatory paragraph regarding VVTA's restatement of certain beginning balances as of July 1, 2011. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise VVTA's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

VVTA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit VVTA's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of VVTA's Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vawter, Trine, Day, Co., LLP

Rancho Cucamonga, California
July 15, 2013

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor Program Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Pass-Through Entity's Name	Federal Expenditures
Department of Transportation Federal Transit Administration (Indirect) Federal Transit Formula Grants, Section 5307	20.507	CA-95-0004; CA-95-X136; CA-90-Y805; CA-90-Y869; CA-90-X132; CA-90-Y879	State of California Department of Transportation	\$ 4,190,413
Formula Grants for Other than Urbanized Areas, Section 5311	20.509	SA 642181	State of California Department of Transportation	213,002
Capital Assistance Program for Elderly Persons and Persons with Disabilities, Section 5310	20.513	SA 649503	State of California Department of Transportation	487,621
Total Expenditures of Federal Awards				\$ 4,891,036

See accompanying notes to Schedule of Expenditures of Federal Awards.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs of the Victor Valley Transit Authority (VVTA). VVTA's reporting entity is defined in Note 1 of VVTA's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included on the Schedule of Expenditures of Federal Awards.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 of VVTA's Financial Statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-01

JOURNAL ENTRIES

Criteria:

The use of journal entries is an important element of VVTA's financial reporting processes. Journal entries are used to record financial transactions, post adjustments and to post accruals.

Condition:

Material Weakness - While testing transaction cycles over key financial statement line items, we noted that journal entries are prepared, reviewed and posted by the Finance Director without any additional approval or review of journal entries.

Context:

The condition noted above was identified during our testing of the revenue, expense, cash, accounts payable, and accounts receivable transaction cycles and inquiry with personnel.

Effect:

The internal control environment is weakened as journal entries are not subjected to a formal approval process.

Cause:

The performance of internal controls related to review and approval of financial information posted to VVTA's financial reporting system was not formally documented.

Recommendation:

VVTA should document the review of journal entries through a signature, initial, date, or other testable event to ensure proper approval of journal entries.

View of Responsible Official and Planned Corrective Actions:

Management agrees that there has not been a formal process for review and secondary approval of journal entries and there is no such documentation to support such a program. However, lack of documentation is not the reason why this process has not taken place. Rather lack of adequate accounting staff has resulted in only one staff member, the Finance Director, having the knowledge necessary to adequately review and approve journal entries. To remedy this finding, Management has recommended to the VVTA Board of Directors to adopt the current budget which includes an additional staff position to the accounting department. Once that staff position is in place, VVTA will write up a formal policy to support and implement the recommended review process.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-02

BANK RECONCILIATIONS

Criteria:

The use of bank reconciliations is a key component over financial reporting process. Bank reconciliations are used to ensure that the general ledger is in balance and all cash and investments are accounted for.

Condition:

Significant Deficiency - While testing internal controls over the financial reporting process we noted that VVTA does not prepare bank reconciliations for the lease trustee financial statements. We also noted that VVTA does not have a review process for the bank reconciliation of the general checking account.

Context:

The condition noted above was identified while interviewing finance personnel and during testing of the bank reconciliation process.

Effect:

The internal control environment is weakened because the lease trustee statements are not reconciled and is also weakened due to the lack of review of the general checking bank reconciliation process.

Cause:

VVTA's policies do not provide for the review of the bank account reconciliation.

Recommendation:

VVTA should perform bank reconciliations over the lease trustee statements and someone should be designated to review and approve the bank reconciliations each month.

View of Responsible Official and Planned Corrective Actions:

Management agrees that there have not been reconciliations for the lease trustee financial statements, or a formal process for reviewing completed bank reconciliations. The lack of preparation of bank reconciliations for the lease trustee financial statements was due to VVTA's not recognizing that the funds in the accounts managed by the trustee, Bank of New York, were under the legal ownership of VVTA and therefore should be accounted for on VVTA's books and records. VVTA now recognizes its responsibility to report these values and has restated its July 1, 2011 beginning balances to reflect these amounts. Additionally, VVTA will update its processes and will reconcile these statements as a result of this change. As for the review of bank reconciliations, VVTA will have the assistant Treasurer review all bank reconciliations until such time as more accounting staff can be added to provide for this function within the accounting department.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-03

VVTA FINANCIAL STATEMENT - YEAR-END CLOSING PROCEDURES

Criteria:

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein and for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles (GAAP). This requires management to work through a year-end closing process to accumulate, reconcile, and summarize information for inclusion in the annual financial statements.

Condition:

Material Weakness - Deficiencies were noted in the year end closing process resulting in adjustments to the following accounts to comply with Generally Accepted Accounting Principles (GAAP):

- Cash with fiscal agent - restricted
- Capital assets
- Due from other agencies

Context:

The condition noted above was identified during the testing of transactions related to VVTA's financial statement line items.

Effect:

As a result of the year-end closing process utilized by VVTA the financial information provided during the audit process contained material misstatements.

Cause:

Deficiencies were noted within the year-end closing process relating to proper financial reporting in accordance with GAAP.

Recommendation:

VVTA should revise the comprehensive closing checklist and formalized policies to ensure that year-end balances are accurate and in compliance with GAAP.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

II. FINANCIAL STATEMENT FINDINGS

View of Responsible Official and Planned Corrective Actions:

Management agrees with this finding. VVTA had been reporting funds received through a finance Leasing arrangement with California Finance Trust Corporation (CFTC), as an asset in total based on the net present value of the lease payments over the entire term of the lease. VVTA has subsequently elected to change the way these funds are reported on its financial records due to further consideration of Generally Accepted Accounting Principles (GAAP) for presentation of financial information relating to Capital Asset valuation. These changes resulted in a reduction to the Capital Asset account for future lease payments previously accrued, and the establishment of a new asset account, "Cash with Fiscal Agent-restricted". The purpose of the change is to represent the actual value of available funds for the financing of the completion of VVTA's new transit facility and/or future debt repayment, separate from the value of completed work on the new facility in the Capital asset accounts. Amounts for these accounts were restated as of July 1, 2011 and updates will be made to VVTA's closing procedures to insure that these accounts will continue to be maintained and reported in accordance with Generally Accepted Accounting Principles (GAAP).

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2012-04

Program: Federal Transit Formula Grants, Capital Assistance Program for Elderly Persons
and Persons with Disabilities

CFDA No.: 20.507 and 20.513

Federal Grantor: U.S. Department of Transportation, Federal Transit Administration

Passed-through: State of California Department of Transportation

Award Year: Various

Compliance Requirement: Reporting

Criteria:

OMB A-133 §___.320 requires all Single Audit report submissions are to be received within 9 months of fiscal year end (March 31st).

Condition:

Significant deficiency, Instance of non-compliance – Deficiencies were noted within the year-end closing process relating to proper financial reporting in accordance with GAAP. This resulted in several delays to the issuance of the financial statements. As a result, VVTA did not submit the Single Audit report by the March 31st deadline.

Questioned Costs:

None

Context:

VVTA did not submit the Single Audit report in a timely manner.

Effect:

The Single Audit March 31, 2012 filing deadline was not met by VVTA.

Cause:

Delays in year-end closing and resolution of financial reporting matters resulting from deficiencies in the year-end closing procedures lead to the Single Audit report not being issued by the March 31st deadline. In addition, VVTA did not dedicate sufficient resources to the year-end closing process to ensure a timely close in accordance with GAAP.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

VVTA should revise the policies and procedures relating to year-end closing to ensure that all financial reporting matters are resolved in a timely manner to allow for the submission of the Single Audit report by the March 31st deadline. VVTA should also consider additional staffing to ensure accurate and timely financial reporting and to ensure that specialized accounting and reporting requirements are addressed for the various grants and funding sources received by VVTA.

View of Responsible Official and Planned Corrective Actions:

Management agrees that the FY2012 audit submission is late and fully supports any and all actions necessary to prevent late submissions in the future. Management recognizes that it did not dedicate sufficient resources to the year-end closing process which resulted in the late submission of the Single Audit for FY2012. Management believes that other contributing factors to the late submission include the introduction of a new auditing firm for the FY2012 audit. Due to this change a significant number of new procedures and requirements, not required by prior auditors, were introduced to the closing process and VVTA was not prepared with sufficient accounting staff to support them in the time frame needed to meet these deadlines. While some of these issues should remedy themselves now that both parties have gained experience with the new processes and relationship, an additional requirement to remedy this finding will be for the addition of more accounting resources to support a timely year end closing process. As such Management has delivered to the VVTA Board of Directors proposals to adopt the current budget which includes an additional staff position to the accounting department. Once that staff position is in place, management will be in a better position to adhere to these deadlines and remain in compliance.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2012

None reported.



- 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: 18

Date: October 2, 2013

Subject: Measure I Valley Express Bus (VEB) and Bus Rapid Transit (BRT) Funding Report

Recommendation:* Approve suspending future allocations of Measure I Valley Express Bus and Bus Rapid Transit funds on the development of bus rapid transit improvements beyond E Street sbX until Fiscal Year 2018/2019.

Background: San Bernardino Associated Governments (SANBAG) continues to support the overall objective of cost effective enhanced transit service throughout the County and specifically the growth of express bus and bus rapid transit service. In addition to the E Street sbX BRT corridor currently under construction, two additional BRT corridors are under review, Foothill Boulevard and Holt Boulevard. The Measure I Valley Express Bus & Bus Rapid Transit Program provides specific funding for development, implementation and operation of express bus and bus rapid transit. However, it is important that transit funding constraints be considered when advancing projects which require large amounts of capital funding and result in overall increases to on-going operational costs.

The SANBAG Long Range Transit Plan (LRTP) prioritizes ten potential BRT corridors. The entire Foothill Boulevard Corridor, listed as the second highest priority BRT corridor after E Street, is currently being evaluated by SANBAG to determine the feasibility of implementing enhanced transit service that may include BRT. Omnitrans is also reviewing potential improvements to the Holt

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

Boulevard corridor, which is considered the third priority in the LRTP. While there are benefits to studying BRT or other enhanced transit services on both of these corridors, it is important that viable funding plans for sustaining these operational improvements also be identified.

The VEB Program currently receives two percent (2%) of the Measure I revenue collected in the Valley Subarea, or about \$2.2 million annually, in today's dollars, until Fiscal Year 2020/2021. Starting in Fiscal Year 2020/2021 per the Measure I ordinance, the amount of revenue available to the VEB Program increases to five percent (5%) of the Valley Subarea revenue. In addition, in Fiscal Year 2020/2021 the ordinance allows SANBAG to increase the allocation up to ten percent (10%). Increases to the VEB Program are offset by a decrease to the Valley Major Streets Program. Cumulative VEB revenue available, assuming a three percent (3%) annual escalation and an increase to five percent (5%) of the Valley Subarea revenue in Fiscal Year 2020/2021, is estimated to be \$16 million at the end of Fiscal Year 2018/2019 and \$134 million at the end of the Measure's life in Fiscal Year 2039/2040.

For the Foothill and Holt Corridors, both SANBAG and Omnitrans have completed conceptual estimates for capital and annual operating costs for several service improvement options spanning from "light" express bus to full BRT service improvements. As depicted in Table 1, the capital costs for BRT options exceed the estimated available funding for the entirety of the current VEB Measure I Ordinance. Although additional federal and state funding sources are available, including Very Small Starts and Small Starts Grants, none of these provide enough funding to cover the capital costs associated with implementing BRT service along these corridors.

Table 1 – BRT Corridor Service Improvement Costs

Option	Capital Cost	Annual Operating Cost Increase
Foothill Boulevard Corridor		
Rapid Bus Service	\$68 - \$90 M	\$3.1 - \$8.5 M
BRT Service	\$274 - \$447 M	\$4.6 - \$11.8 M
Holt Boulevard Corridor		
Transportation System Management	\$13 M	\$6.1 M
Rapid Bus Service	\$49 M	\$1.8 M
BRT Service	\$147 - \$242 M	\$1.4 - \$2.7 M

In addition to limited capital funds available to initialize a BRT project, a lack of available operating funding has also been identified. The revenue and cost projections analysis recently conducted as part of the Omnitrans Comprehensive

Operational Analysis indicates that the ability to fund the current operation level is constrained, estimating a total shortfall of \$14 million over the next five years.

Consequently, the implementation of any additional BRT service beyond the E Street sbX service is not feasible for the foreseeable future. However, other service improvements, such as traffic signal prioritization and skip stop service, should continue to be considered as these have lower capital and annual operating costs and will enhance service along the most used corridors such as Foothill and Holt Boulevards.

Given the funding constraints for transit operations, a range of feasible options must be considered and a consensus developed on the appropriate approach prior to further project development of BRT corridors. It is recommended the SANBAG Board suspend future allocations of Measure I Valley Express Bus and Bus Rapid Transit funds on the development of bus rapid transit improvements beyond E Street sbX until Fiscal Year 2018/2019.

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

Reviewed By: This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Responsible Staff: Mitch Alderman, Director of Transit and Rail Programs



- 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: 19

Date: October 2, 2013

Subject: Award of Federal Transit Administration (FTA) Sections 5316 – Job Access Reverse Commute and Section 5317 - New Freedom Grant Program

Recommendation:* Approve the award of FTA Section 5316 and Section 5317 to the following projects:

San Bernardino Valley

Totaling \$3,633,896 in Federal funds, with local matching funds in the amount of \$2,331,755:

- a) Community Senior Services Community Connections - \$374,450 in FTA Section 5317 New Freedom funds for their mileage reimbursement volunteer driver program for seniors and persons with disabilities;
- b) Central City Lutheran Mission/Foothill Aids Project - \$54,727 in FTA Section 5316 and \$98,231 in FTA Section 5317 New Freedom Funds for HIV medical and work transportation;
- c) Victor Valley Transit Authority – \$167,429 in FTA Section 5316 and \$65,332 in FTA Section 5317 New Freedom Funds for the BV Link (Valley Portion);
- d) Pomona Valley Workshop – \$318,751 in FTA Section 5316 and \$123,960 in FTA Section 5317 New Freedom Funds for PVW in Motion;

*

*Approved
 Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

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

BRD1310a-ns

Attachment: <http://portal.sanbag.ca.gov/mgmt/committee/directors/brd2013/brd1310/AgendaItems/BRD1310a1-ns.pdf>

- e) Valley Transportation Services – \$62,500 in FTA Section 5316 and \$250,000 in FTA Section 5317 New Freedom Funds for Transportation Reimbursement Escort Program (TREP).
- f) Valley Transportation Services – \$426,056 in FTA Section 5316 and \$255,634 in FTA Section 5317 New Freedom Funds for Travel Training Program;
- g) Omnitrans – \$175,518 in FTA Section 5316 for OmniGo 325 (Grand Terrace).
- h) Omnitrans – \$32,000 in FTA Section 5317 New Freedom Funds for Travel Training Bus Operating cost;
- i) Omnitrans – \$24,000 in FTA Section 5317 New Freedom Funds for Travel Training DVD;
- j) Omnitrans – \$370,272 in FTA Section 5316 Job Access Reverse Commute for OmniGo 308, 309 and 310 (Yucaipa).
- k) United Way 211 - \$181,309 in FTA Section 5316 Job Access Reverse Commute and \$60,436 in FTA Section 5317 New Freedom Funds for 211 Access Mobility and Marketing;
- l) OPARC – \$353,776 in FTA Section 5316 Job Access Reverse Commute and \$10,074 in FTA Section 5317 New Freedom Funds for OPARC Connect;
- m) Valley Transportation Services – \$100,000 in FTA Section 5316 Job Access Reverse Commute for VTrans Ride;
- n) Omnitrans – \$129,441 in FTA Section 5316 Job Access Reverse Commute for OmniGO 365 (Chino Hills).

Victor Valley

Totaling \$692,023 in Federal funds, with local matching funds of \$331,081.

- a) Victor Valley Community Service Council - \$74,825 in FTA Section 5317 New Freedom Funds for Senior and Disabled Transportation;
- b) Victor Valley Transit Authority – \$443,876 in FTA Section 5316 Job Access Reverse Commute for Mobility Management;
- c) Victor Valley Transit Authority – \$88,200 in FTA Section 5316 Job Access Reverse Commute and \$85,122 in FTA Section 5317 New Freedom Funds for a travel training bus.

Background:

In May, the San Bernardino Associated Governments (SANBAG) Board released a Call for Projects for FTA Sections 5316 – Job Access Reverse Commute (JARC) and 5317 – New Freedom (NF) Grant Programs. JARC and NF Grant Programs were formula grant programs administered by the Federal Transit Administration and were authorized under provisions set forth in Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). These provisions authorized the apportionment of JARC and NF Funds to each large urban area and to the State for small urban and rural areas.

It also required these projects be derived from a locally developed and coordinated by a public transit-human services transportation plan. SCAG and Victor Valley Transit are the designated recipients for funds apportioned to the San Bernardino Valley and Victor Valley respectively.

SANBAG is responsible for the preparation of the public transit- human services coordinated plan and for ensuring that projects submitted for JARC and NF funds are addressing service gaps and/or needs as identified in the coordination plan. In April 2011, SANBAG updated its Public Transit-Human Services Transportation Coordination Plan to more accurately represent current mobility needs and gaps in services of the Plan's target populations, specifically persons with disabilities, older persons, and persons of low-income.

With the passage of Map-21 (Moving Ahead for Progress in the 21st Century) these JARC funds have been folded into FTA Section 5307 and NF funds were folded into the FTA Section 5310 program. The funds that are being allocated through this current call for projects are the remaining dollars under SAFETEA-LU.

SANBAG received a total of 19 applications, 16 for the San Bernardino Valley area and three for the Victor Valley. Applications were evaluated against the scoring criteria included in the Call-for-Projects by SANBAG's contract consultants, AMMA Transit Planning, Riverside County Transportation Commission, Southern California Association of Governments, Omnitrans, the United Way, and SANBAG staff.

Attachment A shows the applicant agencies and projects recommended for funding. The match funding total for all projects is \$2,662,836 which is a mix of agency in-kind match and cash matches from: Valley Transportation Services, State Local Transportation Funds (LTF), State Mental Health Services Act (MHSA) funding and in-kind match including capital and employees cost.

Not recommended for funding at this time is Valley Transportation Services (VTrans) Maintenance Facility, Loma Linda University Medical Center CBAS (Community Based Adult Services) Transportation Project, and OPARC Connect Project. VTrans Maintenance Facility was not recommended for funding as this project did not provide for more transit trips nor encourages more trips as had been recommended as a regional priority in the Public Transit-Human Services Transportation Coordination Plan Update. Loma Linda University Medical Center CBAS Program NF request was not fully funded while OPARC Connect Project was able to receive \$10,074 in NF funds. We were unable to fully fund these two as-each project scored low and NF funding was exhausted before these could be funded. However, VTrans has indicated it will be working with their Board of

Directors to consider funding projects that were not awarded NF funding through SANBAG's Call for Projects.

At this time it is recommended the Board approve these projects for FTA Section 5316 JARC and Section 5317 NF funding.

Financial Impact: The work effort and funding for the JARC and NF grant process is consistent with the adopted budget and is contained in Task 502- TDA Administration. The funding source is Local Transportation Fund Administration.

Reviewed By: This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013.

Responsible Staff: Mitch Alderman, Director of Transit and Rail Programs

ATTACHMENT A

Recommended Funding Allocations for Job Access Reverse Commute and New Freedom

Applicant	Project Title	YEAR ONE			YEAR TWO			TWO YEAR TOTAL				
		JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match
Community Senior Services	Volunteer Driver Program	\$180,000	\$180,000	\$194,450	\$360,000	\$194,450	\$194,450	\$388,900	\$374,450	\$374,450	\$374,450	\$748,900
Central City Lutheran Mission	HIV Medical and Work Transportation	\$29,898	\$70,200	\$65,898	\$129,098	\$28,031	\$45,081	\$73,112	\$54,727	\$68,231	\$111,877	\$264,835
Victor Valley Transit Authority	BVLINK To San Bernardino Valley	\$83,715	\$32,183	\$115,898	\$231,796	\$83,714	\$116,983	\$333,700	\$167,429	\$85,332	\$232,761	\$485,522
Pomona Valley Workshop	PWM In Motion	\$153,200	\$59,578	\$148,578	\$381,356	\$185,551	\$163,643	\$629,551	\$442,711	\$123,860	\$312,421	\$755,132
Valley Transportation Services	Vtrans Trip	\$30,000	\$120,000	\$150,000	\$300,000	\$32,500	\$162,500	\$325,000	\$62,500	\$250,000	\$312,500	\$625,000
Valley Transportation Services	Vtrans Travel Training	\$213,968	\$127,181	\$84,787	\$423,936	\$214,088	\$85,634	\$723,656	\$428,056	\$255,634	\$170,421	\$428,056
Omnitrans	Omnigo 325 (Grand Terrace)	\$86,452	\$0	\$86,452	\$172,924	\$89,056	\$89,056	\$351,036	\$175,518	\$0	\$175,518	\$351,036
Omnitrans	Omnitrans Travel Training Bus	\$0	\$16,000	\$4,000	\$20,000	\$0	\$16,000	\$36,000	\$32,000	\$0	\$32,000	\$68,000
Omnitrans	Travel Training DVD	\$0	\$24,000	\$6,000	\$30,000	\$0	\$0	\$30,000	\$24,000	\$0	\$24,000	\$54,000
Omnitrans	Omnigo 308 & 306 (Yucca)	\$182,400	\$0	\$182,400	\$364,800	\$187,872	\$187,872	\$742,544	\$370,272	\$0	\$370,272	\$742,544
United Way 211	211 Access Mobility Specialization & Marketing	\$91,035	\$30,345	\$30,345	\$151,725	\$90,274	\$30,091	\$321,344	\$181,309	\$60,436	\$241,745	\$562,589
OPARC	OPARC Connect	\$186,599	\$10,074	\$85,010	\$281,683	\$167,177	\$87,287	\$536,147	\$363,850	\$10,074	\$172,297	\$506,147
Valley Transportation Services	Vtrans Ride	\$100,000	\$0	\$25,000	\$125,000	\$0	\$0	\$125,000	\$100,000	\$0	\$25,000	\$125,000
Omnitrans	Omnigo 305 (Chino Hills)	\$129,441	\$0	\$129,441	\$258,882	\$0	\$0	\$258,882	\$129,441	\$0	\$129,441	\$388,323
	Project Totals	\$1,287,516	\$688,691	\$1,164,178	\$3,140,385	\$1,681,263	\$1,167,876	\$5,989,524	\$2,339,779	\$1,294,117	\$3,633,896	\$8,633,896
								Available Funds				
								Remaining Balance				

Applicant	Project Title	YEAR ONE			YEAR TWO			TWO YEAR TOTAL				
		JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match
Victor Valley Community Services Council	VWCSC Transportation	\$221,938	\$74,825	\$108,328	\$305,091	\$221,938	\$108,328	\$635,357	\$443,876	\$74,825	\$216,656	\$745,357
Victor Valley Transit Authority	Mobility Management	\$77,000	\$177,000	\$38,500	\$392,500	\$24,922	\$5,600	\$423,022	\$88,200	\$85,122	\$44,100	\$217,422
Victor Valley Transit Authority	Travel Training Bus	\$290,638	\$151,825	\$217,163	\$659,626	\$233,138	\$113,928	\$1,006,792	\$632,076	\$189,947	\$331,081	\$1,023,104
	Project Total	\$589,576	\$303,650	\$254,011	\$1,147,237	\$479,998	\$237,456	\$2,175,175	\$576,152	\$269,874	\$291,737	\$1,147,763
								Available Funds				
								Remaining Balance				

Applicant	Project Title	YEAR ONE			YEAR TWO			TWO YEAR TOTAL				
		JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match	Total Project	JARC Request	NF Request	Local Match
Valley Transportation Services	Maintenance Facility	\$120,000	\$120,000	\$60,000	\$300,000	\$0	\$0	\$300,000	\$120,000	\$120,000	\$60,000	\$300,000
Loma Linda University Medical Center	CBAS Transportation	\$0	\$36,985	\$36,985	\$73,970	\$0	\$36,985	\$110,955	\$73,970	\$0	\$36,985	\$147,940
OPARC	OPARC Connect - New Freedom Portion	\$0	\$87,248	\$20,000	\$107,248	\$0	\$20,000	\$127,248	\$87,248	\$0	\$20,000	\$107,248
	Project Total	\$120,000	\$244,233	\$117,000	\$481,233	\$0	\$56,985	\$615,486	\$281,218	\$120,000	\$96,985	\$455,203
								Available Funds				
								Remaining Balance				



- 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: 20

Date: October 2, 2013

Subject: Amendment No. 1 to Contract No. C12077, A/E Services for the San Bernardino Transit Center Omnitrans Bus Facility, to HDR Engineering, Inc. for Construction Administration, Continuation of Design Support, Environmental & Right of Way Services through Construction

- Recommendation:***
1. Approve Amendment No. 1 to Contract No. C12077 with HDR Engineering, Inc. for construction administration, continuation of design support, environmental & right of way services thus increasing the contract amount by \$1,079,832 for a new not-to-exceed amount of \$3,953,533 and to extend the contract duration of Contract No. C12077 by one year from December 31, 2014 to December 31, 2015.
 2. Authorize the Executive Director to execute Amendment No. 1 to Contract No. C12077 with HDR Engineering, Inc.

Background: In January 2012, the SANBAG Board of Directors approved Contract No. C12077 with HDR Engineering for design & engineering services, project management, right-of-way delineation & acquisition and environmental permitting and clearance, including California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance for the Omnitrans bus facility at the San Bernardino Transit Center in the amount of

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG		CTC	X	CTA		SAFE		CMA	
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Check all that apply.

BRD1310a-cd

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared Documents/C12077-1.doc>

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C12077-1%20CSS.docx>

\$2,670,635. Since the contract was awarded, significant progress has been made on the overall design and the project is nearing the construction phase. Throughout the course of project development there have been several issues raised primarily by third parties that were not included in the original scope of work. In addition, design services during construction were not included in the original scope of work and need to be incorporated to allow for design support during construction to ensure the success of the project.

This amendment is being proposed to address several design issues that have been raised by third parties as well as design services during construction. See Attachment A of the contract and detailed Executive Summary of the Amendment No. 1 Scope of Work for the San Bernardino Transit Center (SBTC). In general, the Scope of Work includes:

- Additional City of San Bernardino Pre-Application and Planning Coordination meetings and processing.
- Additional design work required by the City of San Bernardino for storm drain improvements at Rialto and E Streets.
- Additional detail design work required by the City of San Bernardino to align F Street with the proposed SBTC entry.
- Additional off-site design work required by the City of San Bernardino to integrate the proposed Metrolink Downtown Station with the SBTC, including construction of a 183 space shared parking lot off-site south of the Downtown San Bernardino Passenger Rail Project (DSBPRP).
- Additional design work requested by Omnitrans for an off-site detention basin on the Arrowhead Credit Union property fronting Mill Street to maintain adjoining future transit oriented development (TOD) parcel area for future development and to share storm water detention system with DSBPRP.
- Additional design work requested by the City of San Bernardino including upgrading deteriorated F Street between Rialto and Second Street.
- Additional design work for Rialto Street improvements is requested by City of San Bernardino to change street profile.

Contract Extension

With construction of the San Bernardino Transit Center estimated to begin in early 2014 and finish in mid to late 2015, Contract No. C12077 with HDR Engineering, Inc. needs to be extended to allow for the proposed design services during construction activity to be complete as well as to ensure HDR's availability until the duration of construction. Staff is proposing to amend the contract to extend the expiration date from December 31, 2014 to December 31, 2015.

Financial Impact: This item is consistent with the approved Fiscal Year 2013/2014 budget.

Reviewed By: This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Amendment.

Responsible Staff: Mitch Alderman, Director of Transit and Rail Programs

CONTRACT SUMMARY SHEET

Contract No. C 12077 Amendment No. 1

By and Between

San Bernardino County Transportation Authority and HDR Engineering

Contract Description A/E Services for the San Bernardino Transit Center Omnitrans Bus Facility

Board of Director's Meeting Date: October 2, 2013

Overview of BOD Action: Approve Amendment No. 1 to Contract No. C12077 with HDR Engineering, Inc. for construction administration, continuation of design support, environmental & right of way services thus increasing the contract amount by \$1,079,832 for a new not-to-exceed amount of \$3,953,533 and to extend the contract duration of Contract No. C12077 by one year from December 31, 2014 to December 31, 2015.

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW					
Original Contract Amount	\$	2,620,180	Original Contingency Amount	\$	253,521
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	<i>0</i>
Current Amendment Amount	\$	1,079,832	Contingency Amendment	\$	<i>0</i>
TOTAL CONTRACT VALUE	\$	3,700,012	TOTAL CONTINGENCY VALUE	\$	253,521
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 3,953,533

Contract Start Date 3/7/12 Current Contract Expiration Date 12/31/2014 Revised Contract Expiration Date 12/31/2015

Has the contract term been amended? No Yes - please explain.
The San Bernardino Transit Center is scheduled to begin construction in early 2014 with an expected duration of approximately 12 months; this amendment includes design services during construction, necessitating an extension of the contract length.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0311.
 A Budget Amendment is required.

How are we funding current FY? Omnitrans Contract C12117

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

Provide Brief Overview of the Overall Funding for the duration of the Contract: 6012 (Transit Center Project Fund)

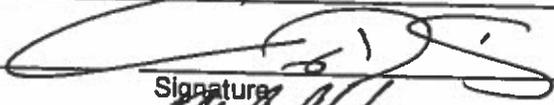
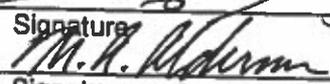
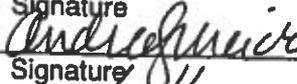
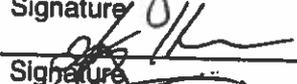
Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

<u>Casey Diley</u> Project Manager (Print Name)	 Signature	<u>8/23/13</u> Date
<u>MITCHELL A. ALDERMAN</u> Task Manager (Print Name)	 Signature	<u>8/23/13</u> Date
<u>Andres Zurude</u> Dir. of Fund Admin. & Programming (Print Name)	 Signature	<u>8/26/13</u> Date
<u>Jeffery Hill</u> Contract Administrator (Print Name)	 Signature	<u>8/28/13</u> Date
<u>STANLEY</u> Chief Financial Officer (Print Name)	 Signature	<u>8/28/13</u> Date

AMENDMENT NO. 1

TO

CONTRACT NO. C12077

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

HDR ENGINEERING, INC.

This AMENDMENT No. 1 to Contract No. C12077 (this "Amendment") is made by and between HDR Engineering, Inc. (hereafter called CONSULTANT) and the San Bernardino County Transportation Authority (hereafter called AUTHORITY):

RECITALS:

- A. WHEREAS, AUTHORITY, under Contract No. C12077, has engaged the services of CONSULTANT to provide certain architectural and engineering services, project management, right-of-way location, and acquisition and environmental, including CEQA and NEPA compliance as well as traffic studies, geotechnical work; hydrology work and landscaping for the San Bernardino Transit Center ("Project"); and
- B. WHEREAS, AUTHORITY and CONSULTANT desire to amend the aforesaid contract; and
- C. WHEREAS, the parties agree that the net increase will be \$1,079,832.

NOW THEREFORE, the parties mutually agree to amend Contract No. C12077 as follows:

- 1. The Scope of Services for Contract No. C12077 shall be amended to include all additional elements of the Scope of Services that are described in Attachment A to this Amendment No. 1.
- 2. Under Article 2, Period of Performance, to delete December 31, 2014 and replace with December 31, 2015.
- 3. Amend Article 3, "Contract Price and Cost Principals", sub-paragraph 3.2, to delete \$2,670,635 as the not-to-exceed amount and replace with \$3,750,467 as the revised not-to-exceed amount.
- 4. Include Attachment B to this Amendment No. 1, which includes the negotiated fee for the work identified herein.

5. The Scope of Services for Contract C12077 shall be amended to remove Article 22, Subsection 22.5, "Railroad Protective Liability".
6. Except as amended by this Amendment No. 1, all other provisions of Contract No. C12077, as amended, remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 1 below.

HDR ENGINEERING, INC.

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Thomas Kim
Sr. Vice President

By: _____
W.E. Jahn
President

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Eileen Monaghan Teichert
General Counsel

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator

ATTACHMENT A

Changes to Scope of Work

San Bernardino Transit Center

EXECUTIVE SUMMARY

HDR is proposing a contract amendment to the scope of services, and to add services related to construction phase of the project. The following services are included in Amendment No. 1:

- Selected a la carte items
 - Project Management
 - Research and Data Collection
 - Concept Design and Definition
 - Environmental Documentation
 - Design Development
 - Construction Documents
 - Post Design Sustainability and LEED Commissioning
 - Construction Administration (Design Services during Construction)
 - Post Design and Real Estate and ROW Services
 - Post Design Sustainability and LEED Commissioning
 - Art Coordination
- I. Construction administration and post design services were not included in the contract for the SBTC and are included in this amendment.
 - II. A la carte items were selected by Omnitrans for further development and procurement as funds become available including Plaza Fountain, Sundial, Photovoltaic panels. These elements were selected by Omnitrans for further design development from a list of Ala carte (optional) enhancements.
 - III. Post design LEED and Sustainability Services are included for bid support, construction acceptance, warranty and LEED Certification Phases.
 - IV. FTA requested that the Downtown San Bernardino Passenger Rail Project and Omnitrans bus transit center project be combined for environmental entitlement processing including additional NEPA and CEQA Clearance Support and City of San Bernardino Entitlements.

V. Various changes have occurred with SANBAG's approach to deliver Final Construction Documents for the San Bernardino Transit Center – Omnitrans Bus Facility (SBTC). These changes were not anticipated, requiring an amendment to HDR's architectural and engineering services contract. A brief summary of the required additional work items is as follows:

- Additional City of San Bernardino Pre-Application and Planning Coordination meetings and processing.
- Additional meetings are required to ensure the correct processing take place with greatly reduced City of San Bernardino staff with the bankruptcy of the City of San Bernardino and dissolution of the San Bernardino Economic Development Agency.
- Additional design work is requested by the City of San Bernardino including replacement design and a separate Rialto and E Street Storm drain submittal caused by the Omnitrans Bus Rapid Transit Station (BRT) on E Street at Rialto.
- Additional detail design work is necessary to align F Street with the proposed SBTC entry including reconfiguration of the acquired 655 W Rialto Avenue and 123 G Street properties as requested by the City of San Bernardino.
- Additional off-site design work is required by the City of San Bernardino to integrate the proposed Metrolink Downtown Station with the SBTC including construction of a 183 space shared parking lot off-site south of the Downtown San Bernardino Passenger Rail Project (DSBPRP).
- Additional design work is required for an off-site detention basin on the Arrowhead Credit Union property fronting Mill Street as requested by Omnitrans to maintain their adjoining future transit oriented development (TOD) parcel area for future development and to share storm water detention system with DSBPRP.
- Additional design work is required to integrate the proposed design of the DSBPRP Metrolink Station Platform A with the San Bernardino Transit Center (SBTC) bus platform to share passenger amenities, fencing, benches lighting and utilities to create a safe, cost effective and sustainable intermodal transit center.
- Additional design work was requested by the City of San Bernardino including upgrading deteriorated F Street between Rialto and Second Street.
- Additional design work for Rialto Street improvements is requested by City of San Bernardino to change profile of street. **SCOPE OF SERVICES**

RPRP - TASK 1 TASK 1 PROJECT MANAGEMENT

HDR Engineering will provide overall project management, coordination, and supervision of the project staff to facilitate the performance of the work in accordance with the scope and requirements of SANBAG. In meetings with the Stakeholders, we will act as agents of SANBAG communicating the needs and intentions of the Project with other Stakeholders. This strategy of project management depends on clear and frequent communication between SANBAG and HDR, which we accomplish through face to face meetings, telephone consultations, email, and written progress reports.

TASK 1.1 – 1.6 NOT USED

TASK 1.7 ADDITIONAL PROJECT AND CONSTRUCTION ADMINISTRATION MANAGEMENT

Additional labor hours are being requested to account for ongoing project management, coordination, and project accounting due to the expanded scope outlined in this amended scope proposal. The additional hours will also cover future project management associated with the construction administration through construction.

TASK 2 RESEARCH AND DATA COLLECTION

Prepare and obtain all of the necessary information and develop recommendations needed to complete the design of the proposed transit center and adjacent arterial roadway improvements.

TASK 2.1 GEOTECHNICAL EXPLORATION

TASK 2.1.1 GEOTECHNICAL EXPLORATION-F STREET

Collect pavement and subsurface information at the site and provide pavement recommendations for the project. Scope of work is expected to consist of the following tasks:

- Review geotechnical reports in our in-house library relevant to both site locations.
- Perform a field exploration consisting of coring approximately seven locations. Cores will be recovered and photographed, and the base materials and upper subsurface will be sampled by hand. Cored holes will be backfilled with gravel and patched with cold-patch asphalt. Traffic control will be provided by a licensed outside contractor for work to be performed on F-street. Traffic control will be to WATCH manual standards.
- Perform engineering analysis of the existing pavement and subgrade.
- Prepare a report presenting our findings and pavement rehabilitation recommendations.

Assumptions

- Traffic control plan will not be required.
- Underground Service Alert notification will not be required.
- Field exploration can be performed during daylight hours on weekdays.
- Identification, handling, and treatment of materials that need to be environmentally addressed are beyond the scope of our geotechnical engineering services. If such materials are encountered, we will notify you immediately and a proposal for handling of such materials will be submitted upon request.

Activities

- Visit Site.
- Manage and procure necessary core samples.

- Memo Report (electronic format only).

TASK 2.2 – 2.5 NOT USED

TASK 2.6 CITY OF SAN BERNARDINO PRE-APP MEETING

Activities

- Meeting to review the proposed building design with the City of San Bernardino planning department. The design must conform to city ordinances involving zoning, land use, storm water, fire, waste and building safety.

TASK 2.7 CONDITIONAL USE PERMIT (CUP) MEETING PROCESS WITH CITY OF SAN BERNARDINO

Develop alternative entitlement process in lieu of CUP. Coordinate method design review in lieu of a condition/use permit to facilitate project schedule.

Activities

- Attend several meetings and produce meeting minutes.

TASK 3 CONCEPT DESIGN/DEFINITION

Omnitrans requested additional User Meetings to ensure departmental coordination and agreement. Additional City of San Bernardino Pre-Application and Planning Coordination meetings and processing.

With the bankruptcy of the City of San Bernardino and dissolution of the San Bernardino Economic Development Agency, processing land use entitlements has required a need for additional meetings to ensure the correct processing take place with greatly reduced City staff.

TASK 3.1 – 3.6 NOT USED

TASK 3.7 USER MEETINGS

Activities

- Nine (9) added user meetings/prep/responses to refine program.
 - Cost Estimate Meeting.
 - Cost Estimate Meeting with Omnitrans.
 - Phasing Concept Design Meeting.
 - Phasing Studies with Cost Analysis.
 - Program refinement meetings.
 - Project meeting presentations, meeting minutes concept plans.

TASK 3.8 BUILDING AND SITE DESIGN CONCEPTS

Examine additional site concepts to maximize the functional and future use of TOD building pad per Omnitrans request.

Activities

- Additional site plan revision.
- Additional meetings and minutes.

TASK 4 ENVIRONMENTAL DOCUMENTATION (CEQA/NEPA CLEARANCE)

Additional support for the project required due to the additional acquisitions, and coordination with the Downtown San Bernardino Passenger Rail Project (DSBPRP) and the future Redlands Passenger Rail Project (RPRP) as requested by the FTA.

Additional NEPA and CEQA Clearance Support and City of San Bernardino Entitlements.

FTA requested that the Downtown San Bernardino Passenger Rail Project and Omnitrans bus transit center project be combined for environmental entitlement processing.

Additional acquisitions of 123 G Street, 655 W. Rialto Avenue and Arrowhead Credit Union property fronting Mill Street (remote detention basin) required adjustment to the perimeter of the Area of Potential Effects (APE). This change to APE was required by San Bernardino to Align F Street and to integrate Economic Development Corporation (successor) properties (Metrolink/Omnitrans parking lot).

A burrowing owl was spotted on-site by a stakeholder and was included in draft comments. SANBAG requested additional environmental assistance to develop a strategy to mitigate this issue. At a later time, it was observed concrete was placed on the site that disturbed the burrowing owl. Additional survey was needed to determine the impact of the owl by the concrete from Omnitrans bus rapid transit project (sBX).

TASK 4.1 – 4.4 NOT USED

TASK 4.5 NEPA SUPPORT

Activities

- Additional right-of-way (ROW) support in for environmental document.
- Burrowing Owl – FTA response to California Department of Fish and Wildlife comments and coordination with FTA, City of San Bernardino and sBX.
- sBX Coordination.

TASK 4.6 CITY OF SAN BERNARDINO ENTITLEMENTS

Revisions necessary for 655 W. Rialto Avenue property including extensive site modifications for ROW acquisition.

Activities

- 655 W. Rialto modifications.
- Planning and permit coordination including meeting attendance, minutes and progress report.

TASK 5 DESIGN DEVELOPMENT

TASK 5.1 – 5.9 NOT USED

TASK 5.10 COST ESTIMATE

TASK 5.10.1 Confirmation of 100% Design

Verify cost estimate to include both on and off-site design work necessary to finalize and acquisition properties, adjacent DSBPRP Metrolink facilities, parking lot, detention basin, Rialto Street, E Street and F Street improvements.

Activities

- Confirm all material take-offs.
- Confirm all acquisition costs.
- Take-Off and Estimate all Civil and Utility Work.
- 100% Estimate

TASK 5.11 – 5.13 NOT USED

TASK 5.14 ALA CARTE ITEMS

Items determined by Omnitrans for further development not included in base fee.

Activities

- Development of bid add alternates to establish site, materials, utility coordination, and constructability for water feature and monument sign, sun dial, photovoltaic array, architectural accent lighting at canopy columns. Art Program coordination.
- Design plans

TASK 5.15 ADDITIONAL PLAZA AREA DUE TO PHASED BUILDING

Activities

- Revised plans per Omnitrans for future expansion of plaza north of building.

- Provide landscaping, lighting, seating and pavement treatments.
- Design plans

TASK 5.16 DESIGN FOR MOBILE VENDORS & FOOD TRUCKS

Activities

- Design modifications to accommodate mobile vendor and food trucks including providing turn-round and power receptacles.
- Design Plans.

TASK 6 CONSTRUCTION DOCUMENTS

TASK 6.1 – 6.5 NOT USED

A LA CARTE ITEMS

Construction documents for selected a la carte items selected by Omnitrans not included in base contract. A la carte items were selected by Omnitrans for final design and inclusion in the construction documents for procurement as funds become available.

Selected a la carte items (below)

TASK 6.6 WATER FEATURE AND MONUMENT SIGN

TASK 6.7 SUN DIAL

TASK 6.8 PHOTO VOLTAIC PANELS

Activities for a la carte Tasks

- 100% Construction documents and coordination.

TASK 6.9 CIVIL-RIALTO AVENUE DEDICATED DESIGN SUBMITTAL

Advanced delivery and modifications for a portion of off-site improvements requires additional design work mandated by the City of San Bernardino including replacement design and a separate Rialto and E Street Storm drain submittal caused by the Omnitrans Bus Rapid Transit Station (BRT) on E Street at Rialto. Design work for the new storm drain is necessary for proper drainage on E Street but was not included in the BRT project scope. Additional design work for Rialto Street improvements is requested by City of San Bernardino to change profile of street.

Street was designed as a standard widening to allow for new bike lane. City of San Bernardino has requested redesign of the street profile to the center to minimize cross slope transitional problems between the improved and existing conditions.

Activities

- Revise and prepare plans, specifications, cost estimate and additional coordination with utilities and sBX.

TASK 6.10 PHASING PLANS AND TEMPORARY PARKING LOT FOR 655 W RIALTO AVENUE

Required phasing plans and parking for the acquisition of the 655 W. Rialto Avenue property.

Activities

- Prepare plans and specifications for phasing temporary parking to meet requirements of land owner.

TASK 6.11 DOWNTOWN SAN BERNARDINO PASSENGER RAIL PROJECT (DSBPRP) ON AND OFF-SITE INTEGRATION- TRANSIT CENTER PARKING LOT

Transit Center portion of parking lot at the DSBPRP Metrolink lot south of project requires HDR project team will work closely with SANBAG, Omnitrans, and the City of San Bernardino to ensure a seamless transition between the two projects. The result of this close coordination has, to some extent, driven design decisions for San Bernardino Transit Center parking lot.

Activities

- Land Acquisition coordination – ROW.
- Planning permit.
- Civil, security, lighting, landscape, retaining wall, signage design.
- ROW-Plats and legals, revisions.
- Drainage calculations.

TASK 6.12 DETENTION BASIN

Omnitrans' shared portion of an offsite detention basin required for the Transit Center Project including portions from DSBPRP including parking lot, and RPRP. It was decided by the stakeholders that additional storm drain runoff would need to be provided for the increase in area presented by the proposed San Bernardino Transit Center parking lot; the Omnitrans Bus Facility; and the 655 W. Rialto Avenue property. Resizing the storm basin necessitated a southerly shift in its location relative to the 90% DSBPR concept along with expansion of the required right-of-way acquisition which required significant revisions to the plats and legal documents related to the basin.

Additional design work is required for an off-site detention basin on the Arrowhead Credit Union property fronting Mill Street as requested by Omnitrans to maintain their adjoining future transit

oriented development (TOD) parcel area for future development and to share storm water detention system with DSBPRP.

To maintain site area for development and to share the detention needs additional survey, geotechnical and civil design work needs to be provided off-site, not contemplated by the SBTC contract. Additional off-site design work is required by the City of San Bernardino to integrate the proposed Metrolink Downtown Station with the SBTC including construction of a 183 space shared parking lot off-site south of the DSBPRP. A new parking lot will be designed to provide 24 required parking spaces for the SBTC, 40 for Metrolink Crew House with the balance of 119 spaces shared for shared transit center use.

Activities

- Prepare design drawings, additional survey and coordination with ROW acquisition, utilities, and seepage analysis.

TASK 6.13 RECONFIGURE PLATFORM FOR METROLINK/OMNITRANS

SBTC Stakeholders provided feedback that necessitated revisions to the proposed platforms and pedestrian access to E Street. These comments as well as the sidewalk widening along the west curb of E Street resulted in changes to the landscaping, hardscape and inter track fencing between the station platforms and the E Street sidewalk.

Additional design work is required to integrate the proposed design of the DSBPRP Metrolink Downtown Station Platform A with the SBTC bus platform to share passenger amenities, fencing, benches lighting and utilities to create a safe, cost effective and sustainable intermodal transit center.

This design effort includes refinement of the combined platform(s) layout, fencing, paving patterns and textures and landscaping with the DSBPRP.

As a result, changes are required to address project aesthetics to the area between E Street and the east of the rail platforms. The area of interest lies between the two projects and will be designed so as to accommodate aesthetics and function of both projects. These changes will include modifications to the DSBPR landscaping, hardscape, way finding, civil, and architectural plans.

Activities

- Architectural- Layout revision.
- Structural- Re-design Metrolink Typical Section of E Street Platform.
- Architectural-platform canopies layout & design modifications at E Street.
- Electrical- Platform lighting layout & design modifications at E Street.
- Civil- Utilities inter-project coordination.

TASK 6.14 F STREET IMPROVEMENTS

Additional design work is necessary to align F Street with the proposed SBTC entry as required by the City of San Bernardino. Existing paving and base will be reviewed including gutters and storm drain inlets and cross slope.

Activities

- Design modifications to accommodate necessary modification of F Street e.g. civil, traffic, drainage.
- Civil plans, specifications and cost estimate

TASK 7 BID SUPPORT-NOT USED

TASK 8 CONSTRUCTION ADMINISTRATION / DESIGN SERVICES DURING CONSTRUCTION

This task involves the provision of technical support services by the HDR team to SANBAG during the bidding and construction phases of the project. Due to the nature of performing Design Support During Construction services is based on many unknowns including the experience of the contractor and identification of changed field condition, the proposed cost defined in the fee estimate was developed based on historical costs in performing these types of projects. A general assumption for this Scope of Services is that fee estimate is for budget purposes and HDR will perform this work on a time and materials basis and will invoice based on effort expended during the period of performed services. HDR will notify SANBAG if and when there is any indication of not having sufficient funds to complete the project. Construction services will include management and construction administration for each discipline along with incidental post design coordination.

Disciplines include Architecture, Civil, structural, mechanical, electrical, plumbing, landscape, photovoltaic, signage, security, communication services are included within construction administration.

TASK 8.1 MANAGEMENT

Activities

- Schedule of Values.
 - Review contractor payment requests.
- Contract Drawing amendment review.
 - Review contract amendments to contract scope and costs.
- Meetings:
 - Weekly construction team meetings: 75 total at 4 hours each.
 - Monthly Design team meetings: 18 total at 2 hours each.

- Coordinate/Participate in scheduled meetings.

TASK 8.2 CONSTRUCTION ADMINISTRATION-DESIGN DISCIPLINES

Activities

- Submittal reviews:
 - Product Submittals and Material Samples: Evaluate product submittals for conformance to the contract documents.
 - Material Substitution: Evaluate the material changes to the contract documents and provide direction.
- Meetings:
 - Weekly construction team meetings: 75 total at 4 hours each.
 - Monthly Design team meetings: 18 total at 2 hours each.
 - On-Site Field Observation: Bi-weekly for a total of 40 at 4 hours each.
 - Action Items Tracker: Develop and manage an actions items matrix.
 - Develop meeting minutes.
 - Develop Field Report.
 - Develop Punch list.
- Contract Drawing Clarification and Amendments.
 - Request for Information (RFI): Provide information to clarify the intent of the design as requested by the construction team.
 - Document addenda to the contract documents.
 - Contract Drawing Clarification.
- Contract Amendments or Change Orders.
 - Activities associated with a change order resulting from a revision to the building scope of work will be addressed on a case by case basis.
- Record Drawings.
 - Update the contract drawings to reflect revisions to the design during the construction process.

TASK 9 NOT USED

TASK 10 POST DESIGN REAL ESTATE AND ROW SERVICES

Additional real estate services to ensure proper coordination of acquisition properties.

TASK 10.1 REAL ESTATE REVIEW DOCUMENTS

Activities

- Review construction drawings and contractor submittals regarding property acquisition and staking.

TASK 11 POST DESIGN SUSTAINABILITY AND LEED COMMISSIONING SERVICES

Commissioning and Facility Services (HDR CFS) to coordinate Commissioning and LEED® certification services. The following scope of work is based on two tasks: Task 1 represents sustainable Bid Support and LEED Design including Review Submission post Construction Documents phase; Task 2 represents Construction, Acceptance, Warranty and LEED Certification Phases. Sustainable Bid Support and LEED Design including Review Submission post Construction Documents phase.

TASK 11.1 SUSTAINABILITY BID SUPPORT

Activities

- Provide overall LEED Certification management.
- Savings by Design (SDS) will participate in bi-weekly design team meetings, both on-the-ground and telephone/conference calls.
- Provide sustainable measures bid support as needed.
- Coordinate final energy model input into LEED online.
- Coordinate utility incentives (SDS) as needed.
- Develop and incorporate commissioning specifications and requirements into the construction documents.
- Coordinate the following:
 - Payment of all applicable LEED Design Review fees to the GBCI (HDR to be reimbursed for all GBCI fees).
 - Coordinate the LEED Design Review Phase documentation and upload it to the LEED Online website.
 - Submission to GBCI for LEED Design Review, and respond to GBCI Review Comments; act as intermediary between the design team and the GBCI during the application/review/review response periods.

- Submit LEED Credit Interpretation Requests for design and construction applicability for earning LEED Credit Points as needed (HDR to be reimbursed for all GBCI fees).

Perform a review and back check of the OPR (Owner Project Requirements) and BOD (Basis of Design) for clarity and completeness.

TASK 11.2 CONSTRUCTION, ACCEPTANCE, WARRANTY AND LEED CERTIFICATION PHASES

Activities

- SDS will provide overall LEED Certification management.
- Attend a contractor kick-off workshop to educate the contractor and sub-contractors about their LEED roles and responsibilities.
- Participate in bi-monthly design team meetings, both on-the-ground and telephone/conference calls.
- Review RFI and Submittals as needed for compliance with LEED criteria.
- Track LEED Implementation Plan construction tasks and general progress through team update.
- Review contractor's actions required for LEED and make recommendations as necessary.
- Coordinate utility incentives (Savings by Design) as needed.
- Coordinate the following:
 - Payment of all applicable LEED Construction Review fees to the GBCI (HDR to be reimbursed for all GBCI fees).
 - Coordinate the LEED Construction Phase documentation and upload it to the LEED Online website.
 - Submission to GBCI for LEED Construction Review, and respond to GBCI Review Comments; act as intermediary between the design team and the GBCI during the application/review/review response/final rating periods.
- Provide all necessary documentation to satisfy the audit inquiries provided by the GBCI.
- Coordinate LEED aspects of project closeout as needed.
- Prepare and distribute Pre-Functional Check (PFC) and Functional Performance Test (FPT) procedures to the commissioning team.
- Schedule and lead the commissioning meetings.
- Perform site visits to review installation techniques and will document findings in Site Observation Reports.
- Maintain a dynamic Issues Log to document systems/equipment installation and testing

- deficiencies.

TASK 11.3 COMMISSIONING PLAN

Activities

- Coordinate and lead Owner/Architect/Contractor and Owner/Architect/Contractor/Subcontractor commissioning kick-off meetings.
- Review Commissioning Reports as needed for compliance with LEED criteria.
- Prepare a draft Commissioning Plan and report in electronic format.

TASK 12 ART COORDINATION

An Art Coordinator will manage, facilitate and coordinate the Art Committee (made up of representatives from SANBAG, Omnitrans, City of San Bernardino, Design Team, Construction Manager, and Contractor) for inclusion of an Art Program for the project. Art coordination will include management of a selection, public art outreach process, and artist's deliverables.

TASK 12.1 MEETINGS AND FACILITATION

Activities

- Prepare and facilitate meetings with Art Committee.
- Prepare Meeting Notes.
- Attend Board, Design Team and stakeholder meetings to report art program progress.
- Review and advise art procurement to comply with FTA guidelines.
- Prepare Art Program budget and schedules.
- Meeting Minutes for attended meetings.
- Monthly Progress Report.

TASK 12.2 ARTIST SELECTION AND OUTREACH

Activities

- Manage Artist selection and outreach process.
- Assist SANBAG develop agreements for artists and other support services.
- Provide input to all art program printed and electronic presentation materials and activities.
- Review documentation for Art Committee of artwork for the project.
- Provide art program status report at schedule and budget.



- 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: 21

Date: October 2, 2013

Subject: San Bernardino Municipal Water Department Cooperative Agreement

- Recommendation:***
1. Approve Cooperative Agreement R14044 between the San Bernardino Associated Governments, acting in its capacity as County Transportation Commission, and the San Bernardino Municipal Water Department (SBMWD) for Water Capacity Improvements Along Rialto Ave. & I Street and K Street & 3rd Street as part of the Construction of the Downtown San Bernardino Passenger Rail Project.
 2. Approve Fiscal Year 2013/2014 budget amendment to increase Task No. 0379 Commuter Rail Capital by \$160,000 for a new task total of \$94,977,941 to be paid through Cooperative Agreement R14044.

Background: The Downtown San Bernardino Passenger Rail Project (DSBPRP) is proposed to extend Metrolink regional passenger rail service approximately one (1) mile east from its current terminus at the existing Santa Fe Depot (Depot) to the new Metrolink commuter rail platforms proposed near the intersection of Rialto Avenue and E Street in the City of San Bernardino. The primary features of the DSBPRP include: construction of a second track, rail platforms, parking lots, a pedestrian overpass at the Depot, grade crossing improvements; railroad signalization; and roadway closures. The proposed Project's secondary features

*Approved
 Board of Directors*

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG		CTC	X	CTA		SAFE		CMA	
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Check all that apply.

BRD1310b-cd

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/R14044%20CSS.docx>

http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/SBMWD%20Cooperative%20Agreement_R14044.pdf

include: construction of drainage improvements, utility accommodation, and implementation of safety controls.

Concurrent with the development and construction of the DSBPRP, the SBMWD has water capacity enhancement projects planned in two areas that the contractor will be performing work. In order to avoid redundant work tasks that would add additional cost and in coordination with the San Bernardino Municipal Water Department (SBMWD), SANBAG is planning to include two areas of the future SBMWD projects into the DSBPRP construction contract as betterment to the project. There are two areas of work that will be included: 1) K Street from 2nd Street to 3rd Street and 2) Rialto Avenue and I Street. Each section of work is described below.

K Street from 2nd to 3rd Street - K Street will be widened to mitigate the closure of 3rd street at the existing railroad. A new 8" water line will be installed 7' west of the easterly new curb (within the newly widened street) to replace an existing 6" water line. It will connect to an existing 8" water line in 3rd Street in 2 locations. The alignment will relocate a portion of the existing 8" water line in 3rd Street to align with the new street alignment improvements included in the DSBPR project. The water line will connect to an existing 12" (Cast Iron) water line at the intersection of 2nd and "K" Street. The connection will require trenching an additional 40' outside the original project limits, into 2nd Street. All required valves, fire hydrant, private service connections and temporary "High-Lining" will also be completed. The 8" water line project is being designed by a sub consultant (Ludwig Engineering) to SBMWD and their plans will be inserted into the DSBPR contract document set. SBMWD will reimburse SANBAG for the installation of the water line as a City betterment.

W. Rialto Ave & I Street - A new 12" water line will be designed and installed to run along W. Rialto Avenue to join an existing 20" transmission water line along "I" Street. The new 12" water line will replace an existing 6" water line. A portion of the 12" water line west of the DSBPR Project limits on W. Rialto Avenue is being designed by the City. The City designed 12" water line will join with the SANBAG designed portion of the same 12" water line west of the new steel casing. The existing 6" water line in Rialto Avenue will be retired and abandoned in place or removed by the contractor where needed at project cost. All required valves, fire hydrants, private service connections and temporary "High-Lining" along with the 12" waterline will be reimbursed by SBMWD to SANBAG for the installation as a City betterment.

SBMWD has provided SANBAG with a cost estimate for the work that is considered a betterment to the overall DSBPRP. The total estimated construction cost for the installation of both sections is \$160,000 and will be reimbursed by

SBMWD to SANBAG. In the event the costs for performing the work are different from the estimate, the agreement requires the actual costs of the improvements to be reimbursed to SANBAG. The cooperative agreement outlines the specific roles and responsibilities of each party with respect to the costs that will be borne by each party and which costs will be reimbursed by SBMWD to SANBAG.

This item was heard and approved by the SBMWD Board on September 17, 2013.

Financial Impact: This item is not consistent with the Fiscal Year 2013/2014 adopted budget. A budget amendment is needed to increase Task No. 0379 Commuter Rail Capital by \$160,000 for a new task total of \$94,977,941 to be paid through Cooperative Agreement R14044.

Reviewed By: This item was reviewed and recommended for approval (10-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Cooperative Agreement.

Responsible Staff: Mitch Alderman, Director of Transit and Rail Programs



CONTRACT SUMMARY SHEET

Contract No. R 14044 Amendment No. _____

By and Between

San Bernardino Municipal Water Department and SANBAG

Contract Description San Bernardino Municipal Water Department Cooperative Agreement

Board of Director's Meeting Date: November 6, 2013

Overview of BOD Action: 1. Approve Cooperative Agreement R14044 between the San Bernardino Associated Governments, acting in its capacity as County Transportation Commission, and the San Bernardino Municipal Water Department (SBMWD) for Water Capacity Improvements Along Rialto Ave. & I Street and K Street & 3rd Street as part of the Construction of the Downtown San Bernardino Passenger Rail Project 2. Approve Fiscal Year 2013/2014 budget amendment to increase Task No. 0379 Commuter Rail Capital, Fund 6010, by \$160,000 to be paid through Cooperative Agreement R14044

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW			
Original Contract Amount	\$	160,000	Original Contingency Amount
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>
Current Amendment Amount	\$		Contingency Amendment
TOTAL CONTRACT VALUE	\$	160,000	TOTAL CONTINGENCY VALUE
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 160,000

Contract Start Date 11.6.2013	Current Contract Expiration Date 12.31.2016	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION

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

A Budget Amendment is required.

How are we funding current FY? Commuter Rail Capital 0379, Fund 6010

Federal Funds
 State Funds
 Local Funds
 TDA Funds
 Measure (Funds

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

Funds to be paid to SANBAG through R14044

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____

Disadvantaged Business Enterprise (DBE) Goal _____ %

<i>CASEY DAIKY</i> Project Manager (Print Name)	 Signature	8.28.13 Date
M.A. ALERMAN Task Manager (Print Name)	 Signature	9/5/13 Date
Andrea Wreick Dir. of Fund Admin. & Programming (Print Name)	 Signature	8/28/13 Date
Jeffery Hill Contract Administrator (Print Name)	 Signature	9/4/13 Date
W STAWARS Chief Financial Officer (Print Name)	 Signature	9/6/13 Date

COOPERATIVE AGREEMENT NO. R14044

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION

AND

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

FOR

**WATER CAPACITY SBMWD IMPROVEMENTS ALONG RIALTO AVE. & I STREET
AND K STREET & 3RD STREET AS PART OF THE CONSTRUCTION OF THE
DOWNTOWN SAN BERNARDINO PASSENGER RAIL PROJECT IN THE CITY OF
SAN BERNARDINO**

THIS COOPERATIVE AGREEMENT is made and entered into this _____ day of _____, 2013, by and between the San Bernardino County Transportation COMMISSION (hereinafter referred to as "COMMISSION") and the San Bernardino Municipal Water Department (hereinafter referred to as "SBMWD"), (COMMISSION and SBMWD are each a "Party" and collectively "Parties").

WITNESSETH

WHEREAS, the Measure I 2010-2040 Ten Year Delivery Plan and the COMMISSION Long Range Transit Plan, identified the Metrolink Extension, or Downtown San Bernardino Passenger Rail Project (hereinafter referred to as "DSBPRP") as eligible for partial funding from Measure I 2010-2040 revenues; and

WHEREAS, certain sections of SBMWD water lines will be replaced as part of the DSBPRP; and

WHEREAS, in accordance with its long-range water system improvement planning, SBMWD planned to construct certain water line replacements (the "Betterments") in two locations where construction of the DSBPRP will require modifications to SBMWD water facilities; and

WHEREAS, the COMMISSION will begin construction on the DSBPRP before SBMWD will begin construction on the Betterments, creating the probability that DSBPRP-related modifications would need to be retrenched and removed or reconstructed when the Betterments were constructed at a future time, resulting in a waste of resources for the parties that can be avoided by a cooperative effort to construct the Betterments as part of the DSBPRP; and

WHEREAS, the Parties desire to proceed with construction of the Betterments, concurrent with the construction of DSBPRP to maximize construction efficiencies and avoid later conflict; and

WHEREAS, this Agreement is intended to delineate the duties, and funding responsibilities of the Parties for the construction of the Betterments; and

WHEREAS, the Parties agree that the COMMISSION will be the lead agency to complete the Betterments; and

NOW, THEREFORE, COMMISSION and SBMWD agree to the following:

SECTION I

COMMISSION AGREES:

1. Include the plans and specifications for the Betterments, as described on the Betterments Scope attached hereto as Attachment A and hereby incorporated by this reference, in the invitation for bids for the DSBPRP.
2. Procure the construction contract for the DSBPRP and include a separate bid line item for inclusion of the Betterments.
3. Manage the work of the contractor.
4. Invoice SBMWD for the actual costs associated with the construction of the Betterments. For the convenience of the parties in budgeting for the Betterments, but not binding or limiting as to the actual costs to be reimbursed hereunder, the current estimate of costs of the Betterments is set forth in Attachment B, attached hereto and incorporated by this reference.

SECTION II

SBMWD AGREES:

1. Design the improvements and provide plans and specifications for the Betterments to SANBAG for inclusion into the Invitation for Bid for DSBPRP
2. Provide inspections, as necessary, for the Betterments.
3. Reimburse COMMISSION for the actual costs incurred associated with construction of the Betterments.

4. Upon satisfactory completion of the Betterments, accept the Betterments and all associated responsibility and liability for the operation, maintenance and control of the Betterments.
5. After acceptance of the Betterments, release, indemnify, defend and hold COMMISSION harmless for any and all liability or claims arising out of the Betterments, their design, construction, operation, maintenance or control, agreeing to look solely to the Contractor and its insurance for any claims associated with the construction of the Betterments.

SECTION III

IT IS MUTUALLY AGREED:

1. Each agency will absorb its own internal costs associated with permitting, design, fees and inspections.
2. The parties will fully cooperate and will coordinate all scheduling, permits, work and other matters, so as to assure timely completion of the Betterments and avoid delays to the DSBPRP.
3. Except as otherwise set forth above, the parties shall mutually indemnify and defend each other as follows:
 - a. Neither COMMISSION nor any officer, director, employee or agent thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SBMWD under or in connection with any work, authority or jurisdiction delegated to SBMWD under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, SBMWD shall fully defend, indemnify and save harmless COMMISSION, its officers, directors, employees or agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SBMWD under or in connection with any work, authority or jurisdiction delegated to SBMWD under this Agreement.
 - b. Neither SBMWD nor any officer, director, employee or agent thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by COMMISSION under or in connection with any work, authority or jurisdiction delegated to COMMISSION under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, COMMISSION shall fully defend, indemnify and save harmless

SBMWD, its officers, directors, employees or agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by COMMISSION under or in connection with any work, authority or jurisdiction delegated to COMMISSION under this Agreement.

4. This Agreement is expressly subordinated to any bonds, notes, certificates or other evidences of indebtedness involved in bond financings as are now outstanding or as may hereafter be issued by COMMISSION.
5. It is anticipated, but not covenanted, that the Betterments will be completed prior to _____. This Agreement shall terminate upon acceptance of the Betterments and receipt by COMMISSION of full payment of all costs as provided herein. All release, indemnity, defense and hold harmless obligations shall survive termination of this Agreement.
6. This Agreement shall not be terminated without written mutual consent by all Parties.
7. All Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to this Agreement.
8. Except on subjects preempted by federal law, this Agreement shall be governed and construed in accordance with the laws of the State of California. All Parties agree to follow all local, state, county and federal laws and ordinances with respect to performance under this Agreement.
9. The Parties agree that each Party and any authorized representative, designated in writing to the Parties, and upon reasonable notice, shall have the right during normal business hours to examine all Parties' financial books and records with respect to this Agreement. The Parties agree to retain their books and records for a period of three (3) years from the later of; a) the date on which this Agreement terminates; or b) the date on which such book or record was created.
10. If any clause or provisions of this Agreement is illegal, invalid or unenforceable under applicable present or future laws, then it is the intention of the Parties that the remainder of this Agreement shall not be affected but shall remain in full force and effect.
11. This Agreement cannot be amended or modified in any way except in writing, signed by all Parties hereto.
12. In the event of litigation arising from this Agreement, each Party to this Agreement shall bear its own costs, including attorney(s) fees. This paragraph shall not apply to the costs or attorney(s) fees relative to paragraphs 3(a) and 3(b) of this Section.
13. This Agreement may be signed in counterparts, each of which shall constitute an original.

14. Any notice required or authorized to be given hereunder or any other communications between the Parties provided for under the terms of this Agreement shall be in writing, unless otherwise provided for herein, and shall be served personally or by reputable courier or by facsimile addressed to the relevant party at the address/fax number stated below:

If to COMMISSION: Mitch Alderman
Director of Rail & Transit Programs
1170 West Third Street, Second Floor
San Bernardino, CA 92410-1715
Telephone: (909) 884-8276
Fax: (909) 885-4407

If to SBMWD: Stacey Aldstadt
SBMWD
P.O. Box 710
San Bernardino, CA 92418
Telephone: (909) 384-5191
Fax: (909) 864-5215

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto on the date first written above and is effective on the date signed by COMMISSION.

SIGNATURES ON FOLLOWING PAGE:

San Bernardino County
Transportation Commission

By: _____
W.E. Jahn,
Chairperson

Date: _____

San Bernardino Municipal Water
Department

By: _____
Toni Callicott
President

Date: _____

APPROVED AS TO FORM:

By: _____
Eileen Monaghan Teichert
General Counsel

By: _____
Robin L. Ohama
Deputy City Clerk &
Ex-Officio Secretary

By: _____
Jeffery Hill
Contract Administrator

Date: _____

Attachment A

SCOPE OF PROPOSED BETTERMENT

K Street from 2nd to 3rd Street

A new 8" water line will be installed 7' west of the easterly new curb on K Street (within the newly widened street) to replace an existing 6" water line. It will connect to an existing 8" water line in 3rd Street in 2 locations. The alignment will relocate a portion of the existing 8" water line in 3rd Street to align with the new street alignment improvements included in the DSBPR project. The water line will connect to an existing 12" (Cast Iron) water line at the intersection of 2nd and "K" Street. The connection will require trenching an additional 40' outside the original project limits, into 2nd Street. All required valves, fire hydrant and private service connections will also be completed. All costs related to the 8" water line and all required valves, connections, fire hydrants, and private service connections will be reimbursed by SBMWD to COMMISSION.

W. Rialto Ave & I Street

A new 12" water line will be designed and installed to run along W. Rialto Avenue to join an existing 20" transmission water line along "I" Street. The new 12" water line will replace an existing 6" water line. A portion of the 12" water line located in the west side of the DSBPR Project limits on W. Rialto Avenue is being designed by SBMWD. The SBMWD designed 12" water line will join with the COMMISSION designed portion of the same 12" water line west of the new steel casing. The existing 6" water in Rialto Avenue will be retired and abandoned in place or removed by the contractor where needed at project cost. All required valves, fire hydrants and private service connections will also be completed. All costs related to the 12" water line and all required valves, connections, fire hydrants, and private service connections will be reimbursed by SBMWD to COMMISSION.

Attachment B

ESTIMATE OF BETTERMENT COSTS

Downtown San Bernardino Passenger Rail Project Betterment			
	K Street & 3rd Street	Rialto Avenue & I Street	Total
Materials	\$57,636	\$54,172	\$111,808
Labor	\$22,200	\$14,735	\$36,935
Equipment	\$8,297	\$6,262	\$14,559
Total	\$88,000	\$75,000	\$163,000



- 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: 22

Date: October 2, 2013

Subject: Fund Estimate for the 2014 State Transportation Improvement Program

- Recommendation:**
1. Receive report on the 2014 State Transportation Improvement Program Fund Estimate and adoption schedule.
 2. Direct staff to compile the 2014 Regional Transportation Improvement Program for Board approval in November, and submit to the California Transportation Commission by December 15, 2013.

Background: State law requires adoption of a Fund Estimate (FE) prepared by Caltrans in the summer of each odd numbered year as a basis for preparation and adoption of the State Transportation Improvement Program (STIP) by the California Transportation Commission (CTC) in April of each even year. The FE was adopted by the CTC on August 6, 2013.

The FE identifies a total programming capacity of \$3.4 billion available statewide over the next five years, of which about \$1.2 billion is new programming capacity. All of the new STIP capacity will be programmed in the later part of the five-year cycle (Fiscal Years 2017/18 and 2018/19). STIP capacity does not include federal commitments for Transportation Enhancements (TE) as it did in the past because Moving Ahead for Progress in the 21st Century (MAP-21) changed the way TE funds are distributed throughout the State. In addition, there is no new Public Transportation Account (PTA) STIP programming capacity in 2014 STIP. The PTA funds Caltrans' transportation planning, mass

*Approved
Board of Directors*

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	CTC	X	CTA	SAFE	CMA
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Check all that apply.

transportation, Intercity Rail programs, and STIP transit projects. PTA resources are derived primarily from the sales taxes on diesel fuel. With the enactment of the fuel tax swap in 2011, most of the funds generated by the sales tax on diesel fuel are transferred to the State Transit Assistance fund, so there is no longer PTA remaining to fund capital projects in the STIP.

Table 1 shows the current programming for San Bernardino County totaling about \$125 million, which includes all projects that have not received allocation of STIP funds from the CTC. San Bernardino receives about 4.75% of the statewide total of new programming capacity, or \$56.92 million. Because \$5.969 million was programmed in advance during the 2012 STIP cycle, the FE shows a net share of \$51.066 million for San Bernardino County, which will be available in Fiscal Year 17/18 and Fiscal Year 18/19.

Table 1
Current STIP Programming for San Bernardino County

Current Programmed Project (in thousands)	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18-18/19
Planning Programming and Monitoring	\$1,200	\$1,200	\$1,200	\$1,800	
I-15 NB lane Victorville-Barstow Phase 2	\$23,564				
Rte 138 Widening	\$15,450				
I-10 HOV lanes, Haven to Ford Street			\$40,000		
Rte 215 Barton Rd. Interchange Reconstruction	\$17,400		\$22,611		
Total Programmed	\$57,614	\$1,200	\$63,811	\$1,800	
Advanced share from 2012 STIP					-\$5,969
Lapsed funds returned from FY 11/12-12/13					\$115
2014 STIP New Programming Capacity					\$56,920
Net New Programming Capacity (FY 17/18 and 18/19)					\$51,066

The SANBAG 10-Year Delivery Plan identified a total of \$67 million of future STIP funding from the 2014 STIP period for the following projects:

- SR-210 Widening- \$43.52 million for construction in Fiscal Year 2016/17
- I-215 Mount Vernon/Washington St. Interchange- \$20 million for construction in Fiscal Year 2018/19
- US-395 Corridor Interim Widening - \$3.5 million for final design (In April 2013 the Board advanced federal funds planned for future phases of this project so that final design could begin in 2013.)

This is \$16 million over the available 2014 STIP capacity. Staff will be reviewing current project schedules and the availability of other fund sources to ensure that the schedules for these projects are not impacted by this reduction in projected

funding. This is being analyzed comprehensively as part of the 2014 Update to the 10-Year Delivery Plan. Staff anticipates discussion of this Update to begin in October, with Board adoption scheduled for December 2013.

The Regional Transportation Improvement Program (RIP) is to be submitted to the CTC by December 15, 2013, and final CTC adoption of the 2014 STIP is scheduled for March 20, 2014. Staff is beginning development of programming and scheduling priorities for the 2014 STIP and will be presenting recommendations to the Committees in October for approval by the Board in November 2013. Below is the complete schedule:

September 2013	Staff presents 2014 STIP FE to Board Metro Valley Study Session and Mountain/Desert Policy Committee for information and discussion.
October 9, 2013	Staff presents 2014 RIP to General Policy Committee for recommendation of approval to the Board.
November 6, 2013	Staff presents 2014 RIP to SANBAG Board for approval.
December 15, 2013	SANBAG Submits 2014 RIP to the CTC to be included in the 2014 STIP.
January 30, 2014	CTC conducts North STIP Hearing.
February 4, 2014	CTC conducts South STIP Hearing.
February 28, 2014	CTC publishes staff recommendations.
March 20, 2014	CTC adopts 2014 STIP.

Financial Impact: This item has no impact on the adopted Fiscal Year 2013/2014 Budget.

Reviewed By: This item was reviewed by the Transportation Technical Advisory Committee on September 9, 2013. The item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013, and reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013.

Responsible Staff: Andrea Zureick, Director of Fund Administration & Programming



- 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: 23

Date: October 2, 2013

Subject: Major Local Highway Program Allocation and Funding Agreement for the City of Needles

- Recommendation:**
1. Approve allocation of \$140,290 in Measure I Colorado River Subarea – Major Local Highway Program funds to the City of Needles for the I-40 Needles Connector Project.
 2. Approve Funding Agreement C14021 in the amount of \$140,290 with the City of Needles for the I-40 Needles Connector Project, to be funded with Measure I Colorado River Subarea – Major Local Highway Program funds.

Background: On May 14, 2013, representatives of all agencies in the Colorado River subarea met and determined projects that were eligible for regional funds. The City of Needles nominated the I-40 Needles Connector Project (formerly known as the I-40/AZ95 Connector Project).

The Project was originally to connect I-40 and AZ-95 along J Street and a bridge over the Colorado River. The Project was down-scoped due to the prohibitively high cost of cantilevering the Colorado River Bridge and the work that would be necessary on the railroad bridge adjacent to the roadway and is currently in the final design and right-of-way phases. SANBAG has also allocated Surface Transportation Program funds to the project as a swap of funds with the I-215 Barton Interchange when federal earmarks designated for Needles were subject to rescission. Other federal earmarks and funds from the City of Needles and the County of San Bernardino are contributing to the cost of the project. Construction is expected to begin in March 2015.

*

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

Approved
 Board of Directors

Date: _____

Moved: Second:

In Favor: Opposed: Abstained:

Witnessed: _____

Financial Impact: This item is consistent with the adopted Fiscal Year 2013/2014 budget.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Contract.

Responsible Staff: Andrea Zureick, Director of Fund Administration & Programming

PROJECT FUNDING AGREEMENT C14021

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF NEEDLES

FOR

**I-40 NEEDLES CONNECTOR PROJECT
CITY OF NEEDLES**

THIS Project Funding Agreement (“AGREEMENT”) is made and entered into this _____ day of _____ by and between the San Bernardino County Transportation Authority (hereinafter referred to as “AUTHORITY”) and the CITY OF NEEDLES (hereinafter referred to as “CITY”). AUTHORITY and CITY shall be individually or collectively, as applicable, known as “PARTY” or “PARTIES.”

RECITALS

A. The Measure I 2010-2040 Expenditure Plan and the Colorado River Subarea transportation planning partners have identified projects eligible for partial funding from Measure I 2010-2040 Rural Mountain/Desert Subarea Major Local Highway Program (“MLHP”) funds;

B. The I-40 Needles Connector Project in the CITY (“PROJECT”) is one of the projects identified as eligible for such funding and is described more fully in Attachment A;

C. AUTHORITY has determined that the PROJECT is eligible to receive the Rural Mountains/Desert Subarea MLHP funds;

D. On October 2, 2013, AUTHORITY’s Board of Directors approved allocation of \$140,290 in Rural Mountains/Desert Subarea MLHP funds to CITY for the PROJECT;

E. This Agreement is to be carried out in accordance with the policies in the Measure I 2010-2040 Strategic Plan;

F. Parties desire to proceed with the PROJECT in a timely manner;

G. This Agreement is intended to delineate the duties and funding responsibilities of the Parties for the PROJECT; and

H. AUTHORITY and CITY are entering into this Agreement with the understanding that AUTHORITY will reimburse CITY for eligible PROJECT expenditures with MLHP funds.

NOW, THEREFORE, AUTHORITY and CITY agree to the following:

SECTION I

AUTHORITY AGREES:

1. To reimburse CITY for the actual cost of the PROJECT up to a maximum of \$140,290 in MLHP Funds. An estimate of costs for the PROJECT is provided in Attachment B. AUTHORITY shall have no further responsibilities to provide MLHP funds for PROJECT exceeding this amount.
2. To reimburse CITY within 30 days after CITY submits an original and two copies of the signed invoices in the proper form covering those actual allowable PROJECT expenditures that were incurred by CITY up to a maximum of \$140,290, consistent with the invoicing requirements of the Measure I 2010-2040 Strategic Plan, including backup information. Invoices may be submitted to AUTHORITY as frequently as monthly.
3. When conducting an audit of the costs claimed under the provisions of this Agreement, to rely to the maximum extent possible on any prior audit of CITY performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to AUTHORITY when planning and conducting additional audits.
4. AUTHORITY shall assign a project liaison for the purpose of attending Project Development Team (PDT) meetings.

SECTION II

CITY AGREES:

1. To be the lead agency for this PROJECT and to diligently undertake and complete in a timely manner the Scope of Work for the PROJECT as shown in Attachment A.
2. To be responsible for expending that portion of the eligible PROJECT expenses that are incurred by CITY, subject to reimbursement by AUTHORITY hereunder, for an amount not to exceed \$140,290 in MLHP Funds, and are reimbursable by AUTHORITY in accordance with Section I, Paragraph 2. Expenses relative to time spent on the PROJECT by CITY are considered eligible PROJECT expenses and may be charged to the PROJECT funds subject to AUTHORITY's guidelines.
3. To abide by all AUTHORITY, CITY, County, State, and Federal laws, regulations, policies and procedures pertaining to the PROJECT.
4. To prepare and submit to AUTHORITY an original and two copies of signed invoices for reimbursement of eligible PROJECT expenses. Invoices may be submitted to AUTHORITY as frequently as monthly.
5. To maintain all source documents, books and records connected with its performance under this Agreement for a minimum of five (5) years from the date of the Final Report of Expenditures submittal to AUTHORITY or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of AUTHORITY during normal business hours at CITY's CITY Hall. Copies will be made and furnished by CITY upon written request by AUTHORITY or CALTRANS.
6. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support CITY's requests for reimbursement, payment vouchers, or invoices which segregate and accumulate costs of PROJECT work elements and produce monthly reports which clearly identify reimbursable costs, matching fund costs, indirect cost allocation, and other allowable expenditures by CITY.
7. To prepare a Final Report of Expenditures, including a final invoice reporting the actual eligible PROJECT costs expended for those activities described in the work activities, and to submit that Final Report of Expenditures and final invoice no later than 120 days following the completion of those expenditures. An original and two copies of the Final Report of Expenditures shall be submitted to AUTHORITY and must state that these PROJECT funds were

used in conformance with this Agreement and for those PROJECT-specific work activities described.

8. To cooperate in having a PROJECT-specific audit completed by AUTHORITY, at AUTHORITY's option and expense, upon completion of the PROJECT. The audit must state that all funds expended on the PROJECT were used in conformance with this Agreement.
9. To repay to AUTHORITY any reimbursement for Measure I costs that are determined by subsequent audit to be unallowable within one hundred twenty (120) days of CITY receiving notice of audit findings, which time shall include an opportunity for CITY to respond to and/or resolve the findings. Should the findings not be otherwise resolved and CITY fail to reimburse moneys due AUTHORITY within one hundred twenty (120) days of audit findings, or within such other period as may be agreed between both Parties, the AUTHORITY reserves the right to withhold future payments due CITY from any source under AUTHORITY's control.
10. To include AUTHORITY in Project Development Team (PDT) meetings if and when such meetings are held and in related communications on PROJECT progress, to provide at least quarterly schedule updates to AUTHORITY, and to consult with AUTHORITY on critical issues relative to the PROJECT.
11. As an eligible PROJECT expense, to post signs at the boundaries of the PROJECT noting that PROJECT is funded with Measure I funds. Signs shall bear the logos of AUTHORITY and CITY.

SECTION III

IT IS MUTUALLY AGREED:

1. To abide by all applicable Federal, State and Local laws and regulations pertaining to the PROJECT, including policies in the applicable program in the Measure I 2010-2040 Strategic Plan, as amended, as of the Effective Date of this Agreement.
2. The final PROJECT cost may ultimately exceed current estimates of PROJECT cost. Any additional eligible costs resulting from unforeseen conditions over the estimated total of the PROJECT cost, shall be borne by CITY unless prior authorization has been approved by the AUTHORITY Board of Directors pursuant to Section III, Paragraph 3 of this Agreement;
3. In the event CITY determines PROJECT work may exceed the not to exceed amount identified in Section I, Paragraph 1, CITY shall inform AUTHORITY of this determination and thereafter the Parties shall work together in an attempt to agree upon an amendment to the PROJECT amounts identified in

this Agreement. In no event, however, shall AUTHORITY be responsible for PROJECT costs in excess of the PROJECT amounts identified herein absent a written amendment to this Agreement that is approved by the Parties.

4. Eligible PROJECT reimbursements shall include only those costs incurred by CITY for PROJECT-specific work activities that are described in this Agreement and shall not include escalation or interest.
5. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, CITY shall fully defend, indemnify and save harmless AUTHORITY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this Agreement. CITY's indemnification obligation applies to AUTHORITY's "active" as well as "passive" negligence but does not apply to AUTHORITY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.
6. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, AUTHORITY shall fully defend, indemnify and save harmless CITY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. AUTHORITY's indemnification obligation applies to CITY's "active" as well as "passive" negligence but does not apply to CITY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.
7. This Agreement will be considered terminated upon reimbursement of eligible costs by AUTHORITY or July 1, 2018, whichever is sooner, provided that the provisions of Paragraphs 6, 7, 8, and 9 of Section II, and Paragraphs 5 and 6 of Section III, shall survive the termination of this Agreement. The Agreement may also be terminated by AUTHORITY, in its sole discretion, in the event the PROJECT work described in Attachment A has not been initiated or let by CITY within twelve (12) months of the Effective Date of this Agreement.

8. AUTHORITY may terminate this Agreement if CITY fails to perform according to the terms of this Agreement and if this failure jeopardizes the delivery of the PROJECT according to the terms herein.
9. The Recitals to this Agreement are true and correct and are incorporated into this Agreement.
10. Attachment A, I-40 Needles Connector Project, Description of Project and Milestones, and Attachment B, I-40 Needles Connector Project Funding Summary, are attached to and incorporated into this Agreement.
11. This Agreement is effective and shall be dated on the date executed by AUTHORITY.

-----SIGNATURES ON FOLLOWING PAGE-----

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

CITY OF NEEDLES

By: _____
W. E. Jahn, Chairperson

By: _____
Dr. Edward Paget
Mayor

Date: _____

Date: _____

APPROVED AS TO FORM AND
PROCEDURE:

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Eileen Monaghan Teichert
AUTHORITY General Counsel

By: _____
John Pinkney
City Counsel

Date: _____

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator

Date: _____

ATTACHMENT A

I-40 NEEDLES CONNECTOR PROJECT CITY OF NEEDLES

Description of Project and Milestones

Project Title:	I-40 Needles Connector		RTP No.:	20112007	Project Manager:	Dave Brownlee, Needles City Manager													
					Contact Information:	760-326-5740													
Project Information:	Route(s):	PM Start:	PM End:	EAN:	Legislative District:		Assembly:	Senate:	Congressional:										
<table border="0" style="width: 100%;"> <tr> <td>PAA</td><td><input type="checkbox"/></td> <td>AEA</td><td><input type="checkbox"/></td> <td>Federal Project</td><td><input type="checkbox"/></td> <td>Prop 5B</td><td><input type="checkbox"/></td> <td>10yr Plan</td><td><input type="checkbox"/></td> </tr> </table>										PAA	<input type="checkbox"/>	AEA	<input type="checkbox"/>	Federal Project	<input type="checkbox"/>	Prop 5B	<input type="checkbox"/>	10yr Plan	<input type="checkbox"/>
PAA	<input type="checkbox"/>	AEA	<input type="checkbox"/>	Federal Project	<input type="checkbox"/>	Prop 5B	<input type="checkbox"/>	10yr Plan	<input type="checkbox"/>										
Project Description:	The I-40/Needles Connector Project includes road rehabilitation along J Street, West Broadway St, Needles Highway, and North K Street and Intersection Improvements at J Street and West Broadway Street, West Broadway Street and Needles Highway, and Needles Highway and North K Street. Improvements would include traffic signals, turn lanes, and ADA pedestrian access.																		

Project Milestone	Baseline
Project Study Report Approved	
Begin Environmental (PA&ED) Phase	09/01/2010
Circulate Draft Environmental Document	
Draft Project Report	
End Environmental Phase (PA&ED Milestone) Type:	03/07/2013
Begin Design (PS&E) Phase	01/25/2013
End Design Phase (Ready to List for Advertisement Milestone)	04/18/2013
Begin Right of Way Phase	05/27/2012
End Right of Way Phase (Right of Way Certification Milestone)	05/05/2014
Begin Construction Phase (Contract Award Milestone)	03/06/2015
End Construction Phase (Construction Contract Acceptance Milestone)	06/08/2016
Begin Closeout Phase	06/08/2016
End Closeout Phase (Closeout Report)	06/08/2017

ATTACHMENT B

**I-40 NEEDLES CONNECTOR PROJECT
CITY OF NEEDLES**

Funding Summary

Component	Total Cost	AUTHORITY SHARE* - MLHP Funds	AUTHORITY SHARE** - STP-L Funds	SAN BNDO COUNTY SHARE	CITY SHARE
All Phases	\$5,294,000	\$140,290	\$1,980,000	\$76,840	\$3,096,870
Total	\$5,294,000	\$140,290	\$1,980,000	\$76,840	\$3,096,870

*AUTHORITY's Share can be from sources under control of AUTHORITY including but not limited to Measure I Major/Local Highways program, and State Transportation Improvement Program (STIP), or Surface Transportation Program (STP) without necessitating an amendment of this agreement.

** STP-L Funds were allocated to this project to replace an earmark that was subject to rescission. The earmark was exchanged for STP-L from SANBAG's I-215 Barton Road Interchange project.



- 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: 24

Date: October 2, 2013

Subject: Major Local Highway Program Funding Agreement for San Bernardino County

Recommendation: Approve Funding Agreement C14033 in the amount of \$1,006,393.00 with the County of San Bernardino for the Rancho Road at Escondido Avenue Project, funded by Victor Valley Subarea – Major Local Highway Program funds.

Background: The Rancho Road Corridor was identified as a high priority for the Victor Valley subarea in the 10-Year Delivery Plan. The County of San Bernardino's Rancho Road at Escondido Road project is ready for construction in Fiscal Year 2013/2014. This intersection is one of the bottlenecks on the Rancho Road Corridor, and these funds will assist with its widening and signalization.

At a Victor Valley Subarea meeting on February 4, 2013, representatives of the five jurisdictions approved the recommendation of allocation of funds to this project. The SANBAG Board approved the allocation of funds to the project in April 2013.

Financial Impact: This item is consistent with the Fiscal Year 2013/2014 budget.

Reviewed By: This item was reviewed and unanimously recommended for approval by the Mountain/Desert Committee on September 13, 2013. SANBAG General Counsel and Contract Administrator have reviewed this item and the Contract.

Responsible Staff: Andrea Zureick, Director of Fund Administration & Programming

*

Approved
 Board of Directors

Date: _____

Moved: Second:

In Favor: Opposed: Abstained:

Witnessed: _____

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

Check all that apply.

BRD1310b-ep

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14033.doc>



CONTRACT SUMMARY SHEET

Contract No. C C14033 Amendment No. _____

By and Between

San Bernardino County Transportation Authority and San Bernardino County

Contract Description Project Funding Agreement for the Ranchero Road at Escondido Avenue Project

Board of Director's Meeting Date: 10/2/13
Overview of BOD Action: Approve Project Funding Agreement for \$1,006,393

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW					
Original Contract Amount	\$	1,006,393.00	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$		Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$		TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 1,006,393.00

Contract Start Date 10/2/13	Current Contract Expiration Date 7/1/17	Revised Contract Expiration Date
--------------------------------	--	----------------------------------

Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0516.
 A Budget Amendment is required.
 How are we funding current FY?

<input type="checkbox"/> Federal Funds	<input type="checkbox"/> State Funds	<input type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input checked="" type="checkbox"/> Measure I Funds
--	--------------------------------------	--------------------------------------	------------------------------------	---

Provide Brief Overview of the Overall Funding for the duration of the Contract:
 \$1,006,393 in MSI Victor Valley MLHP Funds
 Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Ellen Pollerna
Project Manager (Print Name)

Andrea Zureick
Task Manager (Print Name)

Andrea Zureick
Dir. of Fund Admn. & Programming (Print Name)

Jessery Hill
Contract Administrator (Print Name)

W. Shaw
Chief Financial Officer (Print Name)

<u>Ellen Pollerna</u>	8/20/13
Signature	Date
<u>Andrea Zureick</u>	8/28/13
Signature	Date
<u>Andrea Zureick</u>	8/28/13
Signature	Date
<u>[Signature]</u>	8/28/13
Signature	Date
<u>[Signature]</u>	9/3/13
Signature	Date

PROJECT FUNDING AGREEMENT C14033

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

SAN BERNARDINO COUNTY

FOR

THE RANCHERO ROAD AT ESCONDIDO AVENUE PROJECT

THIS Project Funding Agreement ("AGREEMENT") is made and entered into this _____ day of _____ by and between the San Bernardino County Transportation Authority ("AUTHORITY") and SAN BERNARDINO COUNTY (COUNTY"). AUTHORITY and COUNTY shall be individually or collectively, as applicable, known as "Party" or "Parties."

RECITALS

A. The Measure I 2010-2040 Expenditure Plan and the Victor Valley Subarea transportation planning partners have identified projects eligible for partial funding from Measure I 2010-2040 Victor Valley Mountain/Desert Subarea Major Local Highway Program ("MLHP") funds; and

B. AUTHORITY prepared a study referred to herein as the Nexus Study dated November 2, 2011 and in accordance with the Measure I 2010-2040 Expenditure Plan, that identified projects eligible for partial funding from Measure I 2010-2040 revenues; and

C. COUNTY intends to construct a new traffic signal and road widening project at the intersection of Ranchero Road and Escondido Avenue in the unincorporated area of the Victor Valley ("PROJECT"), which is listed in the Nexus Study and described more fully in Attachment A; and

D. COUNTY identified a need of \$1,006,393 to complete construction of the PROJECT.

E. The Victor Valley Subarea transportation planning partners have identified this PROJECT as eligible for partial funding in an amount up to \$1,006,393 from Measure I

2010-2040 Victor Valley Mountain/Desert Subarea Major Local Highway Program ("MLHP") funds; and

F. On April 11, 2013, AUTHORITY's Board of Directors approved an allocation of \$1,006,393 in Victor Valley Mountain/Desert Subarea MLHP funds to COUNTY for the PROJECT;

G. This Agreement is intended to delineate the duties and funding responsibilities of the Parties for the PROJECT; and

H. AUTHORITY and COUNTY are entering into this Agreement with the understanding that AUTHORITY will reimburse COUNTY for eligible PROJECT expenditures.

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

SECTION I

AUTHORITY AGREES:

1. To provide, a not to exceed amount of, \$1,006,393 of Victor Valley Mountain/Desert Subarea MLHP funds for construction of the PROJECT, as more particularly set forth in Attachment B.
2. To reimburse COUNTY within 30 days after COUNTY submits an original and two copies of the signed invoices in the proper form covering those actual allowable PROJECT expenditures that were incurred by COUNTY up to a maximum of \$1,006,393, consistent with the invoicing requirements of the Measure I 2010-2040 Strategic Plan, including backup information. Invoices may be submitted to AUTHORITY as frequently as monthly.
3. When conducting an audit of the costs claimed under the provisions of this Agreement, to rely to the maximum extent possible on any prior audit of COUNTY performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to AUTHORITY when planning and conducting additional audits.

SECTION II

COUNTY AGREES:

1. To be the lead agency for this PROJECT and to diligently undertake and complete in a timely manner the Scope of Work for the PROJECT as shown in Attachment A.

2. To be responsible for all PROJECT costs in excess of \$1,006,393 absent approval of an additional allocation from the SANBAG Board.
3. To be responsible for expending that portion of the eligible PROJECT expenses that are incurred by COUNTY, and by reimbursed by AUTHORITY, for an amount not to exceed \$1,006,393 in MLHP Funds, in accordance with Section I, Paragraph 2. Expenses relative to time spent on the PROJECT by COUNTY are considered eligible PROJECT expenses and may be charged to the PROJECT funds subject to AUTHORITY's guidelines.
4. To abide by all AUTHORITY, COUNTY, Local, State, and Federal laws, regulations, policies and procedures pertaining to the PROJECT.
5. To prepare and submit to AUTHORITY an original and two copies of signed invoices for reimbursement of eligible PROJECT expenses. Invoices may be submitted to AUTHORITY as frequently as monthly.
6. To maintain all source documents, books and records connected with its performance under this Agreement for a minimum of five (5) years from the date of the Final Report of Expenditures submittal to AUTHORITY or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of AUTHORITY during normal business hours at COUNTY's Department of Public Works. Copies will be made and furnished by COUNTY upon written request by AUTHORITY.
7. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support COUNTY's requests for reimbursement, payment vouchers, or invoices which segregate and accumulate costs of PROJECT work elements and produce monthly reports which clearly identify reimbursable costs, matching fund costs, indirect cost allocation, and other allowable expenditures by COUNTY.
8. To prepare a Final Report of Expenditures, including a final invoice reporting the actual eligible PROJECT costs expended for those activities described in the work activities, and to submit that Final Report of Expenditures and final invoice no later than 120 days following the completion of those expenditures. An original and two copies of the Final Report of Expenditures shall be submitted to AUTHORITY and must state that these PROJECT funds were used in conformance with this Agreement and for those PROJECT-specific work activities described.
9. To cooperate in having a PROJECT-specific audit completed by AUTHORITY, at AUTHORITY's option and expense, upon completion of the

PROJECT. The audit must state that all funds expended on the PROJECT were used in conformance with this Agreement.

10. To repay to AUTHORITY any reimbursement for Measure I costs that are determined by subsequent audit to be unallowable within one hundred twenty (120) days of COUNTY receiving notice of audit findings, which time shall include an opportunity for COUNTY to respond to and/or resolve the findings. Should the findings not be otherwise resolved and COUNTY fail to reimburse moneys due AUTHORITY within one hundred twenty (120) days of audit findings, or within such other period as may be agreed between both Parties, the AUTHORITY reserves the right to withhold future payments due COUNTY from any source under AUTHORITY's control.
11. To include AUTHORITY in Project Development Team (PDT) meetings if and when such meetings are held and in related communications on PROJECT progress, to provide at least quarterly schedule updates to AUTHORITY, and to consult with AUTHORITY on critical issues relative to the PROJECT.
12. As an eligible PROJECT expense, to post signs at the boundaries of the PROJECT noting that PROJECT is funded with Measure I funds. Signs shall bear the logos of AUTHORITY and COUNTY.

SECTION III

IT IS MUTUALLY AGREED:

1. To abide by all applicable Federal, State and Local laws and regulations pertaining to the PROJECT, including policies in the applicable program in the Measure I 2010-2040 Strategic Plan, as amended, as of the Effective Date of this Agreement.
2. Eligible PROJECT reimbursements shall include only those costs incurred by COUNTY for PROJECT-specific work activities that are described in this Agreement and shall not include escalation or interest.
3. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, COUNTY shall fully defend, indemnify and save harmless AUTHORITY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement. COUNTY's

indemnification obligation applies to AUTHORITY's "active" as well as "passive" negligence but does not apply to AUTHORITY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

4. Neither COUNTY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, AUTHORITY shall fully defend, indemnify and save harmless COUNTY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. AUTHORITY's indemnification obligation applies to COUNTY's "active" as well as "passive" negligence but does not apply to COUNTY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.
5. This Agreement will be considered terminated upon reimbursement of eligible costs by AUTHORITY or July 1, 2017, whichever is sooner, provided that the provisions of Paragraphs 7, 8, 9 and 10 of Section II, and Paragraphs 3 and 4 of Section III, shall survive the termination of this Agreement. The Agreement may also be terminated by AUTHORITY, in its sole discretion, in the event the PROJECT work described in Attachment A has not been initiated or let by COUNTY within twelve (12) months of the Effective Date of this Agreement.
6. AUTHORITY may terminate this Agreement if COUNTY fails to perform according to the terms of this Agreement and if this failure jeopardizes the delivery of the PROJECT according to the terms herein.
7. The Recitals to this Agreement are true and correct and are incorporated into this Agreement.
8. Attachment A, Ranchero Road at Escondido Avenue Project Description of Project and Milestones, and Attachment B, Ranchero Road at Escondido Avenue Project Funding Summary, are attached to and incorporated into this Agreement.
9. This Agreement is effective and shall be dated on the date executed by AUTHORITY.

-----SIGNATURES ON FOLLOWING PAGE-----

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

COUNTY OF SAN BERNARDINO

By: _____
W. E. Jahn, President

By: _____
Janice Rutherford, Chair

Date: _____

Date: _____

APPROVED AS TO FORM AND
PROCEDURE:

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Eileen Monaghan Teichert
AUTHORITY General Counsel

By: _____
Scott Runyan
Deputy County Counsel

Date: _____

Date: _____

By: _____
Jeffery Hill
Contract Administrator

Date: _____

ATTACHMENT A

Description of Project and Milestones

Project Title		
Ranchero Road at Escondido Avenue Project		
Location, Project Limits, Description, Scope of Work, Legislative Description		
Construction of a signal and road widening project on Ranchero Road near the intersection of Escondido Avenue. The project includes widening and tapering for the eventual full corridor widening of the Ranchero Avenue, plus construction of a new signal at the Ranchero/Escondido intersection.		
Purpose and Need		
Ranchero Road is a heavily traveled east-west thoroughfare that connects the southern boundary of the City of Hesperia (City) and the unincorporated area of Oak Hills with Interstate 15 (I-15). Residential growth and commercial developments in the area have resulted in increased traffic on this road primarily at its intersection with Escondido Avenue. Escondido Avenue is located east of I-15, and extends from Main Street, another heavily traveled thoroughfare at the northern boundary of the City, south to Ranchero Road. The close proximity of I-15, coupled with residential growth, commercial developments, and the construction of the Oak Hills High School at the intersection of Ranchero Road and Coyote Trail, have added significant traffic volume to this already heavily traveled intersection, primarily in the morning hours. Traffic through this intersection is presently controlled by a four-way stop sign, but this is compounding the early morning congestion. The County Department of Public Works (DPW) has determined that this four-way stop is no longer sufficient to control the level of traffic at this intersection. In order to improve traffic flow, DPW plans to widen the intersection and install a traffic signal to promote smoother traffic flow.		
Project Benefits		
The project will improve traffic congestion and provide congestion relief and is the first phase in the eventual widening of the Ranchero Avenue corridor from the I-15 east to 7 th Street in the Hesperia area. The Ranchero Avenue Corridor project is currently in the design phase, for which the City of Hesperia is the lead agency.		
Project Milestone	Document Type	Proposed
Project Study Report Approved		NA
Begin Environmental (PA&ED) Phase		08/29/2011
Circulate Draft Environmental Document	N/A	Categorical Exemption
Draft Project Report		NA
End Environmental Phase (PA&ED Milestone)		04/10/2012
Begin Design (PS&E) Phase		03/24/2011
End Design Phase (Ready to List for Advertisement Milestone)		02/12/2013
Begin Right of Way Phase		05/16/2012
End Right of Way Phase (Right of Way Certification Milestone)		12/01/2012
Begin Construction Phase (Contract Award Milestone)		10/08/2013
End Construction Phase (Construction Contract Acceptance Milestone)		01/30/2014
Begin Closeout Phase		03/01/2014
End Closeout Phase (Closeout Report)		05/30/2014

ATTACHMENT B

Ranchero Road at Escondido Avenue Project

Funding Summary

Component	Total Cost	AUTHORITY SHARE* - MLHP Funds	COUNTY Proposition 1B LSR	COUNTY Development Mitigation Fees and Loan for Dev Fees	COUNTY Local Measure I Funds
All Phases	\$2,499,000	\$1,006,393	\$455,000	\$827,820	\$209,787
Total	\$2,499,000	\$1,006,393	\$455,000	\$827,820	\$209,787

*AUTHORITY's Share can be from eligible sources under control of AUTHORITY, including but not limited to Measure I Major/Local Highways program, without necessitating an amendment of this agreement.



- 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: 25

Date: October 2, 2013

Subject: California Department of Transportation Master Agreement – State Funded Transit Projects

- Recommendation:**
1. Approve the Master Agreement, C14042, with California Department of Transportation for State Funded Transit Projects, which establishes general procedures in order to meet the administrative requirements of state-funded projects.
 2. Adopt Resolution No. 14-002 authorizing the Executive Director and/or his designee to execute the Master Agreement and all Program Supplements for state-funded transit projects and any amendments thereto with the California Department of Transportation.

Background: The Master Agreement with the California Department of Transportation (Caltrans) includes basic provisions to ensure state and federal laws and regulations are met for state-funded projects. Caltrans utilizes Master Agreements, and associated Program Supplements, for state-funded transit projects in order to properly administer and reimburse state transit funds to regional and local agencies. Substantial revisions were made to the programming and funding process for the transportation projects programmed in the State

*Approved
Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

COG	<input type="checkbox"/>	CTC	<input type="checkbox"/>	X	CTA	<input type="checkbox"/>	SAFE	<input type="checkbox"/>	CMA	<input type="checkbox"/>
-----	--------------------------	-----	--------------------------	---	-----	--------------------------	------	--------------------------	-----	--------------------------

Check all that apply.

BRD1310a-vj

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14042.pdf>

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/RES14002.doc>

Transportation Improvement Program, by Chapter 622 (SB 45) of the Statutes of 1997. The statutes related to state-funded transit projects require SANBAG to execute an agreement with Caltrans before it can be reimbursed for project expenditures.

Specific projects will have individual Program Supplements to this agreement which establish specific dollar amounts and specific conditions of the individual projects. SANBAG accepts funding for projects through Program Supplements to the Master Agreement. To continue with current practice, this item also authorizes the Executive Director to execute the Master Agreement and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation, provided that the SANBAG Board of Directors has taken prior action to approve specific projects and the associated costs.

Financial Impact: This item has no impact upon the SANBAG Budget. No funds are obligated by the execution of this agreement alone.

Reviewed By: This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel has reviewed this item, the resolution and agreement.

Responsible Staff: Andrea Zureick, Director of Fund Administration and Programming



CONTRACT SUMMARY SHEET

Contract No. C 14042 Amendment No. _____

By and Between

SANBAG and California Department of Transportation

Contract Description Master Agreement with California, Department of Transportation for State-funded Transit Projects

Board of Director's Meeting Date: 10/2/2013	
Overview of BOD Action: Approve Master Agreement; authorize Executive Director to execute agreement and program supplements as needed.	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

Contract Start Date June 1, 2013	Current Contract Expiration Date June 1, 2023	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION	
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. 0373.	
<input type="checkbox"/> A Budget Amendment is required.	
How are we funding current FY? N/A	
<input type="checkbox"/> Federal Funds	<input checked="" type="checkbox"/> State Funds
<input type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds
<input type="checkbox"/> Measure I Funds	
Provide Brief Overview of the Overall Funding for the duration of the Contract: The Master Agreement with the California Department of Transportation (Caltrans) includes basic provisions to ensure state and federal laws and regulations are met for state-funded projects. SANBAG accepts funding for projects through Program Supplements to the Master Agreement, however, no funds are obligated by the execution of this agreement alone. Funds will not pass through SANBAG budget due to this agreement.	
<input type="checkbox"/> Payable <input type="checkbox"/> Receivable	

CONTRACT MANAGEMENT INFORMATION	
Check all applicable boxes:	
<input type="checkbox"/> Retention? If yes, indicate % _____.	
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %	

Vanessa Jezik		8-29-13
Project Manager (Print Name)	Signature	Date
Andrea Wreick		8/29/13
Task Manager (Print Name)	Signature	Date
Andrea Wreick		8/29/13
Dir. of Fund Admin. & Programming (Print Name)	Signature	Date

Jeffery Hill
Contract Administrator (Print Name)
W. STANWORTH
Chief Financial Officer (Print Name)

[Signature] 8/29/13
Signature Date
[Signature] 8/30/13
Signature Date

Master Agreement State Funded Transit Projects



California Department of Transportation

DIVISION OF MASS TRANSPORTATION
1120 N STREET, ROOM 3300
P. O. BOX 942874, MS-39
SACRAMENTO, CA 94274-0001
PHONE (916) 657-3876

STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 DIVISION OF MASS TRANSPORTATION

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**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION**

**MASTER AGREEMENT
STATE FUNDED TRANSIT PROJECTS**

Effective Date of this Agreement: June 1, 2013
Termination Date of this Agreement: June 1, 2023
Recipient: SANBAG acting in its capacity as the San Bernardino County Transportation Commission

APPLICABLE FUNDING SOURCES COVERED BY THIS AGREEMENT WILL BE IDENTIFIED IN EACH SPECIFIC PROGRAM SUPPLEMENT ADOPTING THE TERMS OF THIS AGREEMENT

- ◆ **General Fund**
- ◆ **State Highway Account**
- ◆ **Public Transportation Account**
- ◆ **Transportation Investment Fund**
- ◆ **Traffic Congestion Relief Fund (TCR), GC 14556.40**
- ◆ **Clean Air and Transportation Improvement Act of 1990 (PROP. 116) Bond Fund**
- ◆ **Other State Funding Sources**

This AGREEMENT, entered into effective as of the date set forth above, is between the signatory public entity identified hereinabove, hereinafter referred to as **RECIPIENT**, and the STATE OF CALIFORNIA, acting by and through its Department of Transportation, hereinafter referred to as **STATE**.

ARTICLE I - PROJECT ADMINISTRATION

Section 1. Program Supplement

A. General

- (1) This AGREEMENT shall have no force and effect with respect to any PROJECT unless and until a separate PROJECT specific "PROGRAM SUPPLEMENT – STATE FUNDED TRANSIT PROJECT(S)," hereinafter referred to as "PROGRAM SUPPLEMENT," adopting all of the terms and conditions of this AGREEMENT has been fully executed by both **STATE** and **RECIPIENT**.
- (2) **RECIPIENT** agrees to complete each defined PROJECT, or the identified PROJECT Phase/Component thereof, described in the PROGRAM SUPPLEMENT adopting all of the terms and conditions of this AGREEMENT.

- (3) A financial commitment of actual PROJECT funds will only occur in each detailed and separate PROGRAM SUPPLEMENT. No funds are obligated by the prior execution of this AGREEMENT alone.
- (4) **RECIPIENT** further agrees, as a condition to the release and payment of the funds encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all the agreed-upon Special Covenants and Conditions attached to or made a part of the PROGRAM SUPPLEMENT identifying and defining the nature of that specific PROJECT.
- (5) The PROGRAM SUPPLEMENT shall include: a detailed Scope of Work conforming to the included Project Description, a Project Schedule, an Overall Funding Plan, and a Project Financial Plan as required by the applicable Program Guidelines.
 - a. The Scope of Work shall include a detailed description of the PROJECT and will itemize the major tasks and their estimated costs.
 - b. The Project Schedule shall include major tasks and/or milestones and their associated beginning and ending dates and duration.
 - c. The Overall Funding Plan shall itemize the various PROJECT Components, the committed funding program(s) or source(s), and the matching funds to be provided by **RECIPIENT** and/or other funding sources, if any [these Components include Environmental and Permits; Plans, Specifications and Estimates (PS&E); Right-of-Way (ROW); and Construction (including transit vehicle acquisition)].
 - d. The Project Financial Plan shall identify estimated expenditures for each PROJECT Component by funding source.
- (6) Adoption and execution of the PROGRAM SUPPLEMENT by **RECIPIENT** and **STATE**, incorporating the terms and conditions of this AGREEMENT into the PROGRAM SUPPLEMENT as though fully set forth therein, shall be sufficient to bind **RECIPIENT** to these terms and conditions when performing the PROJECT. Unless otherwise expressly delegated to a third-party in a resolution by **RECIPIENT**'s governing body, which delegation must be expressly assented to and concurred in by **STATE**, the PROGRAM SUPPLEMENT shall be managed by **RECIPIENT**.
- (7) The estimated cost and scope of each PROJECT will be as described in the applicable PROGRAM SUPPLEMENT. **STATE** funding participation for each PROJECT is limited to those amounts actually encumbered by **STATE** as evidenced in that applicable PROGRAM SUPPLEMENT. A contract awarded by **RECIPIENT** for PROJECT work in an amount in excess of said approved estimate or the PROGRAM SUPPLEMENT funding limit may exceed any said PROGRAM SUPPLEMENT cost estimate and the limits of **STATE**'s participation provided:
 - a. **RECIPIENT** provides the necessary additional funding, or
 - b. A cost increase in **STATE**'s share of PROJECT funding is first requested by **RECIPIENT** (before the cost overrun occurs) and that increase is approved by **STATE**

in the form of an Allocation Letter comprising the encumbrance document for that increased **STATE** funding level.

- (8) State programmed fund amounts may be increased to cover **PROJECT** cost increases only if:
 - a. Such funds are available;
 - b. **STATE** concurs with that proposed increase; and
 - c. **STATE** issues an approved Allocation Letter, Fund Shift Letter, or a Time Extension Letter with additional funding as stated in an executed amendment to that **PROGRAM SUPPLEMENT**.
- (9) When additional State programmed funds are not available, **RECIPIENT** agrees that reimbursements of invoiced **PROJECT** costs paid to **RECIPIENT** will be limited to, and shall not exceed, the amounts already approved in the **PROGRAM SUPPLEMENT** containing the **STATE** approved encumbrance documents and that any increases in **PROJECT** costs above that **STATE** supported funding level must be defrayed by **RECIPIENT** with non-State funds.
- (10) For each approved **PROGRAM SUPPLEMENT**, **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of appropriate matching funds (other than State funds) if any matching funds are specified within the **PROGRAM SUPPLEMENT**, or any attachment thereto, toward the actual cost of the **PROJECT** or the amount, if any, specified in an executed SB 2800 (Streets and Highways Code section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than the required match amount toward the cost of the **PROJECT** in accordance with a schedule of payments as shown in a Project Financial Plan prepared by **RECIPIENT** as part of a **PROGRAM SUPPLEMENT**.
- (11) Upon the stated expiration date of this **AGREEMENT**, any **PROGRAM SUPPLEMENTS** executed under this **AGREEMENT** for a **PROJECT** with work yet to be completed pursuant to the approved Project Schedule shall be deemed to extend the term of this **AGREEMENT** only to conform to the specific **PROJECT** termination or completion date contemplated by the applicable **PROGRAM SUPPLEMENT** to allow that uncompleted **PROJECT** to be administered under the extended terms and conditions of this **AGREEMENT**.

B. Project Overrun

- (1) If **RECIPIENT** and **STATE** determine, at any time during the performance of a **PROJECT**, that the **PROJECT** budget may be exceeded, **RECIPIENT** shall take the following steps:
 - a. Notify the designated **STATE** representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify potential cost savings or other measures which **RECIPIENT** will institute to bring the Project Budget into balance; and
 - b. Schedule the projected overrun for discussion at the next Quarterly Review meeting; and

- c. Identify the source of additional **RECIPIENT** or other third party funds that can be made available to complete **PROJECT**.

C. Scope of Work

- (1) **RECIPIENT** shall be responsible for complete performance of the work described in the approved **PROGRAM SUPPLEMENT** for the **PROJECT** related to the commitment of encumbered funds. All work shall be accomplished in accordance with the applicable provisions of the Public Utilities Code, the Streets and Highways Code, the Government Code, and other applicable statutes and regulations.
- (2) **RECIPIENT** acknowledges and agrees that **RECIPIENT** is the sole control and manager of each **PROJECT** and its subsequent employment, operation, repair and maintenance for the benefit of the public. **RECIPIENT** shall be solely responsible for complying with the funding and use restrictions established by (a) the statutes from which these funds are derived, (b) the California Transportation Commission (CTC), (c) the State Treasurer, (d) the Internal Revenue Service, (e) the applicable **PROGRAM SUPPLEMENT**, and (f) this **AGREEMENT**.

D. Program Supplement Amendments

PROGRAM SUPPLEMENT amendments will be required whenever there are CTC-approved changes to the cost, scope of work, or delivery schedule of a **PROJECT** from those specified in the original **PROJECT** Application and the original **PROGRAM SUPPLEMENT**. Those changes shall be mutually binding upon the Parties only following the execution of a **PROGRAM SUPPLEMENT** amendment.

Section 2. Allowable Costs and Payments

A. Allowable Costs and Progress Payment Vouchers

- (1) Not more frequently than once a month, but at least quarterly, **RECIPIENT** will prepare and submit to **STATE** (directed to the attention of the appropriate State District Transit Representative) signed Progress Payment Vouchers for actual **PROJECT** costs incurred and paid for by **RECIPIENT** consistent with the Scope of Work document in the **PROGRAM SUPPLEMENT** and **STATE** shall pay those uncontested allowable costs once the voucher is approved. If no costs were incurred during any given quarter, **RECIPIENT** is exempt from submitting a signed Progress Payment Voucher; but is still required to present a progress report at each Quarterly Review.
- (2) **STATE** shall not be required to reimburse more funds, cumulatively, per quarter of any fiscal year greater than the sums identified and included in the **PROJECT** Financial Plan. However, accelerated reimbursement of **PROJECT** funds in excess of the amounts indicated in the Project Financial Plan, cumulatively by fiscal year, may be allowed at the sole discretion of **STATE** if such funds are available for encumbrance to fulfill that need.

- (3) Each such voucher will report the total of PROJECT expenditures from all sources (including those of RECIPIENT and third parties) and will specify the percent of State reimbursement requested and the fund source. The voucher should also summarize State money requested by PROJECT component (environmental and permits, plans specifications, and estimates (PS&E); right of way; construction; rolling stock; or--if bond funded--private activity usage) and phase, and shall be accompanied by a report describing the overall work status and progress on PROJECT tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the PROGRAM SUPPLEMENT which were accomplished prior to the Effective Date of this AGREEMENT or the PROGRAM SUPPLEMENT with costs to be credited toward any required local contribution described in Article II, Section 1 of this Agreement (but only if expended pursuant to any applicable prior executed Agreement for Local Match Fund Credit between RECIPIENT and STATE).
- (4) An Indirect Cost Rate Proposal and/or Central Service Cost Allocation plan and related documentation approved under cognizant agency regulations are to be provided to STATE (Caltrans Audits & Investigations) annually for their review, and approval and filing prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for reimbursement.

B. Advance Payments (TCR Projects Only)

- (1) Advance reimbursements or payments by STATE are not allowed except in the case of TCR funded Projects, and only then when expressly authorized by the CTC.
- (2) In order to receive a CTC approved TCR payment advance, RECIPIENT must provide duplicate signed invoices to STATE requesting payment of that authorized advance.
- (3) For TCR Projects approved for advanced payment allocation by the CTC, said advance payment shall be deposited by RECIPIENT in an interest bearing account held by institutions with long-term credit ratings of "AA" or better from at least two nationally recognized credit rating agencies, or in instruments issued by and secured by the full faith and credit of the U.S. Government or by an agency of the U.S. Government. No TCR interest earnings may be spent on the PROJECT. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in RECIPIENT's account until all the approved TCR advance funds have been expended or returned to STATE together with all accrued interest. Interest earned shall be reported to STATE's Project Coordinator on an annual basis and upon the final PROJECT payment when interest earnings, overpayments, and unexpended advanced TCR funds shall be returned to STATE no later than thirty (30) days after PROJECT completion or termination of the PROGRAM SUPPLEMENT, whichever is first in time.
- (4) Advanced funds are to be expended only as indicated in the approved TCR Application. RECIPIENT must be able to document the expenditures/disbursement of funds advanced to only pay for actual allowable PROJECT costs incurred.

- (5) Except as expressly allowed hereinbelow, non-TCR funds and TCR project funds not authorized for advance payment can only be released by **STATE** as reimbursement of actual allowable **PROJECT** costs already incurred and paid for by **RECIPIENT** no earlier than the effective date of this **AGREEMENT** and not incurred beyond the **AGREEMENT/PROGRAM SUPPLEMENT** Termination Date.
- (6) Where advance payments are authorized in a **PROGRAM SUPPLEMENT**, **RECIPIENT** must report and document the expenditure/disbursement of funds advanced to pay for actual eligible **PROJECT** costs incurred, at least quarterly, using a Progress Payment Voucher to be approved by **STATE**'s District Project Administrator.

C. Expedited Payments

Should **RECIPIENT** have a valid Memorandum of Understanding (MOU) for "Expedited Payment" on file with **STATE**'s Accounting Service Center, **RECIPIENT** will, not more frequently than as authorized by that MOU, prepare and submit to **STATE** an Expedited Payment Invoice for reimbursements that are consistent with that MOU, this **AGREEMENT**, and the applicable **PROGRAM SUPPLEMENT**. Expedited Payments are subject to policies established in the Caltrans Accounting Manual. One time payments and final payments eligible for expedited pay pursuant to this Section will have ten percent (10%) of each invoice amount withheld until **PROJECT** completion and **STATE** has evaluated **RECIPIENT**'s performance and made a determination that all requirements assumed under this **AGREEMENT** and the relevant **PROGRAM SUPPLEMENT** have been satisfactorily fulfilled by **RECIPIENT**.

D. Advance Expenditure of Local Funds

Government Code section 14529.17 (AB 872) allows public agencies to expend their own funds on certain programmed projects prior to the CTC's allocation of funds, and, upon receipt of CTC approval, to then seek reimbursement for those allowable prior expenditures following execution of a **PROGRAM SUPPLEMENT** wherein **STATE** acknowledges and accepts those statutorily authorized prior expenditures as a credit towards a required **RECIPIENT** match, (if any) or as eligible **PROJECT** expenditures for reimbursement.

E. Travel Reimbursement

Payments to **RECIPIENT** for **PROJECT** related travel and subsistence expenses of **RECIPIENT** forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid rank and file State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by **RECIPIENT** are in excess of those authorized DPA rates, then **RECIPIENT** is responsible for the cost difference, and any overpayments inadvertently paid by **STATE** shall be reimbursed to **STATE** by **RECIPIENT** on demand.

F. Final Invoice

The **PROGRAM SUPPLEMENT** Termination Date refers to the last date for **RECIPIENT** to incur valid **PROJECT** costs or credits and is the date that the **PROGRAM SUPPLEMENT** expires.

RECIPIENT has one hundred and eighty (180) days after that Termination Date to make already incurred final allowable payments to **PROJECT** contractors or vendors, prepare the **PROJECT** Closeout Report, and submit the final invoice to **STATE** for reimbursement of allowable **PROJECT** costs before those remaining State funds are unencumbered and those funds are reverted as no longer available to pay any **PROJECT** costs. **RECIPIENT** expressly waives any right to allowable reimbursements from **STATE** pursuant to this **AGREEMENT** for costs incurred after that termination date and for costs invoiced to **RECIPIENT** for payment after that one hundred and eightieth (180th) day following the **PROJECT** Termination Date.

ARTICLE II – GENERAL PROVISIONS

Section 1. Funding

A. *Local Match Funds*

Subparagraphs “(1) and (2)” within this Section 1.A. apply only to those **PROJECTS** where the **PROJECT** funding is programmed to require a local match. (See individual Program Guidelines for specific funding requirements).

- (1) Except where specifically allowed by the applicable **PROGRAM SUPPLEMENT**, reimbursement of and credits for local matching funds will be made or allowed only for work performed after the Effective Date of a **PROGRAM SUPPLEMENT** and prior to the Termination Date unless permitted as local match **PROJECT** expenditures made prior to the effective date of the **PROGRAM SUPPLEMENT** pursuant to Government Code section 14529.17 or by an executed SB 2800 Agreement for Local Match Fund Credit.
- (2) **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than State or federal funds), if any is specified within the **PROGRAM SUPPLEMENT** or any attachment thereto, toward the actual cost of the **PROJECT** or the amount, if any, specified in any executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than its required match amount toward the **PROJECT** cost in accordance with a schedule of payments as shown in the Project Financial Plan prepared by **RECIPIENT** and approved by **STATE** as part of a **PROGRAM SUPPLEMENT**.

B. *Funding Contingencies*

Delivery by **STATE** of all funds encumbered to reimburse allowable **PROJECT** costs pursuant to this **AGREEMENT** is contingent upon prior budget action by the Legislature, fund allocation by the CTC or the United States Department of Transportation, and submittal by **RECIPIENT** and approval by **STATE** of all **PROJECT** documentation, including, without limitation, that required by Government Code section 14085. In the event of the imposition of additional conditions, delays, or a cancellation or reduction in funding, as approved by the Legislature, the CTC or the United States Department of Transportation, **RECIPIENT** shall be excused from meeting the time and expenditure constraints set forth in the Project Financial Plan and the Project Schedule to the extent of such delay, cancellation or

reduction and the PROGRAM SUPPLEMENT will be amended to reflect the resultant necessary changes in PROJECT funding, scope, or scheduling.

C. Funds Movement

RECIPIENT shall not make any proposed changes in any of the four PROJECT expenditure Components (Environmental and Permits, PS&E, Right-of-Way and Construction), including major equipment acquisitions without prior written **STATE** approval. **STATE** will also determine whether those proposed changes are significant enough to warrant CTC review. Specific rules and guidelines regarding this process may be detailed in the applicable CTC Resolutions, including, but not limited to, numbers G-06-04 and G-06-20 or their successors.

Section 2. Audits and Reports

A. Cost Principles

- (1) **RECIPIENT** agrees to comply with Title 2 Code of Federal Regulations 225 (2 CFR 225) Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) **RECIPIENT** agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual Project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PROJECT funds as a contractor or sub-contractor under this AGREEMENT shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any PROJECT costs for which **RECIPIENT** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR 225, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by **RECIPIENT** to **STATE**. Should **RECIPIENT** fail to reimburse moneys due **STATE** within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, **STATE** is authorized to intercept and withhold future payments due **RECIPIENT** from **STATE** or any third-party source, including but not limited to, the State Treasurer, the State Controller and the CTC.

B. Record Retention

- (1) **RECIPIENT** agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of **RECIPIENT**, its contractors and all subcontractors shall conform to Generally

Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **RECIPIENT**, its contractors and subcontractors connected with **PROJECT** performance under this **AGREEMENT** and each **PROGRAM SUPPLEMENT** shall be maintained for a minimum of three (3) years from the date of final payment to **RECIPIENT** under a **PROGRAM SUPPLEMENT** and shall be held open to inspection, copying, and audit by representatives of **STATE**, the California State Auditor, and auditors representing the federal government. Copies thereof will be furnished by **RECIPIENT**, its contractors, and subcontractors upon receipt of any request made by **STATE** or its agents. In conducting an audit of the costs and match credits claimed under this **AGREEMENT**, **STATE** will rely to the maximum extent possible on any prior audit of **RECIPIENT** pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by **RECIPIENT**'s external and internal auditors may be relied upon and used by **STATE** when planning and conducting additional audits.

- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of **RECIPIENT**'s contracts with third parties pursuant to Government Code section 8546.7, **RECIPIENT**, **RECIPIENT**'s contractors and subcontractors and **STATE** shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such **AGREEMENT** and **PROGRAM SUPPLEMENT** materials available at their respective offices at all reasonable times during the entire **PROJECT** period and for three (3) years from the date of final payment to **RECIPIENT** under any **PROGRAM SUPPLEMENT**. **STATE**, the California State Auditor, or any duly authorized representative of **STATE** or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to a **PROJECT** for audits, examinations, excerpts, and transactions, and **RECIPIENT** shall furnish copies thereof if requested.
- (3) **RECIPIENT**, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **STATE**, for the purpose of any investigation to ascertain compliance with this **AGREEMENT**.

C. *Quarterly Review*

- (1) Subject to the discretion of **STATE**, **RECIPIENT** and **STATE** agree to conduct, on a quarterly basis, on-site reviews of all aspects of the progress of each **PROJECT**. **RECIPIENT** agrees, during each quarterly progress review, to inform **STATE** regarding:
 - a. Whether the **PROJECT** is proceeding on schedule and within budget;
 - b. Any requested changes to the Project Description, Scope of Work, Project Schedule, Overall Funding Plan, or Project Financial Plan contained in a **PROGRAM SUPPLEMENT**;

- c. Major construction accomplishments during the quarter;
 - d. Any actual or anticipated problems which could lead to delays in schedule, increased costs or other difficulties;
 - e. The status of the PROJECT budget; and
 - f. The status of critical elements of PROJECT.
- (2) Quarterly reviews of **RECIPIENT** progress will include consideration of whether reported implementation activities are within the scope of the PROJECT PROGRAM SUPPLEMENT and in compliance with State laws, regulations, and administrative requirements.

Section 3. Special Requirements

A. *California Transportation Commission (CTC) Resolutions*

- (1) **RECIPIENT** shall adhere to applicable CTC policies on “Timely Use of Funds” as stated in Resolution G-06-04, adopted April 26, 2006, addressing the expenditure and reimbursement of TCR funds; and Resolution G-09-11, adopted October 14, 2009, to provide guidance for the use of Proposition 116 and STIP funds. These resolutions, and/or successor resolutions in place at the time a PROGRAM SUPPLEMENT is executed, shall be applicable to all Prop 116, STIP and TCR funds, respectively.
- (2) **RECIPIENT** shall be bound to the terms and conditions of this AGREEMENT; the PROJECT application contained in the PROGRAM SUPPLEMENT (as applicable); and CTC Resolutions G-06-04, G-09-11 and/or their respective successors in place at the time the PROGRAM SUPPLEMENT is signed (as applicable) and all restrictions, rights, duties and obligations established therein on behalf of STATE and CTC shall accrue to the benefit of the CTC and shall thereafter be subject to any necessary enforcement action by CTC or STATE. All terms and conditions stated in the aforesaid CTC Resolutions and CTC-approved Guidelines in place at the time the PROGRAM SUPPLEMENT is signed (if applicable) shall also be considered to be binding provisions of this AGREEMENT.
- (3) **RECIPIENT** shall conform to any and all permit and mitigation duties associated with PROJECT as well as all environmental obligations established in CTC Resolution G-91-2 and/or its successors in place at the time a PROGRAM SUPPLEMENT is signed, as applicable, at the expense of **RECIPIENT** and/or the responsible party and without any further financial contributions or obligations on the part of STATE unless a separate PROGRAM SUPPLEMENT expressly provides funding for the specific purpose of hazardous materials remediation.

B. *RECIPIENT Resolution*

- (1) **RECIPIENT** has executed this AGREEMENT pursuant to the authorizing **RECIPIENT** resolution, attached as Attachment II to this AGREEMENT, which empowers **RECIPIENT** to enter into this AGREEMENT and which may also empower **RECIPIENT** to enter into all subsequent PROGRAM SUPPLEMENTS adopting the provisions of this AGREEMENT.

- (2) If **RECIPIENT** or **STATE** determines that a separate Resolution is needed for each **PROGRAM SUPPLEMENT**, **RECIPIENT** will provide information as to who the authorized designee is to act on behalf of the **RECIPIENT** to bind **RECIPIENT** with regard to the terms and conditions of any said **PROGRAM SUPPLEMENT** or amendment and will provide a copy of that additional Resolution to **STATE** with the **PROGRAM SUPPLEMENT** or any amendment to that document.

C. Termination

- (1) **STATE** reserves the right to terminate funding for any **PROGRAM SUPPLEMENT** upon written notice to **RECIPIENT** in the event that **RECIPIENT** fails to proceed with **PROJECT** work in accordance with the **PROGRAM SUPPLEMENT**, the bonding requirements, if applicable, or otherwise violates the conditions of this **AGREEMENT** and/or the **PROGRAM SUPPLEMENT** or the funding allocation such that substantial performance is significantly endangered.
- (2) No such termination shall become effective if, within thirty (30) days after receipt of a Notice of Termination, **RECIPIENT** either cures the default involved or, if not reasonably susceptible of cure within said thirty (30)-day period, **RECIPIENT** proceeds thereafter to complete the cure in a manner and time line acceptable to **STATE**. Any such termination shall be accomplished by delivery to **RECIPIENT** of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this **AGREEMENT** is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, **RECIPIENT** and **STATE** shall meet to attempt to resolve any dispute.
- (3) Following a fund encumbrance made pursuant to a **PROGRAM SUPPLEMENT**, if **RECIPIENT** fails to expend **TCR/GENERAL FUND** monies by June 30 of any applicable Fiscal Year that those funds would revert, those funds will be deemed withdrawn and will no longer be available to reimburse **PROJECT** work unless those funds are specifically made available beyond the end of that Fiscal Year through re-appropriation or other equivalent action of the Legislature and written notice of that action is provided to **RECIPIENT** by **STATE**.
- (4) In the event **STATE** terminates a **PROGRAM SUPPLEMENT** for convenience and not for a default on the part of **RECIPIENT** as is contemplated in C (1) and (2) above of this Section 3, **RECIPIENT** shall be reimbursed its authorized costs up to **STATE**'s proportionate and maximum share of allowable **PROJECT** costs incurred to the date of **RECIPIENT**'s receipt of that notice of termination, including any unavoidable costs reasonably and necessarily incurred up to and following that termination date by **RECIPIENT** to effect such termination following receipt of that termination notice.

D. Third Party Contracting

- (1) **RECIPIENT** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of **STATE**. Contracts awarded by **RECIPIENT**, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.
- (2) Any subcontract entered into by **RECIPIENT** as a result of this AGREEMENT shall contain the provisions of ARTICLE II – GENERAL PROVISIONS, Section 2. Audits and Reports and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.
- (3) To be eligible for local match credit, **RECIPIENT** must ensure that local match funds used for the PROJECT meet the General Provisions requirements outlined in this ARTICLE II in the same manner as required of all other PROJECT expenditures.
- (4) In addition to the above, the preaward requirements of third party contractor/consultants with local transit agencies should be consistent with Local Program Procedures (LPP-00-05).

E. *Change in Funds and Terms/Amendments*

This AGREEMENT and the resultant PROGRAM SUPPLEMENTS may be modified, altered, or revised only with the joint written consent of **RECIPIENT** and **STATE**.

F. *Project Ownership*

- (1) Unless expressly provided to the contrary in a PROGRAM SUPPLEMENT, subject to the terms and provisions of this AGREEMENT, **RECIPIENT**, or a designated subrecipient acceptable to **STATE**, as applicable, shall be the sole owner of all improvements and property included in the PROJECT constructed, installed or acquired by **RECIPIENT** or subrecipient with funding provided to **RECIPIENT** under this AGREEMENT. **RECIPIENT**, or subrecipient, as applicable, is obligated to continue operation and maintenance of the physical aspects of the PROJECT dedicated to the public transportation purposes for which PROJECT was initially approved unless **RECIPIENT**, or subrecipient, as applicable, ceases ownership of such PROJECT property; ceases to utilize the PROJECT property for the intended public transportation purposes; or sells or transfers title to or control over PROJECT and **STATE** is refunded the Credits due **STATE** as provided in paragraph (4) herein below.
- (2) Should State bond funds be encumbered to fund any part of a PROJECT under this AGREEMENT, then, at **STATE**'s option, before **RECIPIENT** will be permitted to make any proposed change in use, **RECIPIENT** shall be required to first obtain a determination by

Bond Counsel acceptable to the State Treasurer's Office and **STATE** that a change in the operation, proportion, or scope of **PROJECT** as originally proposed by **RECIPIENT** will not adversely affect the tax exempt status of those bonds.

- (3) **PROJECT** right-of-way, **PROJECT** facilities constructed or reconstructed on a **PROJECT** site and/or **PROJECT** property (including vehicles and vessels) purchased by **RECIPIENT** (excluding temporary construction easements and excess property whose proportionate resale proceeds are distributed pursuant to this **AGREEMENT**) shall remain permanently dedicated to the described public transit use in the same proportion and scope, and to the same extent as mandated in the **PROGRAM SUPPLEMENT** and related Bond Fund Certification documents, if applicable, unless **STATE** agrees otherwise in writing. Vehicles acquired as part of **PROJECT**, including, but not limited to, buses, vans, rail passenger equipment and ferry vessels, shall be dedicated to that public transportation use for their full economic life cycle, which, for the purpose of this **AGREEMENT**, will be determined in accordance with standard national transit practices and applicable rules and guidelines, including any extensions of that life cycle achievable by reconstruction, rehabilitation or enhancements.
- (4) (a) Except as otherwise set forth in this Section 4, **STATE**, or any other **STATE**-assignee public body acting on behalf of the CTC, shall be entitled to a refund or credit (collectively the Credit), at **STATE**'s sole option, equivalent to the proportionate **PROJECT** funding participation received by **RECIPIENT** from **STATE** if **RECIPIENT**, or a sub-recipient, as applicable, (i) ceases to utilize **PROJECT** for the original intended public transportation purposes or (ii) sells or transfers title to or control over **PROJECT**. If federal funds (meaning only those federal funds received directly by **RECIPIENT** and not federal funds derived through or from the State) have contributed to the **PROJECT**, **RECIPIENT** shall notify both **STATE** and the original federal source of those funds of the disposition of the **PROJECT** assets or the intended use of those sale or transfer receipts.
- (b) **STATE** shall also be entitled to an acquisition Credit for any future purchase or condemnation of all or portions of **PROJECT** by **STATE** or a designated representative or agent of **STATE**.
- (c) The Credit due **STATE** will be determined by the ratio of **STATE**'s funding when measured against the **RECIPIENT**'s funding participation (the Ratio). For purposes of this Section 4, the State's funding participation includes federal funds derived through or from **STATE**. That Ratio is to be applied to the then present fair market value of **PROJECT** property acquired or constructed as provided in (d) and (e) below.
- (d) For Mass Transit vehicles, this Credit [to be deducted from the then remaining equipment value] shall be equivalent to the percentage of the full extendable vehicle economic life cycle remaining, multiplied by the Ratio of funds provided for that equipment acquisition. For real property, this same funding Ratio shall be applied to the then present fair market value, as determined by **STATE**, of the **PROJECT** property acquired or improved under this **AGREEMENT**.

- (e) Such Credit due **STATE** as a refund shall not be required if **RECIPIENT** dedicates the proceeds of such sale or transfer exclusively to a new or replacement **STATE** approved public transit purpose, which replacement facility or vehicles will then also be subject to the identical use restrictions for that new public purpose and the Credit ratio due **STATE** should that replacement project or those replacement vehicles cease to be used for that intended described pre-approved public transit purpose.
- (1) In determining the present fair market value of property for purposes of calculating **STATE**'s Credit under this **AGREEMENT**, any real property portions of a **PROJECT** site contributed by **RECIPIENT** shall not be included. In determining **STATE**'s proportionate funding participation, **STATE**'s contributions to third parties (other than **RECIPIENT**) shall be included if those contributions are incorporated into the **PROJECT**.
- (2) Once **STATE** has received the Credit as provided for above because **RECIPIENT**, or a sub-recipient, as applicable, has (a) ceased to utilize the **PROJECT** for the described intended public transportation purpose(s) for which **STATE** funding was provided and **STATE** has not consented to that cessation of services or (b) sold or transferred title to or control over **PROJECT** to another party (absent **STATE** approval for the continued transit operation of the **PROJECT** by that successor party under an assignment of **RECIPIENT**'s duties and obligations), neither **RECIPIENT**, subrecipient, nor any party to whom **RECIPIENT** or subrecipient, as applicable, has transferred said title or control shall have any further obligation under this **AGREEMENT** to continue operation of **PROJECT** and/or **PROJECT** facilities for those described public transportation purposes, but may then use **PROJECT** and/or any of its facilities for any lawful purpose.
- (3) To the extent that **RECIPIENT** operates and maintains Intermodal Transfer Stations as any integral part of **PROJECT**, **RECIPIENT** shall maintain each station and all its appurtenances, including, but not limited to, restroom facilities, in good condition and repair in accordance with high standards of cleanliness (Public Utilities Code section 99317.8). Upon request of **STATE**, **RECIPIENT** shall also authorize State-funded bus services to use those stations and appurtenances without any charge to **STATE** or the bus operator. This permitted use will include the placement of signs and informational material designed to alert the public to the availability of the State-funded bus service (for the purpose of this paragraph, "State-funded bus service" means any bus service funded pursuant to Public Utilities Code section 99316).
- (4) Special conditions apply to any proposed sale or transfer or change of use as respects **PROJECT** property, facilities or equipment acquired with tax free State bond funds and **RECIPIENT** shall conform to those restrictions as set forth herein and in said bonds.

G. Disputes

STATE and **RECIPIENT** shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, **RECIPIENT** shall submit to the **STATE**'s District Contract Manager or designee a written demand for a decision regarding the disposition of any dispute arising under this agreement. The District Contract Manager shall make a written decision regarding the dispute and will provide it to the fund **RECIPIENT**. The fund **RECIPIENT** shall have an opportunity to challenge the District Contract Manager's determination but must make that challenge in writing within ten (10) working days to the Mass Transportation Program Manager or his/her designee. [If the fund **RECIPIENT** challenge is not made within the ten (10) day period, the District Contract Manager's decision shall become the final decision of the **STATE**.] **STATE** and **RECIPIENT** shall submit written, factual information and supporting data in support their respective positions. The decision of the Mass Transportation Program Manager or his/her designee shall be final, conclusive and binding regarding the dispute, unless **RECIPIENT** commences an action in court of competent jurisdiction to contest the decision in accordance with Division 3.6 of the California Government Code.

H. Hold Harmless and Indemnification

- (1) Neither **STATE** nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by **RECIPIENT**, its agents and contractors under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT or any PROGRAM SUPPLEMENT or as respects environmental clean up obligations or duties of **RECIPIENT** relative to PROJECT. It is also understood and agreed that, **RECIPIENT** shall fully defend, indemnify and hold the CTC and **STATE** and their officers and employees harmless from any liability imposed for injury and damages or environmental obligations or duties arising or created by reason of anything done or imposed by operation of law or assumed by, or omitted to be done by **RECIPIENT** under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT and all PROGRAM SUPPLEMENTS.
- (2) **RECIPIENT** shall indemnify, defend and hold harmless **STATE**, the CTC and the State Treasurer relative to any misuse by **RECIPIENT** of State funds, PROJECT property, PROJECT generated income or other fiscal acts or omissions of **RECIPIENT**.

I. Labor Code Compliance

RECIPIENT shall include in all subcontracts awarded using PROJECT funds, when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code §§ 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective the date of Contract award by the **RECIPIENT**.

J. Non-Discrimination

- (1) In the performance of work under this AGREEMENT, **RECIPIENT**, its contractor(s) and all subcontractors, shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical

condition (cancer), age, marital status, family and medical care leave, pregnancy leave, and disability leave. **RECIPIENT**, its contractor(s) and all subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. **RECIPIENT**, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of **RECIPIENT**'s contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

- (2) Should federal funds be constituted as part of PROJECT funding or compensation received by **RECIPIENT** under a separate Contract during the performance of this AGREEMENT, **RECIPIENT** shall comply with this AGREEMENT and with all federal mandated contract provisions as set forth in that applicable federal funding agreement.
- (3) **RECIPIENT** shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

K. State Fire Marshal Building Standards Code

The State Fire Marshal adopts building standards for fire safety and panic prevention. Such regulations pertain to fire protection design and construction, means of egress and adequacy of exits, installation of fire alarms, and fire extinguishment systems for any State-owned or State-occupied buildings per section 13108 of the Health and Safety Code. When applicable, **RECIPIENT** shall request that the State Fire Marshal review PROJECT PS&E to ensure PROJECT consistency with State fire protection standards.

L. Americans with Disabilities Act

By signing this Master Agreement, **RECIPIENT** assures **STATE** that **RECIPIENT** shall comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

M. Access for Persons with Disabilities

Disabled access review by the Department of General Services (Division of the State Architect) is required for all publicly funded construction of buildings, structures, sidewalks, curbs and related facilities. **RECIPIENT** will award no construction contract unless **RECIPIENT**'s plans and specifications for such facilities conform to the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

N. Disabled Veterans Program Requirements

- (1) Should Military and Veterans Code sections 999 et seq. be applicable to **RECIPIENT**, **RECIPIENT** will meet, or make good faith efforts to meet, the 3% Disabled Veterans Business Enterprises goals (or **RECIPIENT**'s applicable higher goals) in the award of every contract for **PROJECT** work to be performed under these this **AGREEMENT**.
- (2) **RECIPIENT** shall have the sole duty and authority under this **AGREEMENT** and each **PROGRAM SUPPLEMENT** to determine whether these referenced code sections are applicable to **RECIPIENT** and, if so, whether good faith efforts asserted by those contractors of **RECIPIENT** were sufficient as outlined in Military and Veterans Code sections 999 et seq.

O. Environmental Process

Completion of the **PROJECT** environmental process ("clearance") by **RECIPIENT** (and/or **STATE** if it affects a State facility within the meaning of the applicable statutes) is required prior to requesting **PROJECT** funds for right-of-way purchase or construction. No State agency may request funds nor shall any State agency, board or commission authorize expenditures of funds for any **PROJECT** effort, except for feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied with all appropriate documentation of compliance with or exemption from the California Environmental Quality Act (CEQA) (including, if as appropriate, an environmental impact report, negative declaration, or notice of exemption) under California Public Resources Code section 21080(b) (10), (11), and (12) provides an exemption for a passenger rail project that institutes or increases passenger or commuter services on rail or highway rights-of-way already in use.

ARTICLE III – SPECIAL PROVISIONS

Section 1. Bond Provisions (Applicable only to State Bond Funding encumbered against a specific Program Supplement).

A. General Bond Provisions

- (1) If **RECIPIENT** enters into a management contract with a private party (including **AMTRAK**) for operation of rail, ferry or other transportation services in connection with **PROJECT**, **RECIPIENT** will obtain prior approval from Bond Counsel acceptable to **STATE** that the terms of that management contract meet the requirements of Internal Revenue Service Revenue Procedure 97-13 (as supplemented or amended) or any successor thereto (dealing generally with guidelines for when management contracts may be deemed not to create a "private use" of bond-financed property) or are otherwise acceptable. **RECIPIENT** must also be prepared to certify, upon request of **STATE**, that the revenues which **RECIPIENT** (or its manager) will receive directly from the operation of transportation services in connection with **PROJECT** (but not including any subsidy of the

transportation operation from taxes or other outside fund sources) are, for any fiscal year, less than the ordinary and necessary expenses directly attributable to the operation and maintenance of the transportation system (excluding any overhead or administrative costs of **RECIPIENT**).

- (2) Except as provided in this Article III, A (1), **STATE** and **RECIPIENT** agree that any costs of **PROJECT** acquired or constructed by **RECIPIENT** allocable to portions of **PROJECT** which are subject to any property interests held by a non-governmental person(s) in connection with business activities, such as easements, leases, or fee interests, not generally enjoyed by the public (hereinafter referred to as "Non-Governmentally Used Property" or "NUP") shall require the prior approval of **STATE** and the State Treasurer, as applicable. If **RECIPIENT** receives any revenues or profits from any NUP activities allowed pursuant to this Article (whether approved at this time or hereafter approved by **STATE**), **RECIPIENT** agrees that such revenues or profits shall be used exclusively for the public transportation services for which **PROJECT** was initially approved, either for capital improvements or operating costs. If **RECIPIENT** does not so dedicate those revenues or profits, a proportionate share shall (unless disapproved by Bond Counsel) be paid to **STATE** equivalent to the Ratio of **STATE**'s percentage of participation in **PROJECT**.
- (3) Notwithstanding the foregoing, **RECIPIENT** may be authorized to receive an allocation of bond proceeds for NUP activity, in an amount not to exceed the amount specified in the **PROGRAM SUPPLEMENT**, if **RECIPIENT** submits a certified bond certification questionnaire to the **STATE**, and both the **STATE** and the State Treasurer approve the private activities contained therein.
- (4) **RECIPIENT** shall not loan any portion of bond proceeds funding **PROJECT** to any private (including nonprofit) person or business. For this purpose, a "loan" includes any arrangement that is the economic equivalent of a loan, regardless of how it is named.
- (5) Delivery by **STATE** of any bond funds is contingent on the sale of bonds by the State Treasurer. **STATE** shall not be held liable for any resulting damage or penalty to **RECIPIENT** in the event bond sales are delayed, canceled, or downsized or other **AGREEMENT** funds are restricted, limited or otherwise conditioned by acts of Congress, the Internal Revenue Service, the United States Department of Transportation, the Legislature, or the CTC.
- (6) **RECIPIENT** shall, for the purposes of any State bond funded right of way acquisition which will become a permanent part of **PROJECT** (such acquisitions exclude temporary construction easements, property allocated to matching funds, and excess property purchased with State funds whose resale proceeds are returned or credited to **STATE**), maintain ownership of such **PROJECT** property for a minimum of twenty years or until the bonds have matured, whichever occurs first, before transferring or selling such property (subject to all refunds or Credits due **STATE** as provided hereinabove).
- (7) Where **RECIPIENT**'s **PROJECT** includes a commuter rail **PROJECT** within the meaning of Proposition 116, **RECIPIENT** shall coordinate and share with other public transit operators

any rail rights-of-way, common maintenance services and station facilities used for intercity and commuter rail. Intercity and commuter rail services shall be coordinated with each other, with other providers and with freight traffic to provide integrated rail passenger and freight services with minimal conflict.

- (8) **RECIPIENT** agrees that all passenger vehicles, rail, and water borne ferry equipment, and all facilities acquired or constructed with Proposition 116 bond funds shall be accessible to persons with physical disabilities, including wheelchair users, at all stops, stations and terminals, whether or not staffed.
- (9) NUP shall, for accounting and bookkeeping purposes, first be allocated to funding sources other than the State bond funds. For purposes of making such allocations, the costs attributable to NUP involving a sale, easement, lease or similar arrangement shall be determined on the basis of a fair allocation of value, which may include determinations based upon square meters/feet of the area encumbered by the NUP lease or easement relative to the total area acquired or constructed if all such area is of approximately equal value.
- (10) NUP will include, but is not limited to, property which is sold (including sales of air and subsurface rights), and property subject to easements, leases or similar rights. A rail right of way will not be treated as NUP solely as a result of a Freight Use Easement retained by the seller of the right of way to **RECIPIENT**, provided that the sales agreement appropriately excludes the Freight Use Easement from the property or rights being acquired. Further, notwithstanding anything in this Article III to the contrary, **RECIPIENT** may allocate grant funds to the cost of any NUP if (a) neither **RECIPIENT** nor any other governmental entity will receive, directly or indirectly, any payments from or on behalf of the non-governmental user of the NUP, or (b) the payment from such user does not exceed the operation and maintenance costs fairly attributable or allocable to the non-governmental use of the NUP.
- (11) **RECIPIENT** shall request, in writing, **STATE**'s advance approval if **PROJECT** funds are to be allocated to any NUP except "incidental use" property described below. If property, the costs of which have previously been allocated to **PROJECT** funds, is to become NUP before the State bond funds are fully paid or redeemed, then **RECIPIENT** may allocate the costs of such property to another funding source as provided or obtain **STATE**'s approval that the allocation of the costs of such property to the bond funds may remain. It is anticipated that **STATE**'s approval will be granted if, taking into account the existing and expected uses of the proceeds of the State bonds, **STATE** determines that the continued tax-exempt status of the State bonds will not be adversely affected and that the use of the property is consistent with **PROJECT** and its described purpose.
- (12) For purposes of these fund source allocations, **RECIPIENT** does not have to consider NUP as including those "incidental uses" of **PROJECT** (for example, advertising billboards, vending machines, telephones, etc.) which meet the applicable requirements of federal tax regulations (IRS Notice 87-69 or any successor thereto). In general, such Notice requires that the incidental use not be physically separated from the rest of **PROJECT** and not comprise, in the aggregate, more than 2-1/2% of the total costs of **PROJECT**.

Section 2. TCRP PROJECTS

The TRAFFIC CONGESTION RELIEF (TCR) ACT OF 2000 (the "ACT"), was added (in Chapter 4.5, commencing with section 14556) to part 5.3 of Division 3 of Title 2 of the Government Code by AB 2928 and SB 406, as amended by SB 1662 and AB 1705. As directed by the ACT and the CTC established Guidelines (as set out in CTC Resolution G-06-04), and as those Guidelines may be amended prior to the execution of a future PROGRAM SUPPLEMENT, said Guidelines shall apply to each TCRP funded PROJECT. By this reference, those Guidelines are made an express part of this AGREEMENT and shall apply to each TCRP funded PROJECT. RECIPIENT will cause its specific TCRP mandated Resolution to be attached as part of any TCRP funded PROGRAM SUPPLEMENT as a condition precedent to the acceptance of TCR ACT funds for that PROJECT.

Section 3. PROJECT MANAGEMENT

- (1) STATE's PROJECT administrator for this AGREEMENT shall be the chief of the State Transit Grants Branch of the Division of Mass Transportation. RECIPIENT's General Manager, Executive Director or a Designee as named in writing to STATE following execution of this AGREEMENT shall be the administrator acting for RECIPIENT.
- (2) PROGRAM SUPPLEMENT administrators for STATE shall be the applicable District Division Chief for Planning and for RECIPIENT, the designee named in the applicable PROGRAM SUPPLEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION

SANBAG acting in its capacity as the
SAN BERNARDINO COUNTY
TRANSPORTATION COMMISSION

BY: _____
TERRY FARRIS, Chief
State Transit Grants Branch

BY: _____
RAYMOND WOLFE
Executive Director

APPROVED AS TO FORM AND PROCEDURE

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

BY: _____
TODD VAN SANTEN
Attorney

ATTACHMENT I

CTC RESOLUTION G-91-2

Passed by the CTC on February 21, 1991

**CALIFORNIA TRANSPORTATION COMMISSION
RESOLUTION G-91-2
Commission Policy Resolution for Hazardous Waste Identification
and Cleanup for Rail Right-of-Way**

WHEREAS, the Commission has programmed funding for rail right-of-way acquisition in the 1990 State Transportation Improvement Program and may allocate funds for rail right-of-way acquisition from the Clean Air and Transportation Improvement Act; and

WHEREAS, hazardous wastes, based upon federal and state statutes and regulations, include but are not limited to such categories as heavy metals, (e.g., lead), inorganic (e.g., excessive mineral levels) and organic compounds (e.g., petroleum products), and can occur on a property's surface and subsurface; and

WHEREAS, rail properties often have hazardous wastes exceeding State of California and federal hazardous waste standards; and

WHEREAS, such properties contaminated with hazardous wastes require mitigation prior to using them for rail purposes; and

WHEREAS, hazardous wastes discovered on rail property may significantly impact property value, project scheduling and future liability for the grant applicant; and

WHEREAS, the Commission must be assured that acquisition of rail properties have been fully reviewed by the grant applicant, and if warranted, the grant applicant has tested for hazardous wastes; and

WHEREAS, if hazardous wastes exist, the Commission must be assured that the hazardous wastes identified has either been cleaned up, or financial responsibility for the cleanup has been determined prior to title transfer to the grant applicant, or easement has been secured in lieu of purchasing the property, and the subsurface rights and liability for hazardous wastes remain with the property seller; and

WHEREAS, hazardous wastes identified subsequent to title transfer to the grant applicant will be cleaned up by the seller or a mechanism to recover clean-up-costs is established and executed as a condition prior to title transfer; and

WHEREAS, full due diligence is necessary in discovering hazardous waste and is an essential element in acquiring rail right-of-way properties by the grant applicant; and

NOW THEREFORE BE IT RESOLVED, that acquisition of all rail right-of-way properties will be fully investigated by the grant applicant to determine the absence/presence of hazardous wastes. Investigations shall be conducted in accordance to the standards and practices of the local, state and/or federal regulatory agencies having jurisdiction and by personnel adequately trained in hazardous waste investigation; and

-2-

BE IT FURTHER RESOLVED, that all properties, discovered with hazardous wastes, which exceed the federal/state standards, will be cleaned up to the satisfaction of the responsible local, state and/or federal regulatory agency. The appropriate regulatory agency shall certify to grant applicant that the cleanup has been completed; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution to the Commission that all reasonable steps have been completed to assure full due diligence in the discovery of hazardous waste has been achieved during the acquisition of rail right-of-way and the state is held harmless from cleanup liability or damages, both present and future; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution that it will not seek further state funding, for cleanup, damages, or liability cost associated with hazardous wastes on or below acquired property's surface; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission:

- that all rail right-of-way acquisition properties have been investigated and have been found clean;
- or that the cleanup of discovered hazardous waste has been completed prior to acquisition of the property;
- or that the grant applicant has obtained permanent easement and the subsurface rights and liability and full responsibility to pay for and remove such hazardous waste remains with the seller in conformance with applicable State and Federal law;

ATTACHMENT II

- or if hazardous wastes are known to exist prior to acquisition and if the applicant determines that time is of the essence for acquisition, then and in that event, an enforceable agreement will be entered into requiring the responsible party(ies) to clean all hazardous wastes by a date certain, with the option of funds sufficient for the clean-up costs deposited in escrow by the seller.

In the event of failure to clean up by the date determined, the recipient of the grant will make full restitution to the STATE for its participation. This resolve does not preclude the recipient from requesting re-allocation not to exceed the refunded amount after the hazardous waste(s) have been fully removed from the subject site; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission that the seller from whom properties have been acquired retain liability for any hazardous waste investigation and/or cleanup, and damages discovered subsequent to the transfer of title; and

BE IT FURTHER RESOLVED, the Commission declares all future liability resulting from hazardous wastes remain with the seller or the grant applicant, not the state, and the grant applicant has been indemnified by the seller for any costs resulting from failure to eliminate hazardous wastes; and

BE IT FURTHER RESOLVED, no state funds will be made available for any future costs associated with cleanup; damages, or liability costs associated with hazardous wastes on or below the acquired property's surface.

(INSERT AGENCY BOARD RESOLUTION)

See Sample at

http://www.dot.ca.gov/hq/MassTrans/state_grants.html

under Transit Forms

RESOLUTION NO. 14-002

A RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CALIFORNIA DEPARTMENT OF TRANSPORTATION MASTER AGREEMENT AND PROGRAM SUPPLEMENTS FOR STATE-FUNDED TRANSIT PROJECTS

WHEREAS, San Bernardino Associated Governments, acting in its capacity as the San Bernardino County Transportation Commission, (Commission) may receive state funding from the California Department of Transportation (Department) now or sometime in the future for transit projects; and

WHEREAS, substantial revisions were made to the programming and funding process for the transportation projects programmed in the State Transportation Improvement Program, by Chapter 622 (SB 45) of the Statutes of 1997; and

WHEREAS, the Traffic Congestion Relief Act of 2000 (the Act) was established by Chapters 91 (AB 2928) and 92 (SB 496), as amended by SB 1662, of the statutes of 2000, creating the Traffic Congestion Relief Program (TCRP); and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to execute an agreement with the Department before it can be reimbursed for project expenditures; and

WHEREAS, the Department utilizes Master Agreements for State-Funded Transit Projects, along with associated Program Supplements, for the purpose of administering and reimbursing state transit funds to local agencies; and

WHEREAS, the Commission wishes to delegate authorization to execute these agreements and any amendments thereto to the Executive Director; and

NOW, THEREFORE, BE IT RESOLVED by the San Bernardino County Transportation Commission:

Section 1. The San Bernardino County Transportation Commission, the fund recipient, agrees to comply with all conditions and requirements set forth in California Department of Transportation Master Agreement for State-funded Transit Projects and applicable statutes, regulations and guidelines for all state-funded transit projects.

Section 2. The Executive Director and/or his designee is authorized to execute the Master Agreement and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation.

Section 3. This Resolution shall take effect upon adoption.

Adopted by the San Bernardino County Transportation Commission on _____, 2013, by the following vote:

AYES:

NOES:

ABSENT:

W.E. Jahn, Chairperson
San Bernardino County Transportation Commission

ATTEST:

Vicki Watson,
Clerk of the Commission



- 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: 26

Date: October 2, 2013

Subject: Downtown San Bernardino Passenger Rail Project California Transit Security Grant Program Application

- Recommendation:**
1. Authorize staff to submit the Fiscal Year 2011/2012 California Transit Security Grant Program Grant Application to fund security improvements for the Downtown San Bernardino Passenger Rail Project.
 2. Authorize, by Resolution No. 14001, the Executive Director and/or his designee of San Bernardino Associated Governments to execute any actions necessary for the purpose of obtaining financial assistance provided by the California Emergency Management Agency under the grant program.

Background: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems. The California Emergency Management Agency (Cal EMA) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP), California Transit Assistance Fund (CTAF).

	<p><i>Approved</i> <i>Board of Directors</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 12.5%;">COG</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">CTC</td> <td style="width: 12.5%; text-align: center;">X</td> <td style="width: 12.5%;">CTA</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">SAFE</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">CMA</td> </tr> </table> <p><i>Check all that apply.</i></p>		COG		CTC	X	CTA		SAFE		CMA
COG		CTC	X	CTA		SAFE		CMA		

The Downtown San Bernardino Passenger Rail Project will include the extension of Metrolink regional passenger rail service approximately 1 mile east from its current terminus at the existing San Bernardino Metrolink Station/Santa Fe Depot to a new Metrolink commuter rail terminus at the intersection of Rialto Avenue and E Street in the City of San Bernardino. This project includes the construction of a second track, rail terminus and crew house, parking lots and pedestrian pathways, overpass at the Depot, Omnitrans Bus Facility, grade crossing improvements, railroad signalization and roadway closures. With the award of Fiscal Year 2011/2012 CTSGP grant funds, SANBAG would improve the physical security of the tracks, rights of way, parking lots, pedestrian pathways and other SANBAG property as needed. SANBAG would use the funds to install/construct chain link and wrought iron fences, gates, and hand rails in addition to purchasing security and safety equipment.

Financial Impact: This item is consistent with the adopted SANBAG Fiscal Year 2013/2014 Budget. The CTSGP grant does not require matching funds.

Reviewed By: This item was reviewed and recommended for approval (11-0-0) without a quorum of the Board present at the Board of Directors Metro Valley Study Session on September 12, 2013. SANBAG General Counsel has reviewed this item and the Resolution.

Responsible Staff: Andrea Zureick, Director of Fund Administration and Programming

RESOLUTION NO. 14-001

A RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY TO THE CALIFORNIA EMERGENCY AGENCY FOR CALIFORNIA TRANSIT SECURITY GRANT PROGRAM FUNDS UP TO \$1,597,771 FOR REDLANDS FIRST MILE PROJECT AND TO EXECUTE NECESSARY DOCUMENTATION TO OBTAIN THE FUNDS AND ENSURE CONTINUED COMPLIANCE WITH THE REQUISITE ASSURANCES, AND STATE AND FEDERAL LAWS

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Emergency Management Agency (Cal EMA) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP); and

WHEREAS, the San Bernardino County Transportation Commission (Commission) is eligible to receive CTSGP funds; and

WHEREAS, Commission will apply for 2011/2012 CTSGP funds in an amount up to \$1,597,771 for Redlands First Mile Security Improvements; and

WHEREAS, Commission recognizes that it is responsible for compliance with all Cal EMA CTSGP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

WHEREAS, Cal EMA requires Commission to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of SANBAG to execute actions necessary to obtain CTSGP funds from Cal EMA and ensure continued compliance with Cal EMA CTSGP assurances, and state and federal laws.

NOW, THEREFORE, the San Bernardino County Transportation Commission does hereby find, determine, resolve and order as follows:

Section 1. The above recitals are true and correct and are incorporated herein in full by this reference.

Section 2. Raymond Wolfe, Executive Director, and/or his designee, is hereby authorized to execute for and on behalf of Commission, a public entity established under the

laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Emergency Management Agency under the CTS GP.

Section 3. This Resolution shall take effect upon adoption.

Adopted by the San Bernardino County Transportation Commission on _____, 2013, by the following vote:

AYES:

NOES:

ABSENT:

W.E. Jahn, Chairperson
San Bernardino County Transportation Commission

ATTEST:

Vicki Watson,
Clerk of the Commission

DISCUSSION ITEMS



- 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: 28

Date: October 2, 2013

Subject: Alliance for Education

Recommendation:* Receive a presentation from Leslie Rodden, Director of Higher Education and Workforce Development and the Alliance for Education for the San Bernardino County Superintendent of Schools on the Alliance for Education collaborative.

Background: Education is part of the Countywide Vision and making the success of every child from “cradle to career” is a primary focus. The Alliance for Education is an important part of that effort. The Alliance for Education is a partnership between schools and business to promote education in science, technology, engineering, and mathematics (STEM).

The Alliance for Education is dedicated to preparing today's local youth for successful STEM careers with the end goal of having local businesses hire San Bernardino County graduates. Tutoring, mentorship and family involvement programs are just some of the approaches used by the Alliance for Education to help students and families prepare for the future.

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

Reviewed By: This item has not received prior policy committee or technical advisory committee review.

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

*

*Approved
Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.

BRD1310c-dab



- 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: 29

Date: October 2, 2013

Subject: AT&T Educational Campaign on Texting and Driving

Recommendation:* Receive presentation by Julio Figueroa, AT&T Director of External Affairs Riverside/San Bernardino Counties, on AT&T's Texting and Driving – It Can Wait Campaign.

Background: Mr. Figueroa will provide information on AT&T's efforts to address texting and driving.

Financial Impact: This item has no financial impact on the SANBAG Fiscal Year 2013/2014 budget.

Reviewed By: This item has not received prior Policy Committee or Technical Advisory Committee review.

Responsible Staff: Duane Baker, Director of Management Services

*

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.



- 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: 30

Date: October 2, 2013

Subject: Service agreements with Samas Capital, LLC and Renovate America, Inc. to assist in the implementation and administration of financing mechanisms for the Home Energy Renovation Opportunity (HERO) Program

- Recommendation:***
1. Approve Contract #C14052 with Samas Capital, LLC to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for commercial properties in participating cities, towns and unincorporated San Bernardino County.
 2. Approve Contract #C14053 with Renovate America, Inc. to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for residential properties in participating cities, towns and unincorporated San Bernardino County.

Background: On March 6, 2013, the SANBAG Board of Directors held a public hearing and then adopted Resolution 13-044 creating the HERO Program that allows a jurisdiction and an interested property owner to enter into a contractual agreement

*

*Approved
 Board of Directors*

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.

BRD1310a-dab

- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14052-CSS.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14052-DCSS.xlsx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14052.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14053-CSS.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14053-DCSS.xlsx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14053.docx>

to finance the installation of eligible renewable energy, energy efficiency, or water efficiency improvements that are permanently fixed to the property.

Samas Capital, LLC and Renovate America, Inc. were part of the team that were awarded contracts by the Board of Directors as part of Request for Proposal (RFP) 12-141 to implement the HERO Program for SANBAG. The other members of the team all have approved contracts with SANBAG and have been performing their work with SANBAG to cause the creation of SANBAG's HERO Program. The work has progressed to the point where contracts are needed with Samas Capital, LLC and Renovate America, Inc. to carry out their work administering and underwriting the HERO Program. Both firms have increased their initial commitment to underwrite the HERO Program from \$100 million each to \$300 million each. These private funds will allow this program to proceed without the use of any public funds.

The role that Samas Capital, LLC will fulfill for commercial properties and Renovate America, Inc. will fulfill for residential properties is to design the program website, market the program, and provide origination services which include:

1. Processing all program applications.
 - a. Accepting applications (online and hard copy).
 - b. Pulling all credit, title, valuation and other reports.
 - c. Reviewing eligibility of the proposed property, applicants, equipment and contractors.
 - d. Tracking all financial disclosures, application and authorization forms.
 - e. Contacting applicants, contractors and other parties as needed and providing notifications of approval, denial or incomplete status.
2. Process all funding requests for properties participating in the program.
 - a. Accept funding request forms.
 - b. Review submitted forms and attachments.
 - c. Provide notification of funding request approval, denial or incomplete status.
3. Process and finalize all contractual assessment documentation including all disclosures.
4. Provide e-mail and telephone customer support.
5. Track and report to SANBAG key Program statistics.
6. Periodically assess and adjust policies and procedures as necessary to resolve any recurring issues.

The terms for these contracts will be for four years with an option for four additional one year terms not to exceed a total of eight years.

Financial Impact: These contracts will not have an impact on the adopted SANBAG budget. The services being provided by these firms are being provided “at risk” and they will only be paid once projects are financed and then they will be paid out of the closing costs of each property owner and not by SANBAG or its member agencies. SANBAG staff time associated with this item has been included in Task No. 0708 – PACE Program.

Reviewed By: This item has not received prior policy committee or technical advisory committee review. SANBAG General Counsel and Contract Administrator have approved this item and Contract as to form.

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

CONTRACT SUMMARY SHEET

Contract No. C 14052 Amendment No. _____

By and Between

SANBAG and SAMAS Capital, LLC

Contract Description Service agreements with Samas Capital, LLC and Renovate America, Inc. to assist in the implementation and administration of financing mechanisms for the Home Energy Retrofit Opportunity (HERO) Program

Board of Director's Meeting Date: October 2, 2013

Overview of BOD Action: Approve Contract #C14052 with Samas Capital, LLC to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for commercial properties in participating cities, towns and unincorporated San Bernardino County.

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$	0.00	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$		Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	0.00	TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)				\$	0.00
Contract Start Date	Current Contract Expiration Date	Revised Contract Expiration Date			
October 2, 2013	June 30, 2017				

Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0708.

A Budget Amendment is required.

How are we funding current FY? N/A

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

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

Contractor shall be paid from proceeds of program bonds, application fees and closing costs.

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Duane A Baker
 Project Manager (Duane Baker)

Duane A. Baker
 Task Manager (Duane Baker)

Andrea Zureick
 Dir. of Fund Admin. & Programming
 (Andrea Zureick)

Jeffery Hill
 Contract Administrator (Jeffery Hill)

William Stawarski
 Chief Financial Officer (William Stawarski)

[Signature] 9-13-13
 Signature Date

[Signature] 9-13-13
 Signature Date

[Signature] 9/17/13
 Signature Date

[Signature] 9/23/13
 Signature Date

[Signature] 9/24/13
 Signature Date

CONTRACT NO. C14052

BY AND BETWEEN

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

SAMAS CAPITAL, LLC

FOR

**SERVICES TO ASSIST IN THE IMPLEMENTATION AND ADMINISTRATION OF
FINANCING MECHANISMS FOR THE SANBAG HERO PROGRAM,
A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM,
FOR COMMERCIAL PROPERTIES
IN PARTICIPATING CITIES AND SAN BERNARDINO COUNTY**

This Contract # C 14052 (the "Contract"), is made and entered into and effective on the Effective Date by and between San Bernardino Associated Governments (hereinafter referred to as "SANBAG") whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715; and the firm of Samas Capital, LLC, a California corporation, whose address is 32 Executive Park, Suite 105, Irvine, California 92614 (hereinafter referred to as "SAMAS CAPITAL"). SANBAG and SAMAS CAPITAL are each a "Party" and collectively "Parties" herein.

RECITALS

WHEREAS, SANBAG requires certain services related to the implementation and administration of financing for the SANBAG HERO Program (the "HERO Program"), a voluntary contractual assessment program, commonly referred to as a property assessed clean energy program (the "PACE Program"), established by SANBAG pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), as such provisions may currently exist or may be amended hereinafter from time to time, to finance the cost of installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure (collectively, the "Eligible Improvements") that are permanently fixed to commercial property located within jurisdictions within San Bernardino County which jurisdictions are parties to the Amended Agreement for the Joint Exercise of Powers Relative to

the San Bernardino Associated Governments and elect, by entering into a Memorandum of Understanding with SANBAG, to participate in the HERO Program ("Commercial Properties") (the HERO Program as applied to Commercial Properties shall be referred to herein as the "Commercial HERO Program" or "Program"); and

WHEREAS, the services described in the preceding recital shall be referred to as the "Commercial HERO Program Administration Services"; and

WHEREAS, SANBAG also requires funding to be provided to finance the installation of Eligible Improvements that are to be permanently fixed to Commercial Properties, the owners of which freely and willingly consent to participate in the Commercial HERO Program by entering into assessment contracts with SANBAG (each, an "Assessment Contract") to finance such installation (such funding shall be referred to herein as "Program Funding") which financing shall be secured by the levy of voluntary contractual assessments against such Commercial Properties ("Contractual Assessments"); and

WHEREAS, SAMAS CAPITAL has confirmed that it has the experience and is capable and qualified to provide the Commercial HERO Program Administration Services and the Program Funding as described herein and desires to do so for the compensation and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto agree as follows:

ARTICLE 1. DESCRIPTION OF SERVICES

SAMAS CAPITAL agrees to perform the Commercial HERO Program Administration Services as set forth in Attachment "A", Scope of Services, hereinafter referred to collectively as "Services", which is incorporated herein by reference, and to provide the Program Funding consistent with the Scope of Program Funding as set forth in Attachment "B", which is incorporated herein by this reference, in accordance with standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein and in the sequence, time, and manner defined therein. The Services performed or provided hereunder and the Program Funding provided hereunder shall be completed in accordance with the prevailing standards in the industry.

ARTICLE 2. PERIOD OF PERFORMANCE

The Period of Performance by SAMAS CAPITAL under this Contract shall commence upon issuance of a written Notice To Proceed issued by SANBAG to SAMAS CAPITAL, unless agreed otherwise, and shall continue in full force and until June 30, 2017, or until otherwise terminated or extended as provided herein.

SANBAG, at its sole discretion, may extend the original term of the Contract for up to four (4) additional one (1) year Periods (each, an "Option Term") upon written notice to SAMAS CAPITAL delivered not later than thirty (30) days prior to the end of the then-current term or Option Term, as applicable. The maximum term of this Contract, including the Option Term(s), if exercised will not exceed eight (8) years from the date of the Notice to Proceed.

ARTICLE 3. SANBAG'S PROJECT MANAGER.

SANBAG hereby designates Duane Baker, or his designee, to act as its representative for the performance of this Contract ("SANBAG's Project Manager"). SANBAG's Project Manager shall have the power to act on behalf of SANBAG for all purposes under this Contract. SAMAS CAPITAL shall not accept direction or orders from any person on behalf of SANBAG other than SANBAG's Project Manager or his or her designee. SANBAG's Project Manager shall provide written notice to SAMAS CAPITAL of the appointment or the rescission of the appointment of any designee of SANBAG's Project Manager hereunder.

ARTICLE 4. SAMAS CAPITAL'S REPRESENTATIVES

SAMAS CAPITAL hereby designates Mark Allan Aarvig, or his designee, to act as its representative for the performance of this Contract ("SAMAS CAPITAL's Representative"). SAMAS CAPITAL's Representative shall have full authority to represent and act on behalf of SAMAS CAPITAL for all purposes under this Contract. SAMAS CAPITAL's Representative shall supervise and direct all Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of SAMAS CAPITAL's responsibilities under this Contract. SAMAS CAPITAL's Representative shall provide written notice to SANBAG's Project Manager of the appointment or the rescission of the appointment of any designee of SAMAS CAPITAL's Representative hereunder.

ARTICLE 5. COMPENSATION

5.1 Contingency of Funding - SAMAS CAPITAL understands and acknowledges that SANBAG has no available moneys or current source of moneys to fund the Commercial HERO Program, including payment of compensation to SAMAS CAPITAL for Services or Program Funding provided hereunder. SANBAG intends to fund the Commercial HERO Program, including the funding of all Contractual Assessments and such compensation payable to SAMAS CAPITAL and SAMAS CAPITAL's subcontractors, solely from the proceeds of Bonds (defined in Section 6.1 below) . Based upon the foregoing, in establishing the terms and conditions pursuant to which SAMAS CAPITAL shall be compensated for all Services rendered under this Contract, SANBAG and SAMAS CAPITAL assume and agree that all such compensation shall be paid solely from the proceeds of Bonds ("Bond Proceeds") and that the availability of such revenues will be contingent upon the issuance of Bonds.

5.2 Fees and Payment - SANBAG has no responsibility to directly pay SAMAS CAPITAL for Services provided or performed hereunder or the Commercial HERO Program Funding provided hereunder and the only payment to SAMAS CAPITAL for the provision or the performance of such Services or provision of such Program Funding shall be from Bond Proceeds of the Bond(s) issued to finance the Eligible Improvements for Commercial Properties participating in the Commercial HERO Program. SAMAS CAPITAL will be compensated for such Services provided or performed as provided in this Section 5.2.

At the time of the issuance of each Bond or series of Bonds to fund Eligible

Improvements for a Commercial Property or Commercial Properties participating in the Commercial HERO Program, SAMAS CAPITAL will receive:

(a) a one-time fee for its Services equal to 1.4% of the principal amount of such Bond or series of Bonds (the "Commercial HERO Program Administration Services Fee"); and

(b) a one-time fee for its Program Funding of the installation of such Eligible Improvements through the purchase of such Bond or series of Bonds equal to 1.0% of the principal amount of such Bond or series of Bonds (the "Program Funding Fee").

The foregoing rate of compensation is subject to revision by mutual written agreement of SANBAG and SAMAS CAPITAL in the event that the Services set forth in Attachment "A" are revised following the Effective Date.

ARTICLE 6. FINANCING OF ELIGIBLE IMPROVEMENTS THROUGH THE PROGRAM FUNDING

6.1 Issuance of Bonds - Program Funding for the installation of Eligible Improvements on any eligible Commercial Property for which the owner thereof has entered into an Assessment Contract substantially in the form to be set forth in a program report approved by SANBAG pursuant to Chapter 29 ("Program Report") shall be provided through the issuance by SANBAG of one or more bonds (the "Bonds") pursuant to (i) the provisions of Chapter 29, the Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 and following) or such other legislation as may be applicable to the issuance of Bonds and specified in the Program Report for the purposes described herein, (ii) an indenture of trust, trust agreement, bond indenture or similar instrument by and between SANBAG and a trustee or fiscal agent thereunder (each, a "Trustee") establishing certain terms and conditions applicable to all Bonds issued pursuant to such instrument, and in a form approved by SAMAS CAPITAL (each, a "Master Indenture"), (iii) as may be necessary, a supplemental Indenture by and between SANBAG and the Trustee establishing the terms and conditions specifically applicable to such Bond (and in a form approved by SAMAS CAPITAL (each, a "Supplemental Indenture") and (iv) a separate Bond Purchase Agreement by and between SANBAG, as the issuer of such Bonds, and SAMAS CAPITAL, as the purchaser of such Bonds (the "Purchase Agreement"). Each Bond shall be secured by and payable from an Assessment Contract or Contractual Assessments (including any installments thereof) that are levied by SANBAG on such Commercial Property or Commercial Properties pursuant to the Assessment Contract or Assessment Contracts applicable to such Commercial Property or Commercial Properties. For the avoidance of doubt, the terms, application of proceeds of any Bond, redemption provisions and payment schedule applicable to each such Bond shall be set forth in the Master Indenture or the Supplemental Indenture applicable to such Bond and such terms and conditions shall be approved by SAMAS CAPITAL and SANBAG.

ARTICLE 7. COMMENCEMENT OF PERFORMANCE OF SERVICES

No Services shall be performed prior to approval of this Contract by SANBAG's Board of Directors and by SAMAS CAPITAL.

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ARTICLE 8. INDEPENDENT CONTRACTOR

SAMAS CAPITAL is and shall be at all times an independent contractor. Accordingly, all Services and Program Funding provided by SAMAS CAPITAL shall be done and performed by SAMAS CAPITAL under the sole supervision, direction and control of SAMAS CAPITAL. SANBAG shall rely on SAMAS CAPITAL for results only, and shall have no right at any time to direct or supervise SAMAS CAPITAL or SAMAS CAPITAL's employees in the performance of Services or as to the manner, means and methods by which Services are performed. All personnel used by SAMAS CAPITAL in the performance of Services and provision of Program Funding pursuant to this Contract, and all representatives of SAMAS CAPITAL, shall be and remain the employees, contractors or agents of SAMAS CAPITAL or of SAMAS CAPITAL's subcontractor(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SANBAG. Because SAMAS CAPITAL is an independent contractor, SANBAG will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, obtain worker's compensation insurance or pay any other taxes or fees on SAMAS CAPITAL's behalf. SAMAS CAPITAL accepts exclusive liability for any and all taxes or contributions incurred in connection with the receipt by SAMAS CAPITAL of the compensation set forth in Article 5 hereof, including penalties and interest.

ARTICLE 9. RESPONSIBILITY OF SAMAS CAPITAL

9.1 SAMAS CAPITAL agrees to work closely with SANBAG staff in the performance of Services and provision of Program Funding and shall be reasonably available to SANBAG's staff.

9.2 SAMAS CAPITAL shall, prior to undertaking any discussions with SANBAG jurisdictions electing to participate in the Commercial HERO Program (each, a "SANBAG Participant") regarding the provision of Services or initiating any material marketing activities within the jurisdictional boundaries of any such SANBAG Participant, coordinate all such discussions and/or marketing efforts with SANBAG's Project Manager. SAMAS CAPITAL shall also provide SANBAG's Project Manager with all material marketing documentation for review and approval prior to distribution thereof either to SANBAG Participants, property owners or contractors. Approval of such information shall be deemed to be received by SAMAS CAPITAL within five business days of receipt of such materials by SANBAG's Project Manager unless SANBAG's Project Manager provides notice otherwise.

9.3 SAMAS CAPITAL shall perform all Services and provide Program Funding under this Contract and, as to the Program Funding, the Purchase Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. SAMAS CAPITAL represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Services and provide the Program Funding. SAMAS CAPITAL warrants that all employees and/or agents of SAMAS CAPITAL shall have sufficient skill and experience to perform Services assigned to them. Finally, SAMAS CAPITAL represents that it, its employees and agents have, or will have prior to the performance of Services or the provision of

Program Funding, all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform Services or to provide Program Funding, and that such licenses and approvals shall be maintained throughout the term of this Contract. SAMAS CAPITAL shall perform, at its own cost and expense and without reimbursement from SANBAG, any services necessary to correct errors or omissions which are caused by SAMAS CAPITAL's failure to comply with the standard of care provided for herein.

9.4 SAMAS CAPITAL shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services or the provision of Program Funding, including without limitation, all Cal/OSHA requirements, safety and health laws, orders and regulations and all applicable federal and state securities laws and regulations, and shall give all notices required by law. SAMAS CAPITAL shall be liable for all violations of such laws, rules and regulations in connection with Services and the provision of Program Funding and, if SAMAS CAPITAL performs or fails to perform any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to SANBAG, SAMAS CAPITAL shall be solely responsible for all costs arising therefrom.

ARTICLE 10. REPORTING AND DELIVERABLES

All reports and deliverables shall be submitted in accordance with Attachment "A", Scope of Services.

ARTICLE 11. EQUAL EMPLOYMENT OPPORTUNITY/DRUG FREE WORKPLACE

During the term of this Contract, SAMAS CAPITAL shall not willfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, gender, marital status, sexual orientation, age, political affiliation or disability. SAMAS CAPITAL agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practice Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

11.1 SAMAS CAPITAL agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 et seq.

ARTICLE 12. CONFLICT OF INTEREST

SAMAS CAPITAL agrees that it presently has no interest financial or otherwise and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. SAMAS CAPITAL further agrees that in the performance of this Contract, no person having any such interest shall be employed. SAMAS CAPITAL is obligated to fully disclose to SANBAG, in writing, of any conflict of interest issues as soon as they are known to SAMAS CAPITAL and to comply with SANBAG's

Policy 10102 regarding disclosure, attached hereto as Attachment "C" and incorporated herein by this reference.

ARTICLE 13. KEY PERSONNEL

The personnel specified below (the "Key Personnel") are considered to be essential to Services being performed under this Contract. Prior to reallocation of tasks and hours of Services, which are the responsibility of Key Personnel to other personnel, SAMAS CAPITAL shall notify SANBAG reasonably in advance. Key Personnel are:

<u>Name</u>	<u>Function</u>
Mark Allan Aarvig	Managing Director
Jean-Claude Khoury	Managing Director

Notwithstanding the foregoing, the parties hereby acknowledge and agree that this Contract is not exclusive and that none of the Key Personnel set forth above currently allocate, or anticipate allocating in the future, 100% of their business time to the performance of the Services.

ARTICLE 14. PROPRIETARY RIGHTS/CONFIDENTIALITY

14.1 Proprietary Information – During the term of this Contract and for a period of three (3) years thereafter, each party agrees that it will take all steps reasonably necessary to hold the Proprietary Information (as defined below) of the other party (the "Disclosing Party") in trust and confidence, will not use such Proprietary Information in any manner or for any purpose not expressly set forth in this Contract, and will not disclose any such Proprietary Information to any third party without first obtaining the Disclosing Party's express written consent. By way of illustration but not limitation, "Proprietary Information" includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "Inventions"); and (b) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (c) information regarding the skills and compensation of employees of the Disclosing Party.

14.2 Third Party Information – In addition, each party understands that the parties hereto have received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of this Contract and thereafter, each party will hold Third Party Information of the other party in the strictest confidence and will not disclose or use Third Party Information, except in connection with its performance under this Contract, or as expressly authorized in writing by an officer of the Disclosing Party.

14.3 Press Releases - All press releases, or press inquiries relating to this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only as agreed to by SAMAS CAPITAL and SANBAG.

ARTICLE 15. TERMINATION

15.1 Termination by SANBAG without Cause - SANBAG shall have the right at any time, without cause, to terminate further performance of Services by written notice to SAMAS CAPITAL specifying the date of termination (which date shall be no earlier than fourteen (14) calendar days from the date of such written notice. On the date of such termination stated in said notice, SAMAS CAPITAL shall discontinue performance of Services and shall preserve work in progress and completed work ("Work"), pending SANBAG's instruction, and shall turn over such Work in accordance with SANBAG's instructions.

15.1.1 SAMAS CAPITAL shall deliver to SANBAG, all deliverables prepared by SAMAS CAPITAL or its subcontractors or furnished to SAMAS CAPITAL by SANBAG. Upon such delivery, SAMAS CAPITAL may then invoice SANBAG for payment in accordance with the terms hereof.

15.1.2 Upon any such termination by SANBAG, SAMAS CAPITAL shall be entitled to receive any compensation due under Article 5 of this Contract. In addition, SAMAS CAPITAL shall be entitled to an hourly fee of \$400 per hour for any work required to preserve work in progress pursuant to Section 15.1 above and shall be entitled to receive the actual cost incurred by SAMAS CAPITAL to return SAMAS CAPITAL's field tools and equipment, if any, to it or its suppliers' premises, or to make the required deliveries in accordance with Section 15.1.1 above plus any additional and actual costs necessarily incurred in effecting the termination (cumulatively, "Termination Costs"). The source of payment of any such Termination Costs shall be limited to the Bond Proceeds.

15.2 Termination by SANBAG for Cause - In the event SAMAS CAPITAL shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against SAMAS CAPITAL or a receiver shall be appointed on account of its solvency, or if SAMAS CAPITAL shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within fourteen (14) calendar days following written notice thereof, SANBAG may, without prejudice to any other rights or remedies SANBAG may have, and in compliance with applicable Bankruptcy Laws; (a) hold in abeyance further payments to SAMAS CAPITAL; (b) stop any Services of SAMAS CAPITAL or its subcontractors related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to SAMAS CAPITAL specifying the date of termination. In the event of such termination by SANBAG, SANBAG may take possession of the deliverables and finish Services by whatever method SANBAG may deem expedient. A waiver by SANBAG of one default of SAMAS CAPITAL shall not be considered to be a waiver of any subsequent default of SAMAS CAPITAL, nor be deemed to waive, amend, or modify any term of this Contract.

15.2.1 Unless otherwise advised by the Disclosing Party, and upon written request from the Disclosing Party, any party in possession of Proprietary Information of the other party, shall promptly deliver to the Disclosing Party all documents and other materials of any nature pertaining to the Services, together with all documents and other items containing or pertaining to any of the Disclosing Party's Proprietary Information.

15.3 Termination by SAMAS CAPITAL without Cause - SAMAS CAPITAL shall have the right at any time, without cause, to terminate further performance of Services by written notice to SANBAG specifying the date of termination (which date shall be no earlier than fourteen (14) calendar days from the date of such written notice. On the date of such termination stated in said notice, SAMAS CAPITAL shall discontinue performance of Services and shall preserve work in progress and completed work ("Work"), pending SANBAG's instruction, and shall turn over such Work in accordance with SANBAG's instructions.

15.3.1 SAMAS CAPITAL shall deliver to SANBAG, all deliverables prepared by SAMAS CAPITAL or its subcontractors or furnished to SAMAS CAPITAL by SANBAG. Upon such delivery, SAMAS CAPITAL may then be entitled to receive any compensation due under Article 5 of this Contract, net of SANBAG's Termination Costs.

15.3.2 Upon any such termination by SAMAS CAPITAL, SAMAS CAPITAL shall pay SANBAG for SANBAG's staff time, consultant and other costs associated with retaining and for higher compensation payable to a replacement contractor to provide the Services, plus any and all other expenses SANBAG incurs as a result of SAMAS CAPITAL's early termination of the Contract (cumulatively, "SANBAG's Termination Costs"). SANBAG may invoice SAMAS CAPITAL and SAMAS CAPITAL shall pay SANBAG upon receipt of such invoice SANBAG's Termination Costs. In SANBAG's sole discretion, SANBAG may elect to deduct SANBAG's Termination Costs from any compensation due SAMAS CAPITAL under Article 5 of this Contract.

15.4 Termination by SAMAS CAPITAL for Cause - In the event SANBAG shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against SANBAG or a receiver shall be appointed on account of its solvency, or if SANBAG shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within fourteen (14) calendar days following written notice thereof, SAMAS CAPITAL may, without prejudice to any other rights or remedies SAMAS CAPITAL may have, and in compliance with applicable Bankruptcy Laws, stop any Services related to such failure until such failure is remedied and/or terminate this Contract by written notice to SANBAG specifying the date of termination. In the event of such termination by SAMAS CAPITAL, SANBAG may take possession of the deliverables and finish Services by whatever method SANBAG may deem expedient. A waiver by SAMAS CAPITAL of one default of SANBAG shall not be considered to be a waiver of any subsequent default of SANBAG, nor be deemed to waive, amend, or modify any term of this Contract.

15.4.1 In the event of such termination, SAMAS CAPITAL shall deliver to SANBAG all finished and unfinished products prepared under this Contract by SAMAS CAPITAL or its subcontractors or furnished to SAMAS CAPITAL by SANBAG.

15.5 Support for Claims for Compensation - All claims for compensation or reimbursement of costs under any of the foregoing provisions shall be supported by documentation submitted to the party against which the claims are made satisfactory in form and content to and verified by the party against which the claims are made.

ARTICLE 16. INSURANCE

Without any way affecting the indemnity provision identified in this Contract, SAMAS CAPITAL shall, at SAMAS CAPITAL's sole expense, and prior to the commencement of any Services, procure and maintain in full force, insurance through the entire term of this Contract. The policies shall be written by a California admitted carrier with an A.M. Best rating of A-VII or better, and shall be written with a least the following limits of liability:

16.1 Professional Liability - Professional Liability insurance shall be provided in an amount not less than \$1,000,000 per claim.

16.2 Workers' Compensation - Worker's Compensation insurance shall be provided in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability in an amount not less than \$1,000,000 limits covering all persons providing services on behalf of SAMAS CAPITAL and all risks to such persons under this Contract.

16.3 Commercial General Liability - To include coverage for Premises and Operations, Contractual Liability, Products/Completed Operations Liability, Personal Injury Liability, Broad-Form Property Damage and Independent Contractors' Liability, in an amount of not less than \$1,000,000 per occurrence, combined single limit, and \$2,000,000 in the aggregate written on an occurrence form. For products and completed operations a \$2,000,000 aggregate shall be provided.

16.4 Crime Coverage - To include Employee Dishonesty/Theft, Money & Securities, Computer Fraud, Funds Transfer Fraud, Money Orders with limits of \$1,000,000.

16.5 Automobile Liability - To include owned, non-owned and hired automobiles, in an amount of not less than \$1,000,000 combined single limit.

16.6 Proof of Coverage - SAMAS CAPITAL shall furnish certificates of insurance to SANBAG evidencing the insurance coverage required above, prior to the commencement of performance of Services hereunder, and such certificates shall include San Bernardino Associated Governments and its officers, employees, agents and volunteers, as additional insured on Comprehensive General Liability Insurance or Commercial General Liability Insurance and auto insurance. Prior to commencing any work, SAMAS CAPITAL shall furnish SANBAG with a certificate(s) of insurance, executed by a duly authorized representative of each insurer,

showing compliance with the insurance requirements set forth in this Article. If the insurance company elects to cancel or non-renew coverage for any reason, SAMAS CAPITAL will provide SANBAG thirty (30) days written notice of cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium SAMAS CAPITAL will provide SANBAG ten (10) days written notice. SAMAS CAPITAL shall maintain such insurance for the entire term of this Contract.

16.7 Additional Insured - All policies, except for Worker's Compensation and Professional Liability policies, shall contain endorsements naming SANBAG and its officers, employees, agents, and volunteers as additional insureds with respect to liabilities arising out of the performance of Services hereunder. The additional insured endorsements shall not limit the scope of coverage for SANBAG to vicarious liability but shall allow coverage for SANBAG to the full extent provided by the policy.

16.8 Waiver of Subrogation Rights - SAMAS CAPITAL shall require the carriers of Commercial General Liability, Automobile Liability and Workers Compensation to waive all rights of subrogation against SANBAG, its officers, employees, agents, volunteers, contractors, and subcontractors. Such insurance coverage provided shall not prohibit SAMAS CAPITAL or SAMAS CAPITAL's employees or agents from waiving the right of subrogation prior to a loss or claim. SAMAS CAPITAL hereby waives all rights of subrogation against SANBAG.

16.9 Commercial General Liability insurance required herein is to be primary and non-contributory with any insurance carried or administered by SANBAG.

ARTICLE 17. INDEMNITY

Except as provided below for those Services falling within the scope of Civil Code section 2782.8, SAMAS CAPITAL agrees to indemnify, defend (with counsel reasonably approved by SANBAG) and hold harmless SANBAG and its authorized officers, employees, agents and volunteers, from any and all claims, actions, losses, damages and/or liability arising out of this Contract including acts, errors, or omissions of SAMAS CAPITAL, its officers, employees, agents and subcontractors in the performance of Services hereunder, and for any costs or expenses incurred by SANBAG on account of any such claim except where such indemnification is prohibited by law; provided that, SAMAS CAPITAL's indemnification obligation applies to SANBAG "active" as well as "passive" negligence but does not apply to the gross negligence or willful misconduct on the part of SANBAG, or any of its officers, employees, agents or volunteers.

ARTICLE 18. ERRORS AND OMISSIONS

SAMAS CAPITAL shall be responsible for the professional quality, technical accuracy, and coordination of all Services and provision of all Program Funding under this Contract.

ARTICLE 19. OWNERSHIP OF DOCUMENTS INTELLECTUAL PROPERTY

19.1 SANBAG expressly acknowledges and agrees that any and all computer software and all source code thereof, used or developed by SAMAS CAPITAL (“Proprietary Software”) in performing the Services is proprietary and SAMAS CAPITAL, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and proprietary software, including all intellectual property rights contained therein.

19.2 During the term of this Contract, SAMAS CAPITAL grants SANBAG a non-exclusive, non-transferable license for SANBAG to use SAMAS CAPITAL’s trademarks or trade names including, without limitation, “SAMAS CAPITAL,” “Financing The Home Energy Revolution,” “Home Energy Renovation Opportunity,” “HERO Financing,” or new trademarks developed by SAMAS CAPITAL (collectively, the “SAMAS CAPITAL Marks”). SAMAS CAPITAL hereby reserves all right, title and interest in and to the SAMAS CAPITAL marks. SANBAG agrees it will not use the SAMAS CAPITAL Marks upon termination of this Contract and shall not contest, oppose or challenge SAMAS CAPITAL’s ownership of any SAMAS CAPITAL Mark.

19.3 SANBAG acknowledges and agrees that SAMAS CAPITAL, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the “Data Compilations”) in connection with the Services and that such Data Compilations may be used by SAMAS CAPITAL (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that SAMAS CAPITAL will not, and shall ensure that its licensors will not, sell or distribute any of SANBAG’s confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

19.4 SAMAS CAPITAL shall not use SANBAG’s name or photographs of the Program in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SANBAG’s Project Manager.

ARTICLE 20. SUBCONTRACTS

20.1 SAMAS CAPITAL shall not subcontract performance of all or any portion of Services under this Contract, except those subcontractors listed in SAMAS CAPITAL’s proposal, without first notifying SANBAG of the intended subcontracting and obtaining SANBAG’s written approval of the subcontracting and the subcontractor. The definition of subcontractor and the requirements for subcontractors hereunder shall include all subcontracts at any tier.

20.2 SAMAS CAPITAL agrees that any and all subcontractors of SAMAS CAPITAL will comply with the terms of this Contract applicable to the portion of Services performed by them. If requested by SANBAG, SAMAS CAPITAL shall furnish SANBAG a copy of the proposed subcontract for SANBAG’S approval of the terms and conditions thereof and shall not execute such subcontract until the earlier of (a) SANBAG’s approval of such terms and conditions or (b) five (5) calendar days after SAMAS CAPITAL provides such subcontract to SANBAG, if SANBAG has not communicated disapproval by such day. SANBAG approval shall not be unreasonably withheld.

20.3 Approval by SANBAG of any Services to be subcontracted and the subcontractor to perform said Services will not relieve SAMAS CAPITAL of any responsibility or liability in regard to the acceptable and complete performance of said Services. Any substitution of subcontractors must be approved in writing by SANBAG's Project Manager.

ARTICLE 21. ATTORNEY'S FEES

If any legal action is instituted to enforce or declare any Party's rights hereunder, each Party, including the prevailing party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under Article 17 of this Contract.

ARTICLE 22. GOVERNING LAW AND VENUE

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County, District Civil Division. Each Party hereby waives any law or rule of court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, District Civil Division.

ARTICLE 23. COMMUNICATIONS AND NOTICES

Any and all notices permitted or required to be given hereunder shall be deemed duly given (a) upon actual delivery, if delivery is personally made; or (b) upon delivery into the United States Mail if delivery is by postage paid certified mail (return receipt requested), fax or private courier including overnight delivery services. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective parties may designate from time to time by a notice given in accordance with this Article. A change in address may be made by notifying the other Party in writing.

To SAMAS CAPITAL
32 Executive Park
Suite 105
Irvine, CA 92614
Attn: Mark Aarvig
Phone: (949) 342-4414

To SANBAG
San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Attn: Duane Baker
Phone: (909) 884-8276

ARTICLE 24. DISPUTES

In the event a dispute relating to this Contract arises between the parties, the parties will use all reasonable efforts to resolve the dispute through direct discussions for a period of thirty (30) business days. The senior management of each party is committed to respond to any such

dispute. Subsequent to such thirty-day period, the parties may, but will not be required to, resort to non-binding arbitration procedures.

Notwithstanding anything to the contrary herein, a breach of any of the promises or agreements contained in this Contract may result in irreparable and continuing damage to SAMAS CAPITAL or SANBAG for which there may be no adequate remedy at law, and SAMAS CAPITAL or SANBAG is therefore entitled to seek injunctive relief as well as such other and further relief as may be appropriate.

ARTICLE 25. GRATUITIES

SAMAS CAPITAL, its employees, agents, or representatives shall not offer or give to an officer, official, or employee of SANBAG, gifts, entertainment, payments, loans, or other gratuities to influence the award of a contract or obtain favorable treatment under a contract.

ARTICLE 26. REVIEW AND ACCEPTANCE

All Services performed by SAMAS CAPITAL shall be subject to periodic inspection, audit review and approval by SANBAG at any and all places where such performance may be carried on. Failure of SANBAG to make such review, or to discover defective work, shall not prejudice the rights of SANBAG.

ARTICLE 27. ASSIGNMENT

Neither party shall not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of the other party, within its sole discretion. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and permitted assigns of the Parties hereto.

ARTICLE 28. AMENDMENTS

This Contract, including Attachment A may only be changed by a written amendment duly executed by SAMAS CAPITAL and SANBAG except, that changes to the Contract to implement administrative changes such as approved changes in key personnel as provided in Article 14, "KEY PERSONNEL" above, may be made by administrative amendment signed by SAMAS CAPITAL's Representative and SANBAG's Project Manager.

ARTICLE 29. CONTINGENT FEE

SAMAS CAPITAL warrants, by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by SAMAS CAPITAL for the purpose of securing business.

ARTICLE 30. FORCE MAJEURE

SAMAS CAPITAL shall not be in default under this Contract in the event that the Services provided/work performed by SAMAS CAPITAL are temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, acts of terrorism, civil disturbances, insurrection, explosion, pandemics, quarantines, acts of God, acts of government or governmental restraint, and natural disasters such as floods, earthquakes, landslides, and fires, severe weather or other catastrophic events which are beyond the reasonable control of SAMAS CAPITAL and which SAMAS CAPITAL could not reasonably be expected to have prevented or controlled. Other catastrophic events do not include the financial inability of the SAMAS CAPITAL to perform or failure of the SAMAS CAPITAL to obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of SAMAS CAPITAL.

ARTICLE 31. ENTIRE DOCUMENT

31.1 This Contract and its attachments constitute the sole and only agreement governing Services and supersedes any prior understandings, written or oral, between the Parties respecting the subject matter herein. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been incorporated into this Contract.

31.2 No agent, employee or representative of SANBAG has any SANBAG to bind SANBAG to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and SAMAS CAPITAL hereby stipulates that it has not relied, and will not rely, on same.

31.3 As this Contract was jointly prepared by both Parties, the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

31.4 The Recitals to this Contract are incorporated into and made a part of this Contract.

ARTICLE 32. EFFECTIVE DATE

The date that this Contract is executed by SANBAG shall be the Effective Date of the Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the day and year below written, but effective as of the Effective Date.

SAN BERNARDINO ASSOCIATED
GOVERNMENTS

SAMAS CAPITAL, LLC

By: _____
W.E. Jahn, President

By: _____
Mark Allan Aarvig,
Managing Director

ATTACHMENT A

SCOPE OF COMMERCIAL HERO PROGRAM ADMINISTRATION SERVICES

Commercial HERO Program Design

SAMAS CAPITAL shall be responsible for the design of the Commercial HERO Program, including the design of the origination and administrative platforms that will allow for the financing of Eligible Improvements to be installed on Commercial Properties. SAMAS CAPITAL shall also review and provide input on (a) the report required to be prepared in accordance with and approved by the SANBAG Board of Directors pursuant to the provisions of Chapter 29 of Part 3 of Division 7 of the California Streets & Highways Code (“Chapter 29”) (the “Program Report”) in order to establish the HERO Program, including the Commercial HERO Program, and (b) the handbook related to the Commercial HERO Program (the “Commercial Handbook”) to be incorporated in the Program Report. SANBAG will approve progress throughout the design phase.

Commercial HERO Program Marketing And Customer Support

SAMAS CAPITAL shall create a Commercial HERO Program website; provide training and materials for the educational contractor, manufacturer and consumer meetings, as well as support for SANBAG staff training to facilitate outreach meetings; and direct meetings with large commercial property owners to discuss costs/benefits of Program participation.

Commercial HERO Program Administration

SAMAS CAPITAL shall establish an underwriting process by which to provide information, receive applications, process underwriting criteria, and provide approvals for assessment funding applicants. SAMAS CAPITAL shall also establish a process by which applications move through eligibility, approval, public notice, financing, recordation of Contractual Assessments and funding release processes and provide SANBAG with annual Commercial HERO Program reports and ad hoc reports, as requested. The County of San Bernardino will be responsible for distributing semi-annual property tax bills and remitting collected assessment funds to the trustee for the Bonds.

Commercial HERO Program Funding

SAMAS CAPITAL shall undertake all tasks and documentation on its part which are necessary to provide for the issuance of Bonds, underwrite or place the Bonds, and complete the necessary documentation for the Bonds, and which are provided for under Attachment “B”. SAMAS CAPITAL shall also review funding alternatives and additional or new funding agents as may be desired by SANBAG.

Commercial HERO Program Support

SAMAS CAPITAL shall provide customer support through a call center and the website to all Commercial HERO Program applicants, participants and contractors. SAMAS CAPITAL personnel shall also be available to attend and shall attend key committee and Board of Directors meetings, as needed.

Customer Support Plan

SAMAS CAPITAL shall develop processes for responding to and properly addressing complaints, inquiries and requests made by the Commercial HERO Program applicants and participants at all stages of the Commercial HERO Program. SAMAS CAPITAL shall also provide contractors, manufacturers, and consumers with:

- Online access to general Commercial HERO Program information, Commercial HERO Program marketing materials, documents and forms, a list of frequently asked questions for both property owners and contractors, and other resources;
- Information related to Commercial HERO Program Eligible Improvements;
- Online registration tool for contractors;
- An online application with online status updates for registered applicants and participants.

Customer Support Representatives

SAMAS CAPITAL shall provide training of on-site representative(s) at the SANBAG offices to assist prospective participants with information and Commercial HERO Program materials, answer questions, direct prospective participants to the online application and website, and assist with completing the online application.

Self-Service Customer Support

SAMAS CAPITAL shall provide assistance to property owners and contractors with easy to understand and thorough information, marketing materials, including detailed and transparent FAQs and Commercial HERO Program Guidelines.

Commercial HERO Program Scoping

SAMAS CAPITAL shall provide information to prospective contractors, manufacturers, and property owners regarding eligible projects.

Direct Marketing

SAMAS CAPITAL shall hold direct meetings with large commercial property owners with potential for Commercial HERO Program participation to explain Commercial HERO Program and the costs/benefits of the installation of Eligible Improvements.

SAMAS CAPITAL shall work with PFM, as the Program Manager for the SANBAG HERO Program, SANBAG and its member jurisdictions to promote the program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. SAMAS CAPITAL shall also publicize the program on its web site as well as through direct contact with property owners. SAMAS CAPITAL shall maintain sufficient resources to answer any questions by potential participants in the program. SAMAS CAPITAL shall also work with the Program Manager, SANBAG and other municipalities in order to utilize the SANBAG HERO Program to help bring industry and developments to the areas governed by SANBAG.

Program Sustainability

SAMAS CAPITAL shall provide both initial and ongoing analysis to assist SANBAG in determining availability of funding for its operations from Commercial HERO Program operations along with costs/benefits of program expansion.

ATTACHMENT "B"
"SCOPE OF PROGRAM FUNDING"

Obligation to Purchase Bonds and Maintenance of Minimum Financing Amounts:

SAMAS CAPITAL shall purchase Bonds from SANBAG: (a) for which the property, the Eligible Improvements and the property owner meet the eligibility requirements and underwriting criteria as specified in the Program Report and the Commercial Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and SAMAS CAPITAL, and for which all necessary supporting documents as required pursuant to the Assessment Contract have been received by SANBAG and accepted by SANBAG and SAMAS CAPITAL and (b) all conditions precedent to the sale of such Bonds as specified in the Purchase Agreement have been satisfied.

SAMAS CAPITAL shall, at all times during the term of the Agreement, maintain sufficient funding to purchase all Bonds to be issued by SANBAG in order to fund Eligible Improvements to be installed on Commercial Properties for which SANBAG and SAMAS CAPITAL have approved the Assessment Contracts.

Types of Properties:

All types of Commercial Properties including commercial, industrial, agricultural and tax-exempt as may be eligible pursuant to the Program Report and the Commercial Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and SAMAS CAPITAL

Types of Improvements Financed:

All Eligible Improvements as specified in the Program Report and Commercial Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and SAMAS CAPITAL.

B-1

C14052
Contract Commercial HERO Program
Services & Funding

Federal and State of California tax credits and other incentives for the installation of renewable energy; including Verified Emission Reduction Credits, Renewable Energy Credits, or other carbon/greenhouse gas reduction credits:

All Federal and State of California tax credits or other tax benefits shall be for the account and benefit of the commercial and industrial property owner.

All non-tax credits, rebates and incentives provided to encourage the installation of renewable energy and energy efficiency technologies, including all renewable energy credits, including verified emission reduction credits, or other carbon/GHG reduction credit sales as may be available in the market shall be distributed by SANBAG to the real property owner requesting the special assessments, and, with the consent of the real property owner, to SANBAG, participating political subdivisions, or SAMAS CAPITAL.

Real Estate/Assessment Credit Underwriting Criteria:

SAMAS CAPITAL will utilize the contractual assessment underwriting criteria as set forth in the Program Report and the Commercial Handbook, as documents may be modified from time-to-time by the mutual agreement of SANBAG and SAMAS CAPITAL

Documentation

SAMAS CAPITAL shall cooperate with SANBAG to develop a standard set of documents suitable to the parties to document the legal obligations associated with the contractual assessments, the Assessment Contract, the Trustee for the Bonds, and the other legal requirements of any transaction

ATTACHMENT “C”

“SANBAG’S POLICY 10102”

San Bernardino Associated Governments	Policy	10102
Adopted by the Board of Directors Sept. 2, 1992	Revised	8/6/12
Conflict of Interest Code	Revision No.	6

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SANBAG Intranet.

Table of Contents Purpose Policy Revision History Appendix A

I. PURPOSE

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission had adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

II. POLICY

The terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix A in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of SANBAG.

Designated employees shall file statements of economic interests with SANBAG who will make the statements available for public inspection and reproduction (Government Code section 81008). Statements for all designated employees will be retained by the Clerk of the Board of SANBAG.

SANBAG will review this policy every even-numbered year, and if change in the policy is required, will revise the policy. SANBAG will file a statement of review with the San Bernardino County Board of Supervisors every even-numbered year.

III. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Amended Conflict of Interest Code for SANBAG approved.	09/02/92
1	Modifications to Appendix A and Appendix B approved.	02/05/97
2	Amendment to Appendix A approved by SANBAG Board of Directors.	04/05/00
3	Appendix A: Removed Advanced Transportation Development Manager	01/10/07
4	Par. I: Added paragraph heading PURPOSE. Par. II: Added paragraph heading POLICY; amended the first paragraph and added two new paragraphs that replace the existing text. Appendix A: Added Construction Manager, Contracts/Controls Manager, and Project Delivery Manager; changed category designation for Board of Directors (City designees, Executive Director, and Chief Financial Officer from Category 2 to Category 1; added clarification that Form 700s filed by the Board of Directors (County designees) are filed with the Clerk of the Board of Supervisors, not SANBAG; and revised the descriptions for Category 1 and Category 2.	06/03/09
5	Appendix A: Added Director of Programming, Chief of Planning, Chief of Programming, Chief of Transit & Rail Programs, Human Resources & Information Services Administrator, and Procurement/Risk Management/Contracts Administrator. Changed the following titles: Director of Freeway Construction to Director of Project Delivery, Director on Intergovernmental & Legislative Affairs to Director of Legislative Affairs, Director of Planning/Programming to Director of Planning, and Director of Air Quality/Mobility Programs to Chief of Air Quality/Mobility Programs. Removed the Contracts/Controls Manager.	06/30/12
6	Appendix A: Added General Counsel – missed in Rev. 5. Corrected titles for Director and Chief of Fund Administration and Programming.	08/06/12

Designated Employees	Categories
1. Board of Directors (County designees)	1
2. Board of Directors (City designees)	1
3. Executive Director	1
4. General Counsel	1
5. Chief Financial Officer	1
6. Director of Transit/Rail Programs	2
7. Director of Planning	2
8. Director of Fund Administration and Programming	2
9. Director of Project Delivery	2
10. Director of Legislative Affairs	2
11. Director of Management Services	2
12. Chief of Air Quality/Mobility Programs	2
13. Chief of Planning	2
14. Chief of Fund Administration and Programming	2
15. Chief of Transit & Rail Programs	2
16. Construction Manager	2
17. Project Delivery Manager	2
18. Human Resources/Information Services Administrator	2
19. Procurement/Risk Manager/Contracts Administrator	2
20. Consultant *	2

* Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Form 700s filed by the Board of Directors (County designees) are filed with the Clerk of the Board of Supervisors, not with SANBAG.

CATEGORY 1

Designated employees in this category shall disclose all sources of income, interests in real property, investments and business positions in business entities. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 2

Designated employees in this category shall disclose sources of income, investments, and business positions in business entities which provide services, supplies, materials, machinery or equipment of the type purchased or utilized by the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule B, if applicable.

CONTRACT SUMMARY SHEET

Contract No. C 14053 Amendment No. _____

By and Between

SANBAG and Renovate America, Inc.

Contract Description SERVICES TO ASSIST IN THE IMPLEMENTATION AND ADMINISTRATION OF FINANCING MECHANISMS FOR THE SANBAG HERO PROGRAM, A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM, FOR RESIDENTIAL PROPERTIES IN PARTICIPATING CITIES AND SAN BERNARDINO COUNTY

Board of Director's Meeting Date: October 2, 2013
Overview of BOD Action: Approve Contract #C14053 with Renovate America, Inc. to provide services to assist in the implementation and administration of financing mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) program, for residential properties in participating cities, towns and unincorporated San Bernardino County.

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$ 0.00	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$	Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$ 0.00	TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$	0.00

Contract Start Date October 2, 2013	Current Contract Expiration Date June 30, 2017	Revised Contract Expiration Date
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Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0708.

A Budget Amendment is required.

How are we funding current FY?

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

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

Contractor shall be paid from proceeds from Program Bonds, application fees and closing costs.

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Duane A. Baker
Project Manager (Duane Baker)

Duane A. Baker
Task Manager (Duane Baker)

Andrea Zureick
Dir. of Fund Admin. & Programming
(Andrea Zureick)

Jeffery Hill
Contract Administrator (Jeffery Hill)

W. Stawarski
Chief Financial Officer (William Stawarski)

[Signature] 9-13-13
Signature Date

[Signature] 9-13-13
Signature Date

[Signature] 9/17/13
Signature Date

[Signature] 9/23/13
Signature Date

[Signature] 9/24/13
Signature Date

CONTRACT NO. C14053

BY AND BETWEEN

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

RENOVATE AMERICA, INC.

FOR

**SERVICES TO ASSIST IN THE IMPLEMENTATION AND ADMINISTRATION OF
FINANCING MECHANISMS FOR THE SANBAG HERO PROGRAM,
A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM,
FOR RESIDENTIAL PROPERTIES
IN PARTICIPATING CITIES AND SAN BERNARDINO COUNTY**

This Contract # C14053 (the "Contract"), is made and entered into and effective on the Effective Date by and between San Bernardino Associated Governments (hereinafter referred to as "SANBAG") whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715; and the firm of Renovate America, Inc., a Delaware corporation, whose address is 16935 W. Bernardo Drive, Suite 150, San Diego, California 92127 (hereinafter referred to as "RENOVATE AMERICA"). SANBAG and RENOVATE AMERICA are each a "Party" and collectively "Parties" herein.

RECITALS

WHEREAS, SANBAG requires certain services related to the implementation and administration of financing for the SANBAG HERO Program (the "HERO Program"), a voluntary contractual assessment program, commonly referred to as a property assessed clean energy program (the "PACE Program"), established by SANBAG pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), as such provisions may currently exist or may be amended hereinafter from time to time, to finance the cost of installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure (collectively, the "Eligible Improvements") that are permanently fixed to residential property located within jurisdictions within San Bernardino County which jurisdictions are parties to the Amended Agreement for the Joint Exercise of Powers Relative to

the San Bernardino Associated Governments and elect, by entering into a Memorandum of Understanding with SANBAG, to participate in the HERO Program (“Residential Properties”) (the HERO Program as applied to Residential Properties shall be referred to herein as the “Residential HERO Program” or “Program”); and

WHEREAS, the services described in the preceding recital shall be referred to as the “Residential HERO Program Administration Services”; and

WHEREAS, SANBAG also requires funding to be provided to finance the installation of Eligible Improvements that are to be permanently fixed to Residential Properties, the owners of which freely and willingly consent to participate in the Residential HERO Program by entering into assessment contracts with SANBAG (each, an “Assessment Contract”) to finance such installation (such funding shall be referred to herein as “Program Funding”) which financing shall be secured by the levy of voluntary contractual assessments against such Residential Properties (“Contractual Assessments”); and

WHEREAS, RENOVATE AMERICA has confirmed that it has the experience and is capable and qualified to provide the Residential HERO Program Administration Services and the Program Funding as described herein and desires to do so for the compensation and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto agree as follows:

ARTICLE 1. DESCRIPTION OF SERVICES

RENOVATE AMERICA agrees to perform the Residential HERO Program Administration Services as set forth in Attachment “A”, Scope of Services, hereinafter referred to collectively as “Services”, which is incorporated herein by reference, and to provide the Program Funding consistent with the Scope of Program Funding as set forth in Attachment “B”, which is incorporated herein by this reference, in accordance with standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein and in the sequence, time, and manner defined therein. The Services performed or provided hereunder and the Program Funding provided hereunder shall be completed in accordance with the prevailing standards in the industry.

ARTICLE 2. PERIOD OF PERFORMANCE

The Period of Performance by RENOVATE AMERICA under this Contract shall commence upon issuance of a written Notice To Proceed issued by SANBAG to RENOVATE AMERICA, unless agreed otherwise, and shall continue in full force and until June 30, 2017, or until otherwise terminated or extended as provided herein.

SANBAG, at its sole discretion, may extend the original term of the Contract for up to four (4) additional one (1) year Periods (each, an “Option Term”) upon written notice to RENOVATE AMERICA delivered not later than thirty (30) days prior to the end of the then-current term or Option Term, as applicable. The maximum term of this Contract, including the

Option Term(s), if exercised will not exceed eight (8) years from the date of the Notice to Proceed.

ARTICLE 3. SANBAG'S PROJECT MANAGER.

SANBAG hereby designates Duane Baker, or his designee, to act as its representative for the performance of this Contract ("SANBAG's Project Manager"). SANBAG's Project Manager shall have the power to act on behalf of SANBAG for all purposes under this Contract. RENOVATE AMERICA shall not accept direction or orders from any person on behalf of SANBAG other than SANBAG's Project Manager or his or her designee. SANBAG's Project Manager shall provide written notice to RENOVATE AMERICA of the appointment or the rescission of the appointment of any designee of SANBAG's Project Manager hereunder.

ARTICLE 4. RENOVATE AMERICA'S REPRESENTATIVES

RENOVATE AMERICA hereby designates John Paul McNeill, or his designee, to act as its representative for the performance of this Contract ("RENOVATE AMERICA's Representative"). RENOVATE AMERICA's Representative shall have full authority to represent and act on behalf of RENOVATE AMERICA for all purposes under this Contract. RENOVATE AMERICA's Representative shall supervise and direct all Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of RENOVATE AMERICA's responsibilities under this Contract. RENOVATE AMERICA's Representative shall provide written notice to SANBAG's Project Manager of the appointment or the rescission of the appointment of any designee of RENOVATE AMERICA's Representative hereunder.

ARTICLE 5. COMPENSATION

5.1 Contingency of Funding - RENOVATE AMERICA understands and acknowledges that SANBAG has no available moneys or current source of moneys to fund the Residential HERO Program, including payment of compensation to RENOVATE AMERICA for Services or Program Funding provided hereunder. SANBAG intends to fund the Residential HERO Program, including the funding of all Contractual Assessments and such compensation payable to RENOVATE AMERICA and RENOVATE AMERICA'S subcontractors, solely from the proceeds of Bonds (defined in Section 6.1 below). Based upon the foregoing, in establishing the terms and conditions pursuant to which RENOVATE AMERICA shall be compensated for all Services rendered under this Contract, SANBAG and RENOVATE AMERICA assume and agree that all such compensation shall be paid solely from the proceeds of Bonds ("Bond Proceeds") and that the availability of such revenues will be contingent upon the issuance of Bonds.

5.2 Fees and Payment - SANBAG has no responsibility to directly pay RENOVATE AMERICA for its Services provided or performed hereunder or the Residential HERO Program Fund provided hereunder and the only payment to RENOVATE AMERICA for the provision or the performance of such Services or provision of such Program Funding shall be from Bond Proceeds of the Bond(s) issued to finance the Eligible Improvements for Residential Properties

participating in the Residential HERO Program. RENOVATE AMERICA will be compensated for such Services provided or performed as provided in this Section 5.2.

At the time of the issuance of each Bond or series of Bonds to fund Eligible Improvements for a Residential Property or Residential Properties participating in the Residential HERO Program, RENOVATE AMERICA will receive:

(a) a one-time fee for its Services equal to 1.5% of the principal amount of such Bond or series of Bonds (the "Residential HERO Program Administration Services Fee"); and

(b) a one-time fee for its Program Funding of the installation of such Eligible Improvements through the purchase of such Bond or series of Bonds equal to 1.0% of the principal amount of such Bond or series of Bonds (the "Program Funding Fee").

The foregoing rate of compensation is subject to revision by mutual written agreement of SANBAG and RENOVATE AMERICA in the event that the Services set forth in Attachment "A" are revised following the Effective Date.

ARTICLE 6. FINANCING OF ELIGIBLE IMPROVEMENTS THROUGH THE PROGRAM FUNDING

6.1 Issuance of Bonds - Program Funding for the installation of Eligible Improvements on any eligible Residential Property for which the owner thereof has entered into an Assessment Contract substantially in the form to be set forth in a program report approved by SANBAG pursuant to Chapter 29 ("Program Report") shall be provided through the issuance by SANBAG of one or more bonds (the "Bonds") pursuant to (i) the provisions of Chapter 29, the Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 and following) or such other legislation as may be applicable to the issuance of Bonds and specified in the Program Report for the purposes described herein, (ii) an indenture of trust, trust agreement, bond indenture or similar instrument by and between SANBAG and a trustee or fiscal agent thereunder (each, a "Trustee") establishing certain terms and conditions applicable to all Bonds issued pursuant to such instrument, and in a form approved by RENOVATE AMERICA (each, a "Master Indenture"), (iii) as may be necessary, a supplemental Indenture by and between SANBAG and the Trustee establishing the terms and conditions specifically applicable to such Bond (and in a form approved by RENOVATE AMERICA (each, a "Supplemental Indenture") and (iv) a separate Bond Purchase Agreement by and between SANBAG, as the issuer of such Bonds, and RENOVATE AMERICA, as the purchaser of such Bonds (the "Purchase Agreement"). Each Bond shall be secured by and payable from an Assessment Contract or Contractual Assessments (including any installments thereof) that are levied by SANBAG on such Residential Property or Residential Properties pursuant to the Assessment Contract or Assessment Contracts applicable to such Residential Property or Residential Properties. For the avoidance of doubt, the terms, application of proceeds of any Bond, redemption provisions and payment schedule applicable to each such Bond shall be set forth in the Master Indenture or the Supplemental Indenture applicable to such Bond and such terms and conditions shall be approved by RENOVATE AMERICA and SANBAG.

ARTICLE 7. COMMENCEMENT OF PERFORMANCE OF SERVICES

No Services shall be performed prior to approval of this Contract by SANBAG's Board of Directors and by RENOVATE AMERICA.

ARTICLE 8. INDEPENDENT CONTRACTOR

RENOVATE AMERICA is and shall be at all times an independent contractor. Accordingly, all Services and Program Funding provided by RENOVATE AMERICA shall be done and performed by RENOVATE AMERICA under the sole supervision, direction and control of RENOVATE AMERICA. SANBAG shall rely on RENOVATE AMERICA for results only, and shall have no right at any time to direct or supervise RENOVATE AMERICA or RENOVATE AMERICA's employees in the performance of Services or as to the manner, means and methods by which Services are performed. All personnel used by RENOVATE AMERICA in the performance of Services and provision of Program Funding pursuant to this Contract, and all representatives of RENOVATE AMERICA, shall be and remain the employees, contractors or agents of RENOVATE AMERICA or of RENOVATE AMERICA's subcontractor(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SANBAG. Because RENOVATE AMERICA is an independent contractor, SANBAG will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, obtain worker's compensation insurance or pay any other taxes or fees on RENOVATE AMERICA's behalf. RENOVATE AMERICA accepts exclusive liability for any and all taxes or contributions incurred in connection with the receipt by RENOVATE AMERICA of the compensation set forth in Article 5 hereof, including penalties and interest.

ARTICLE 9. RESPONSIBILITY OF RENOVATE AMERICA

9.1 RENOVATE AMERICA agrees to work closely with SANBAG staff in the performance of Services and provision of Program Funding and shall be reasonably available to SANBAG's staff.

9.2 RENOVATE AMERICA shall, prior to undertaking any discussions with SANBAG jurisdictions electing to participate in the Residential HERO Program (each, a "SANBAG Participant") regarding the provision of Services or initiating any material marketing activities within the jurisdictional boundaries of any such SANBAG Participant, coordinate all such discussions and/or marketing efforts with SANBAG's Project Manager. RENOVATE AMERICA shall also provide SANBAG's Project Manager with all material marketing documentation for review and approval prior to distribution thereof either to SANBAG Participants, property owners or contractors. Approval of such information shall be deemed to be received by RENOVATE AMERICA within five business days of receipt of such materials by SANBAG's Project Manager unless SANBAG's Project Manager provides notice otherwise.

9.3 RENOVATE AMERICA shall perform all Services and provide Program Funding under this Contract and, as to the Program Funding, the Purchase Agreement in a skillful and competent manner, consistent with the standards generally recognized as being

employed by professionals in the same discipline in the State of California. RENOVATE AMERICA represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Services and provide the Program Funding. RENOVATE AMERICA warrants that all employees and/or agents of RENOVATE AMERICA shall have sufficient skill and experience to perform Services assigned to them. Finally, RENOVATE AMERICA represents that it, its employees and agents have, or will have prior to the performance of Services or the provision of Program Funding, all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform Services or to provide Program Funding, and that such licenses and approvals shall be maintained throughout the term of this Contract. RENOVATE AMERICA shall perform, at its own cost and expense and without reimbursement from SANBAG, any services necessary to correct errors or omissions which are caused by RENOVATE AMERICA's failure to comply with the standard of care provided for herein.

9.4 RENOVATE AMERICA shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services or the provision of Program Funding, including without limitation, all Cal/OSHA requirements, safety and health laws, orders and regulations and all applicable federal and state securities laws and regulations, and shall give all notices required by law. RENOVATE AMERICA shall be liable for all violations of such laws, rules and regulations in connection with Services and the provision of Program Funding and, if RENOVATE AMERICA performs or fails to perform any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to SANBAG, RENOVATE AMERICA shall be solely responsible for all costs arising therefrom.

ARTICLE 10. REPORTING AND DELIVERABLES

All reports and deliverables shall be submitted in accordance with Attachment "A", Scope of Services.

ARTICLE 11. EQUAL EMPLOYMENT OPPORTUNITY/DRUG FREE WORKPLACE

During the term of this Contract, RENOVATE AMERICA shall not willfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, gender, marital status, sexual orientation, age, political affiliation or disability. RENOVATE AMERICA agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practice Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

11.1 RENOVATE AMERICA agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 et seq.

ARTICLE 12. CONFLICT OF INTEREST

RENOVATE AMERICA agrees that it presently has no interest financial or otherwise and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. RENOVATE AMERICA further agrees that in the performance of this Contract, no person having any such interest shall be employed. RENOVATE AMERICA is obligated to fully disclose to SANBAG, in writing, of any conflict of interest issues as soon as they are known to RENOVATE AMERICA and to comply with SANBAG's Policy 10102 regarding disclosure, attached hereto as Attachment "C" and incorporated herein by this reference.

ARTICLE 13. KEY PERSONNEL

The personnel specified below (the "Key Personnel") are considered to be essential to Services being performed under this Contract. Prior to reallocation of tasks and hours of Services, which are the responsibility of Key Personnel to other personnel, RENOVATE AMERICA shall notify SANBAG reasonably in advance. Key Personnel are:

<u>Name</u>	<u>Function</u>
John Paul McNeill	Chief Executive Officer
Nick Fergis	Chief Operating Officer
Tom Hemmings	Chief Financial Officer

Notwithstanding the foregoing, the parties hereby acknowledge and agree that this Contract is not exclusive and that none of the Key Personnel set forth above currently allocate, or anticipate allocating in the future, 100% of their business time to the performance of the Services.

ARTICLE 14. PROPRIETARY RIGHTS/CONFIDENTIALITY

14.1 Proprietary Information – During the term of this Contract and for a period of three (3) years thereafter, each party agrees that it will take all steps reasonably necessary to hold the Proprietary Information (as defined below) of the other party (the "Disclosing Party") in trust and confidence, will not use such Proprietary Information in any manner or for any purpose not expressly set forth in this Contract, and will not disclose any such Proprietary Information to any third party without first obtaining the Disclosing Party's express written consent. By way of illustration but not limitation, "Proprietary Information" includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "Inventions"); and (b) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (c) information regarding the skills and compensation of employees of the Disclosing Party.

14.2 Third Party Information – In addition, each party understands that the parties hereto have received and in the future will receive from third parties confidential or proprietary

information (“Third Party Information”) subject to a duty to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of this Contract and thereafter, each party will hold Third Party Information of the other party in the strictest confidence and will not disclose or use Third Party Information, except in connection with its performance under this Contract, or as expressly authorized in writing by an officer of the Disclosing Party.

14.3 Press Releases - All press releases, or press inquiries relating to this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only as agreed to by RENOVATE AMERICA and SANBAG.

ARTICLE 15. TERMINATION

15.1 Termination by SANBAG without Cause - SANBAG shall have the right at any time, without cause, to terminate further performance of Services by written notice to RENOVATE AMERICA specifying the date of termination (which date shall be no earlier than fourteen (14) calendar days from the date of such written notice. On the date of such termination stated in said notice, RENOVATE AMERICA shall discontinue performance of Services and shall preserve work in progress and completed work (“Work”), pending SANBAG’s instruction, and shall turn over such Work in accordance with SANBAG’s instructions.

15.1.1 RENOVATE AMERICA shall deliver to SANBAG, all deliverables prepared by RENOVATE AMERICA or its subcontractors or furnished to RENOVATE AMERICA by SANBAG. Upon such delivery, RENOVATE AMERICA may then invoice SANBAG for payment in accordance with the terms hereof.

15.1.2 Upon any such termination by SANBAG, RENOVATE AMERICA shall be entitled to receive any compensation due under Article 5 of this Contract. In addition, RENOVATE AMERICA shall be entitled to an hourly fee of \$400 per hour for any work required to preserve work in progress pursuant to Section 15.1 above and shall be entitled to receive the actual cost incurred by RENOVATE AMERICA to return RENOVATE AMERICA’s field tools and equipment, if any, to it or its suppliers’ premises, or to make the required deliveries in accordance with Section 15.1.1 above plus any additional and actual costs necessarily incurred in effecting the termination (cumulatively, “Termination Costs”). The source of payment of any such Termination Costs shall be limited to the Bond Proceeds.

15.2 Termination by SANBAG for Cause - In the event RENOVATE AMERICA shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against RENOVATE AMERICA or a receiver shall be appointed on account of its solvency, or if RENOVATE AMERICA shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within fourteen (14) calendar days following written notice thereof, SANBAG may, without prejudice to any other rights or remedies SANBAG may have, and in compliance with applicable Bankruptcy Laws; (a) hold in abeyance further payments to RENOVATE AMERICA; (b) stop any Services of RENOVATE

AMERICA or its subcontractors related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to RENOVATE AMERICA specifying the date of termination. In the event of such termination by SANBAG, SANBAG may take possession of the deliverables, which includes property owners lists and documents related to pending transactions, and finish Services by whatever method SANBAG may deem expedient. Deliverables do not include the proprietary software of RENOVATE AMERICA. A waiver by SANBAG of one default of RENOVATE AMERICA shall not be considered to be a waiver of any subsequent default of RENOVATE AMERICA, nor be deemed to waive, amend, or modify any term of this Contract.

15.2.1 Unless otherwise advised by the Disclosing Party, and upon written request from the Disclosing Party, any party in possession of Proprietary Information of the other party, shall promptly deliver to the Disclosing Party all documents and other materials of any nature pertaining to the Services, together with all documents and other items containing or pertaining to any of the Disclosing Party's Proprietary Information.

15.3 Termination by RENOVATE AMERICA without Cause - RENOVATE AMERICA shall have the right at any time, without cause, to terminate further performance of Services by written notice to SANBAG specifying the date of termination (which date shall be no earlier than fourteen (14) calendar days from the date of such written notice. On the date of such termination stated in said notice, RENOVATE AMERICA shall discontinue performance of Services and shall preserve work in progress and completed work ("Work"), pending SANBAG's instruction, and shall turn over such Work in accordance with SANBAG's instructions.

15.3.1 RENOVATE AMERICA shall deliver to SANBAG, all deliverables prepared by RENOVATE AMERICA or its subcontractors or furnished to RENOVATE AMERICA by SANBAG. Upon such delivery, RENOVATE AMERICA may then be entitled to receive any compensation due under Article 5 of this Contract, net of SANBAG's Termination Costs.

15.3.2 Upon any such termination by RENOVATE AMERICA, RENOVATE AMERICA shall pay SANBAG for SANBAG's staff time, consultant and other costs associated with retaining and for higher compensation payable to a replacement contractor to provide the Services, provided that no entity shall be entitled to an hourly fee in excess of \$500 per hour, plus any and all other expenses SANBAG incurs as a result of RENOVATE AMERICA's early termination of the Contract (cumulatively, "SANBAG's Termination Costs"). SANBAG may invoice RENOVATE AMERICA and RENOVATE AMERICA shall pay SANBAG upon receipt of such invoice SANBAG's Termination Costs. In SANBAG's sole discretion, SANBAG may elect to deduct SANBAG's Termination Costs from any compensation due RENOVATE AMERICA under Article 5 of this Contract.

15.4 Termination by RENOVATE AMERICA for Cause - In the event SANBAG shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against SANBAG or a receiver shall be appointed on account of its solvency, or if SANBAG shall default in the performance of any

express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within fourteen (14) calendar days following written notice thereof, RENOVATE AMERICA may, without prejudice to any other rights or remedies RENOVATE AMERICA may have, and in compliance with applicable Bankruptcy Laws, stop any Services related to such failure until such failure is remedied and/or terminate this Contract by written notice to SANBAG specifying the date of termination. In the event of such termination by RENOVATE AMERICA, SANBAG may take possession of the deliverables and finish Services by whatever method SANBAG may deem expedient. A waiver by RENOVATE AMERICA of one default of SANBAG shall not be considered to be a waiver of any subsequent default of SANBAG, nor be deemed to waive, amend, or modify any term of this Contract.

15.4.1 In the event of such termination, RENOVATE AMERICA shall deliver to SANBAG all finished and unfinished products prepared under this Contract by RENOVATE AMERICA or its subcontractors or furnished to RENOVATE AMERICA by SANBAG.

15.5 Support for Claims for Compensation - All claims for compensation or reimbursement of costs under any of the foregoing provisions shall be supported by documentation submitted to the party against which the claims are made satisfactory in form and content to and verified by the party against which the claims are made.

ARTICLE 16. INSURANCE

Without any way affecting the indemnity provision identified in this Contract, RENOVATE AMERICA shall, at RENOVATE AMERICA's sole expense, and prior to the commencement of any Services, procure and maintain in full force, insurance through the entire term of this Contract. The policies shall be written by a California admitted carrier with an A.M. Best rating of A-VII or better, and shall be written with a least the following limits of liability:

16.1 Professional Liability - Professional Liability insurance shall be provided in an amount not less than \$1,000,000 per claim.

16.2 Workers' Compensation - Worker's Compensation insurance shall be provided in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability in an amount not less than \$1,000,000 limits covering all persons providing services on behalf of RENOVATE AMERICA and all risks to such persons under this Contract.

16.3 Residential General Liability - To include coverage for Premises and Operations, Contractual Liability, Products/Completed Operations Liability, Personal Injury Liability, Broad-Form Property Damage and Independent Contractors' Liability, in an amount of not less than \$1,000,000 per occurrence, combined single limit, and \$2,000,000 in the aggregate written on an occurrence form. For products and completed operations a \$2,000,000 aggregate shall be provided.

16.4 Crime Coverage - To include Employee Dishonesty/Theft, Money & Securities, Computer Fraud, Funds Transfer Fraud, Money Orders with limits of \$1,000,000.

16.5 Automobile Liability - To include owned, non-owned and hired automobiles, in an amount of not less than \$1,000,000 combined single limit.

16.6 Proof of Coverage - RENOVATE AMERICA shall furnish certificates of insurance to SANBAG evidencing the insurance coverage required above, prior to the commencement of performance of Services hereunder, and such certificates shall include San Bernardino Associated Governments and its officers, employees, agents and volunteers, as additional insured on Comprehensive General Liability Insurance or Residential General Liability Insurance and auto insurance. Prior to commencing any work, RENOVATE AMERICA shall furnish SANBAG with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth in this Article. If the insurance company elects to cancel or non-renew coverage for any reason, RENOVATE AMERICA will provide SANBAG thirty (30) days written notice of cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium RENOVATE AMERICA will provide SANBAG ten (10) days written notice. RENOVATE AMERICA shall maintain such insurance for the entire term of this Contract.

16.7 Additional Insured - All policies, except for Worker's Compensation and Professional Liability policies, shall contain endorsements naming SANBAG and its officers, employees, agents, and volunteers as additional insureds with respect to liabilities arising out of the performance of Services hereunder. The additional insured endorsements shall not limit the scope of coverage for SANBAG to vicarious liability but shall allow coverage for SANBAG to the full extent provided by the policy.

16.8 Waiver of Subrogation Rights - RENOVATE AMERICA shall require the carriers of Residential General Liability, Automobile Liability and Workers Compensation to waive all rights of subrogation against SANBAG, its officers, employees, agents, volunteers, contractors, and subcontractors. Such insurance coverage provided shall not prohibit RENOVATE AMERICA or RENOVATE AMERICA'S employees or agents from waiving the right of subrogation prior to a loss or claim. RENOVATE AMERICA hereby waives all rights of subrogation against SANBAG.

16.9 Residential General Liability insurance required herein is to be primary and non-contributory with any insurance carried or administered by SANBAG.

ARTICLE 17. INDEMNITY

Except as provided below for those Services falling within the scope of Civil Code section 2782.8, RENOVATE AMERICA agrees to indemnify, defend (with counsel reasonably approved by SANBAG) and hold harmless SANBAG and its authorized officers, employees, agents and volunteers, from any and all claims, actions, losses, damages and/or liability arising out of this Contract including acts, errors, or omissions of RENOVATE AMERICA, its officers, employees, agents and subcontractors in the performance of Services hereunder, and for any

costs or expenses incurred by SANBAG on account of any such claim except where such indemnification is prohibited by law; provided that, RENOVATE AMERICA's indemnification obligation applies to SANBAG "active" as well as "passive" negligence but does not apply to the gross negligence or willful misconduct on the part of SANBAG, or any of its officers, employees, agents or volunteers.

ARTICLE 18. OWNERSHIP OF DOCUMENTS INTELLECTUAL PROPERTY

18.1 SANBAG expressly acknowledges and agrees that any and all computer software and all source code thereof, used or developed by RENOVATE AMERICA ("Proprietary Software") in performing the Services is proprietary and RENOVATE AMERICA, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and proprietary software, including all intellectual property rights contained therein.

18.2 During the term of this Contract, RENOVATE AMERICA grants SANBAG a non-exclusive, non-transferable license for SANBAG to use RENOVATE AMERICA's trademarks or trade names including, without limitation, "RENOVATE AMERICA," "Financing The Home Energy Revolution," "Home Energy Renovation Opportunity," "HERO Financing," or new trademarks developed by RENOVATE AMERICA (collectively, the "RENOVATE AMERICA Marks"). RENOVATE AMERICA hereby reserves all right, title and interest in and to the RENOVATE AMERICA marks. SANBAG agrees it will not use the RENOVATE AMERICA Marks upon termination of this Contract and shall not contest, oppose or challenge RENOVATE AMERICA's ownership of any RENOVATE AMERICA Mark.

18.3 SANBAG acknowledges and agrees that RENOVATE AMERICA, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Services and that such Data Compilations may be used by RENOVATE AMERICA (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that RENOVATE AMERICA will not, and shall ensure that its licensors will not, sell or distribute any of SANBAG's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

18.4 RENOVATE AMERICA shall not use SANBAG's name or photographs of the Program in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SANBAG's Project Manager.

ARTICLE 19. SUBCONTRACTS

19.1 RENOVATE AMERICA shall not subcontract performance of all or any portion of Services under this Contract, except those subcontractors listed in RENOVATE AMERICA's proposal, without first notifying SANBAG of the intended subcontracting and obtaining SANBAG's written approval of the subcontracting and the subcontractor. The definition of subcontractor and the requirements for subcontractors hereunder shall include all subcontracts at any tier.

19.2 RENOVATE AMERICA agrees that any and all subcontractors of RENOVATE AMERICA will comply with the terms of this Contract applicable to the portion of Services performed by them. If requested by SANBAG, RENOVATE AMERICA shall furnish SANBAG a copy of the proposed subcontract for SANBAG'S approval of the terms and conditions thereof and shall not execute such subcontract until the earlier of (a) SANBAG's approval of such terms and conditions or (b) five (5) calendar days after RENOVATE AMERICA provides such subcontract to SANBAG, if SANBAG has not communicated disapproval by such day. SANBAG approval shall not be unreasonably withheld.

19.3 Approval by SANBAG of any Services to be subcontracted and the subcontractor to perform said Services will not relieve RENOVATE AMERICA of any responsibility or liability in regard to the acceptable and complete performance of said Services. Any substitution of subcontractors must be approved in writing by SANBAG's Project Manager.

ARTICLE 20. ATTORNEY'S FEES

If any legal action is instituted to enforce or declare any Party's rights hereunder, each Party, including the prevailing party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under Article 17 of this Contract.

ARTICLE 21. GOVERNING LAW AND VENUE

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County, District Civil Division. Each Party hereby waives any law or rule of court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, District Civil Division.

ARTICLE 22. COMMUNICATIONS AND NOTICES

Any and all notices permitted or required to be given hereunder shall be deemed duly given (a) upon actual delivery, if delivery is personally made; or (b) upon delivery into the United States Mail if delivery is by postage paid certified mail (return receipt requested), fax or private courier including overnight delivery services. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective parties may designate from time to time by a notice given in accordance with this Article. A change in address may be made by notifying the other Party in writing.

To RENOVATE AMERICA
16935 W. Bernardo Drive
Suite 150

To SANBAG
San Bernardino Associated Governments
1170 W. 3rd I Street, 2nd Floor

San Diego, CA 92127
Attn: J.P. McNeill
Phone: (877) 747-4889

San Bernardino, CA 92410-1715
Attn: Duane Baker
Phone: (909) 884-8276

ARTICLE 23. DISPUTES

In the event a dispute relating to this Contract arises between the parties, the parties will use all reasonable efforts to resolve the dispute through direct discussions for a period of thirty (30) business days. The senior management of each party is committed to respond to any such dispute. Subsequent to such thirty-day period, the parties may, but will not be required to, resort to non-binding arbitration procedures.

Notwithstanding anything to the contrary herein, a breach of any of the promises or agreements contained in this Contract may result in irreparable and continuing damage to RENOVATE AMERICA or SANBAG for which there may be no adequate remedy at law, and RENOVATE AMERICA or SANBAG is therefore entitled to seek injunctive relief as well as such other and further relief as may be appropriate.

ARTICLE 24. GRATUITIES

RENOVATE AMERICA, its employees, agents, or representatives shall not offer or give to an officer, official, or employee of SANBAG, gifts, entertainment, payments, loans, or other gratuities to influence the award of a contract or obtain favorable treatment under a contract.

ARTICLE 25. REVIEW AND ACCEPTANCE

All Services performed by RENOVATE AMERICA shall be subject to periodic inspection, audit review and approval by SANBAG at any and all places where such performance may be carried on. Failure of SANBAG to make such review, or to discover defective work, shall not prejudice the rights of SANBAG.

ARTICLE 26. ASSIGNMENT

Neither party shall not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of the other party, within its sole discretion. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and permitted assigns of the Parties hereto.

ARTICLE 27. AMENDMENTS

This Contract, including Attachment A may only be changed by a written amendment duly executed by RENOVATE AMERICA and SANBAG except, that changes to the Contract to implement administrative changes such as approved changes in key personnel as provided in Article 14, "KEY PERSONNEL" above, may be made by administrative amendment signed by RENOVATE AMERICA's Representative and SANBAG's Project Manager.

ARTICLE 28. CONTINGENT FEE

RENOVATE AMERICA warrants, by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established Residential or selling agencies maintained by RENOVATE AMERICA for the purpose of securing business.

ARTICLE 29. FORCE MAJEURE

RENOVATE AMERICA shall not be in default under this Contract in the event that the Services provided/work performed by RENOVATE AMERICA are temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, acts of terrorism, civil disturbances, insurrection, explosion, pandemics, quarantines, acts of God, acts of government or governmental restraint, and natural disasters such as floods, earthquakes, landslides, and fires, severe weather or other catastrophic events which are beyond the reasonable control of RENOVATE AMERICA and which RENOVATE AMERICA could not reasonably be expected to have prevented or controlled. Other catastrophic events do not include the financial inability of the RENOVATE AMERICA to perform or failure of the RENOVATE AMERICA to obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of RENOVATE AMERICA.

ARTICLE 30. ENTIRE DOCUMENT

30.1 This Contract and its attachments constitute the sole and only agreement governing Services and supersedes any prior understandings, written or oral, between the Parties respecting the subject matter herein. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been incorporated into this Contract.

30.2 No agent, employee or representative of SANBAG has any SANBAG to bind SANBAG to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and RENOVATE AMERICA hereby stipulates that it has not relied, and will not rely, on same.

30.3 As this Contract was jointly prepared by both Parties, the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

30.4 The Recitals to this Contract are incorporated into and made a part of this Contract.

ARTICLE 31. EFFECTIVE DATE

The date that this Contract is executed by SANBAG shall be the Effective Date of the Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the day and year below written, but effective as of the Effective Date.

SAN BERNARDINO ASSOCIATED
GOVERNMENTS

RENOVATE AMERICA, INC.

By: _____
W.E. Jahn, President

By: _____
J.P. McNeill, Chief Executive
Officer

ATTACHMENT A

SCOPE OF RESIDENTIAL HERO PROGRAM ADMINISTRATION SERVICES

RENOVATE AMERICA shall provide the following Services:

Residential HERO Program Design

As part of the Services, RENOVATE AMERICA shall provide program design services which include: (1) review and edit all policies relating to residential projects; (2) provide documentation, processes and procedures required for registering contractors, accepting, processing and approving residential property owner applications, reviewing eligibility of and approving proposed improvements, providing and tracking all financing disclosures, accepting, processing and approving funding requests, issuing and executing contractual assessment agreements (property owner and issuer), recording lien documents, issuing and executing micro-bond documents, and issuing payment for funding requests, including the Program Report and Residential Handbook, Eligible Improvements, contractor registration/approval forms, residential applications, all financing disclosure forms, all forms required to approve improvements, funding request form(s), and contractual assessment agreement and lien recordation documents (unless provided by municipality); (3) design and build the Program website; (4) integration of RENOVATE AMERICA's origination systems with the Program website.

Residential HERO Program Origination

As part of the Services, RENOVATE AMERICA shall provide origination services which include: (1) process all residential applications, including accepting applications (online and hard copy), entering hard copy applications into online system, pulling all credit, title, valuation and other reports, reviewing eligibility of proposed property, applicants, equipment and contractors, tracking all financing disclosures, application and authorization forms, contacting applicants, contractors and other parties as needed, providing notifications of approval, denial or incomplete status; (2) process all funding requests for Residential Properties participating in the Program, including accepting funding request forms, reviewing submitted forms and attachments, providing notification of funding request approval, denial or incomplete status; (4) process and finalize all contractual assessment documentation, including issuance of contractual assessment and financing disclosures; (5) provide telephone and email customer service support; (6) track and report to SANBAG key Program statistics, including applications received, approved, assessment contracts issued and signed; (7) periodically assess and/or adjust policies and procedures of Program as needed to resolve any recurring issues.

Residential HERO Program Marketing

As part of the Services, RENOVATE AMERICA shall work with SANBAG and its member jurisdictions to promote the Program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. RENOVATE AMERICA

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shall also publicize the Program on its web site as well as through direct contact with property owners. RENOVATE AMERICA shall maintain sufficient resources to answer any questions by potential participants in the Program. RENOVATE AMERICA shall also work with SANBAG and other municipalities within the Program Area in order to utilize the Program to help bring industry and developments to the areas governed by SANBAG.

Residential HERO Program Documentation

As part of the Services, RENOVATE AMERICA shall work with SANBAG to develop a standard set of documents suitable to the parties that shall document the legal obligations associated with the contractual assessment, and any other legal requirements of the transaction.

Residential HERO Program Assessment Servicing

As part of the Services, RENOVATE AMERICA shall work with the Program Assessment Administrator, and the County of San Bernardino to ensure that the proper contractual assessment installments are placed on the appropriate property owner's property tax bill and that the contractual assessment installments shall be collected promptly for the properties subject to such contractual assessments.

**ATTACHMENT B
“SCOPE OF PROGRAM FUNDING**

Obligation to Purchase Bonds and Maintenance of Minimum Financing Amounts:

RENOVATE AMERICA shall purchase Bonds from SANBAG: (a) for which the property, the Eligible Improvements and the property owner meet the eligibility requirements and underwriting criteria as specified in the Program Report and the Residential Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and RENOVATE AMERICA, and for which all necessary supporting documents as required pursuant to the Assessment Contract have been received by SANBAG and accepted by SANBAG and RENOVATE AMERICA and (b) all conditions precedent to the sale of such Bonds as specified in the Purchase Agreement have been satisfied.

RENOVATE AMERICA shall, at all times during the term of the Agreement, maintain sufficient funding to purchase all Bonds to be issued by SANBAG in order to fund Eligible Improvements to be installed on Residential Properties for which SANBAG and RENOVATE AMERICA have approved the Assessment Contracts.

Types of Properties:

All types of Residential Properties as may be eligible pursuant to the Program Report and the Residential Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and RENOVATE AMERICA

Types of Improvements Financed:

All Eligible Improvements as specified in the Program Report and Residential Handbook, as such documents may be modified from time-to-time by mutual agreement of SANBAG and RENOVATE AMERICA.

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**Contract Residential HERO Program
Services & Funding**

Federal and State of California tax credits and other incentives for the installation of energy efficiency, water conservation and renewable energy:

Real Estate/Assessment Credit Underwriting Criteria:

All Federal and State of California tax credits and other incentives provided to encourage the installation of Eligible Improvements, including all solar renewable energy credits, shall be for the account and benefit of the Residential Property owners participating in the Program.

RENOVATE AMERICA will utilize the contractual assessment underwriting criteria as set forth in the Program Report and the Residential Handbook, as documents may be modified from time-to-time by the mutual agreement of SANBAG and RENOVATE AMERICA

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Contract Residential HERO Program
Services & Funding

ATTACHMENT C

“SANBAG’S POLICY 10102”

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**Contract: Residential HERO Program
Services & Funding**

San Bernardino Associated Governments	Policy	10102
Adopted by the Board of Directors Sept. 2, 1992	Revised	8/6/12
Conflict of Interest Code	Revision No.	6

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SANBAG Intranet.

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I. PURPOSE

The Political Reform Act, Government Code Sections 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission had adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

II. POLICY

The terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix A in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of SANBAG.

Designated employees shall file statements of economic interests with SANBAG who will make the statements available for public inspection and reproduction (Government Code section 81008). Statements for all designated employees will be retained by the Clerk of the Board of SANBAG.

SANBAG will review this policy every even-numbered year, and if change in the policy is required, will revise the policy. SANBAG will file a statement of review with the San Bernardino County Board of Supervisors every even-numbered year.

III. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Amended Conflict of Interest Code for SANBAG approved.	09/02/92
1	Modifications to Appendix A and Appendix B approved.	02/05/97
2	Amendment to Appendix A approved by SANBAG Board of Directors.	04/05/00
3	Appendix A: Removed Advanced Transportation Development Manager	01/10/07
4	Par. I: Added paragraph heading PURPOSE. Par. II: Added paragraph heading POLICY; amended the first paragraph and added two new paragraphs that replace the existing text. Appendix A: Added Construction Manager, Contracts/Controls Manager, and Project Delivery Manager; changed category designation for Board of Directors (City designees, Executive Director, and Chief Financial Officer from Category 2 to Category 1; added clarification that Form 700s filed by the Board of Directors (County designees) are filed with the Clerk of the Board of Supervisors, not SANBAG; and revised the descriptions for Category 1 and Category 2.	06/03/09
5	Appendix A: Added Director of Programming, Chief of Planning, Chief of Programming, Chief of Transit & Rail Programs, Human Resources & Information Services Administrator, and Procurement/Risk Management/Contracts Administrator. Changed the following titles: Director of Freeway Construction to Director of Project Delivery, Director on Intergovernmental & Legislative Affairs to Director of Legislative Affairs, Director of Planning/Programming to Director of Planning, and Director of Air Quality/Mobility Programs to Chief of Air Quality/Mobility Programs. Removed the Contracts/Controls Manager.	06/30/12
6	Appendix A: Added General Counsel – missed in Rev. 5. Corrected titles for Director and Chief of Fund Administration and Programming.	08/06/12

Designated Employees	Categories
1. Board of Directors (County designees)	1
2. Board of Directors (City designees)	1
3. Executive Director	1
4. General Counsel	1
5. Chief Financial Officer	1
6. Director of Transit/Rail Programs	2
7. Director of Planning	2
8. Director of Fund Administration and Programming	2
9. Director of Project Delivery	2
10. Director of Legislative Affairs	2
11. Director of Management Services	2
12. Chief of Air Quality/Mobility Programs	2
13. Chief of Planning	2
14. Chief of Fund Administration and Programming	2
15. Chief of Transit & Rail Programs	2
16. Construction Manager	2
17. Project Delivery Manager	2
18. Human Resources/Information Services Administrator	2
19. Procurement/Risk Manager/Contracts Administrator	2
20. Consultant *	2

* Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Form 700s filed by the Board of Directors (County designees) are filed with the Clerk of the Board of Supervisors, not with SANBAG.

CATEGORY 1

Designated employees in this category shall disclose all sources of income, interests in real property, investments and business positions in business entities. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 2

Designated employees in this category shall disclose sources of income, investments, and business positions in business entities which provide services, supplies, materials, machinery or equipment of the type purchased or utilized by the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule B, if applicable.



- 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: 31

Date: October 2, 2013

Subject: Resolution Approving Issuance of Limited Obligation Improvement Bonds as Part of the Commercial and Residential Home Energy Renovation Opportunity (HERO) Program

- Recommendation:***
1. Approve Resolution No. 14-003 authorizing the issuance of limited obligation improvement bonds (first residential property tranche) and approving and directing the execution of related documents.
 2. Approve Resolution No. 14-004 authorizing the issuance of limited obligation improvement bonds (first commercial property tranche) and approving and directing the execution of related documents.

Background: On March 6, 2013, the SANBAG Board of Directors held a public hearing and then adopted Resolution 13-044 creating the HERO Program that allows a jurisdiction and an interested property owner to enter into a contractual agreement to finance the installation of eligible renewable energy, energy efficiency, or water efficiency improvements that are permanently fixed to the property. At the same meeting, the Board of Directors also approved Resolution 13-045 that

*

*Approved
Board of Directors*

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	X	CTC		CTA		SAFE		CMA	
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Check all that apply.

BRD1310b-dab

- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/R14003.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/R14004.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14054-CSS.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14054-DCSS.xlsx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14054.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14055-CSS.docx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14055-DCSS.xlsx>
- <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14055.docx>

authorized the issuance of one or more series of bonds secured by voluntary contractual assessments levied upon parcels.

Subsequent to the adoption the original resolution authorizing issuance of bonds, Resolution 13-045, a judicial validation action was filed at the direction of the Board of Directors. A judgment has been entered by the court that decrees, among other things, that the bonds authorized by Resolution 13-045 constitute legal, valid, and binding obligations. With the judgment in the judicial validation action, the Board can now consider Resolution Nos. 14-003 and 14-004 which will accomplish the following:

1. Authorize the sale of bonds and establish a maximum principal amount of \$300,000,000 each for the residential and commercial programs.
2. Approve the master indentures and supplemental indentures substantially in the form previously approved by the Board and on file with the Clerk and authorize the Executive Director to execute the final form of the indenture.
3. Approve the Master Bond Purchase Agreements No. C14054 with Renovate America and No. C14055 with Samas Capital substantially as to form on file with the Clerk and authorize the Executive Director to execute the final form of the agreement with the concurrence of SANBAG General Counsel.
4. Authorize the negotiated sale of the bonds to Renovate America and Samas Capital subject to the terms of the Bond Purchase Agreements, the master indentures, and supplemental indentures and further authorize the Executive Director or his designee to establish and agree with Renovate America and Samas Capital on the final terms for each bond including, but not limited to, the principal amount, the interest rate and the redemption provisions.
5. Appoint Deutsche Bank as the Trustee pursuant to the master indenture and supplemental indenture.
6. Approve the form of the residential property bond as set forth in the supplemental indenture on file with the Clerk.

Financial Impact: This item is consistent with the approved SANBAG budget and is anticipated to be entirely self-supporting.

Reviewed By: This item has not received prior policy committee or technical advisory committee review.

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

RESOLUTION NO. 14-003

RESOLUTION OF THE BOARD OF THE SAN BERNARDINO ASSOCIATED GOVERNMENTS AUTHORIZING ISSUANCE OF THE SAN BERNARDINO ASSOCIATED GOVERNMENTS LIMITED OBLIGATION IMPROVEMENT BONDS (FIRST RESIDENTIAL PROPERTY TRANCHE), APPROVING AND DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS

WHEREAS, pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”), the Joint Exercise of Powers Agreement of the San Bernardino Associated Governments (“SANBAG”), originally made and entered October 17, 1975, as further amended to date, and each separate Memorandum of Understanding by and between SANBAG and those parties to the Joint Powers Agreement (each, a “Participating Party”) that have elected to participate in the implementation of a property assessed clean energy (“PACE”) program to finance the installation of distributed generation renewable energy sources, energy or water efficiency improvements or electric vehicle charging infrastructure, SANBAG has undertaken proceedings to establish and has established such a PACE program to be known as the “SANBAG HERO Program” (the “HERO Program”), to assist property owners within the jurisdictional boundaries of each Participating Party (the “Program Area”) with the cost of installing distributed generation renewable energy sources, energy or water efficient improvements or electric vehicle charging infrastructure (the “Authorized Improvements”) that are permanently fixed to their property; and

WHEREAS, on February 6, 2013, the Board of Directors of the San Bernardino Associated Governments (the “Board of Directors”) adopted Resolution No. 13-038, entitled “Resolution of the Board of the San Bernardino Associated Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure Through the Use of Voluntary Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon” (the “Resolution of Intention”), to initiate such proceedings to establish the HERO Program; and

WHEREAS, by the adoption of the Resolution of Intention, the Board of Directors provided that one or more series of limited obligation improvement bonds may be issued under the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the “Bond Act”) and Chapter 29 to represent voluntary Contractual Assessments (defined below) or other financing relationships would be entered to finance such assessments; and

WHEREAS, on March 6, 2013, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed HERO Program, the report prepared pursuant to Sections 5898.22 and 5898.23 of Chapter 29 addressing all of the matters required to be included therein (the “Program Report”) or any of its particulars, the Board of Directors adopted Resolution No. 13-044, entitled “Resolution Confirming the Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving and Ordering Other Related Matters,” (the “Resolution Confirming Program Report”), pursuant to which the Board

of Directors, among other things, (i) confirmed and approved the Program Report, (ii) established the HERO Program and (iii) approved the form and authorized execution of agreements (“Assessment Contracts”) with the owners of property located within the boundaries of the Program Area to provide for the levy of such voluntary contractual assessments (the “Contractual Assessments”) to finance installation of Authorized Improvements; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Program Report, SANBAG is authorized to (i) enter into Contractual Assessments to finance the installation of Authorized Improvements on parcels in the Program Area that are deemed “Residential” as such term is defined in the Program Report (“Residential Parcels”) and (ii) enter into Contractual Assessments to finance the installation of Authorized Improvements on parcels in the Program Area that are deemed “Commercial” as such term is defined in the Program Report (“Commercial Parcels”); and

WHEREAS, on March 6, 2013, the Board of Directors also adopted its Resolution No. 13-045 entitled “Resolution of the Board of Directors of the San Bernardino Associated Governments Authorizing Issuance of the Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Actions” (the “Original Resolution of Issuance”), pursuant to which, the Board of Directors, among other actions, (a) authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of California (the “Bond Act”), upon the security of voluntary contractual assessments levied on Residential parcels only, (b) provided that each series of such bonds would be issued pursuant to a Master Indenture (each, an “Original Master Indenture”), as supplemented by one or more Supplemental Indentures (each, a “Original Supplemental Indenture”); and

WHEREAS, the Original Resolution of Issuance further provided that SANBAG shall not issue a series of such bonds until such time as the Board of Directors has approved the issuance thereof and the terms of the sale thereof at a meeting of the Board of Directors, such meeting to be a regular meeting held pursuant to Government Code Section 54954 and the conditions for issuance of such bonds set forth in the applicable Master Indenture have been satisfied; and

WHEREAS, subsequent to the adoption of the Original Resolution of Issuance, a judicial validation action was, at the direction of the Board of Directors, prepared, filed and prosecuted in the Superior Court of the County of San Bernardino as *San Bernardino Associated Governments v. All Persons Interested, etc.*, Case No. CIVDS 1305664 (the “Validation Action”) to judicially validate, among other matters, the Original Resolution of Issuance and the issuance of bonds pursuant thereto (collectively, the “Validation Matters”); and

WHEREAS, on _____, 2013, judgment was entered in the Validation Action (“Validation Judgment”) ordering, adjudging and decreeing, among other things, that the bonds authorized by the Original Resolution of Issuance constitute legal, valid, and binding obligations enforceable in accordance with their terms; and

WHEREAS, it is in the public interest and for the benefit of SANBAG and the owners of Residential Parcels that will participate in the HERO Program to finance the installation of Authorized Improvements to serve and benefit such Residential Parcels that SANBAG provide for the issuance and sale of bonds to finance such Authorized Improvements, the disbursement of proceeds of such

bonds, the disposition of the assessments securing such bonds and the administration and payment of such bonds; and

WHEREAS, there has been submitted to the Board of Directors forms of a Master Indenture and a Supplemental Indenture providing for the issuance of limited obligation improvement bonds to be designated as the “San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche) (the “Bonds”) in one or more series (each such series of Bonds referred to as a “Series”) pursuant to Chapter 29 and the 1915 Act, and the use of the proceeds of those Bonds to finance the installation of Authorized Improvements on Residential Parcels that are participating in the HERO Program; and

WHEREAS, there has been submitted to the Board of Directors the form of Master Bond Purchase Agreement by and between SANBAG and Renovate America (the “Purchase Agreement”) pursuant to which SANBAG shall agree to sell the Bonds to Renovate America and Renovate America will agree to acquire the Bonds from SANBAG; and

WHEREAS, this Board of Directors, with the aid of its staff, has reviewed all of the foregoing documents and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the 1915 Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Bernardino Associated Governments as follows:

Section 1. Authorization of the Issuance of the Bonds. The Board of Directors hereby authorizes the issuance of one or more Series of Bonds under and pursuant to Chapter 29, the Bond Act, the Original Resolution of Issuance and this Resolution in a maximum principal amount of \$300,000,000.

Section 2. Approval of Master Indenture and Supplemental Indenture. With respect to the Bonds, the Board of Directors hereby approves the Master Indenture substantially in the form on file with the Clerk of the Board of Directors, together with any changes therein and additions thereto approved by the Executive Director of SANBAG, or any designee of the Executive Director (each, an “Authorized Representative”) and review and concurrence by Best Best & Krieger LLP, in its capacity as bond counsel to SANBAG for the SANBAG HERO Program (“Bond Counsel”), and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of the Master Indenture for and in the name of SANBAG for each Series of Bonds. The Board of Directors hereby authorizes the delivery and performance of the Master Indenture for each Series of Bonds.

The Board of Directors hereby approves the form of the Supplemental Indenture in substantially the form on file with the Clerk of the Board of Directors, together with any changes therein or additions thereto approved by an Authorized Representative, required for the

issuance of each Bond, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of each Supplemental Indenture for and in the name of SANBAG for each Series of Bonds. The Board of Directors hereby authorizes the delivery and performance of each Supplemental Indenture for each Series of Bonds.

Section 3. Approval of the Purchase Agreement. The Board of Directors hereby approves the Purchase Agreement substantially in the form on file with the Clerk, together with any changes therein and additions thereto approved by an Authorized Representative, subject to the review and concurrence by the General Counsel of SANBAG (the "General Counsel") and Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of the Purchase Agreement for and in the name of SANBAG. The Board of Directors hereby authorizes the delivery and performance of the Purchase Agreement.

Section 4. Sale of the Bonds. SANBAG hereby authorizes the negotiated sale of the Bonds to Renovate America pursuant to the Purchase Agreement provided that the conditions for issuance of each Bond set forth in the Master Indenture and the applicable Supplemental Indenture have been satisfied. Each Series of Bonds shall be sold to Renovate America pursuant to the Purchase Agreement, the Master Indenture and the Supplemental Indenture pertaining to such Series of Bonds. The Board of Directors hereby delegates to the Executive Director or his designee the authority to establish and agree with Renovate America to the final terms for each Bond including, but not limited to, the principal amount thereof, the interest rate on such Bond and the redemption provisions.

Section 5. Appointment of Trustee. Deutsche Bank National Trust Company is appointed as Trustee pursuant to the Master Indenture and each Supplemental Indenture, to take any and all actions provided for therein to be taken by the Trustee.

Section 6. Form of Bond. The form of Residential Property Bond as set forth in the form of Supplemental Indenture is approved. The Treasurer of SANBAG and the Secretary of the Board of Directors are authorized and directed to execute by manual or facsimile signature, in the name and on behalf of SANBAG, the Bonds in either temporary or definitive form and to deliver or cause the delivery of each Bond to the Purchaser pursuant to the Master Indenture.

Section 7. No Obligation of SANBAG or its Member Agencies. Pursuant to Streets and Highways Code Section 8769, this Board of Directors has determined in the Resolution of Intention and does hereby determine that SANBAG will not obligate itself to advance funds from the SANBAG treasury to cure any deficiency in the Redemption Fund (as such term is defined in the Master Indenture) for the Bonds established pursuant to the Master Indenture. The Board of Directors further declares and determines that no Member Agency shall be obligated to advance funds from the treasury of such Member Agency to cure any such deficiency in the Redemption Fund.

Section 8. Conditions of Approval. The approvals, authorization and direction given by this resolution are conditioned upon the satisfaction of the requirements hereof and of the Master Indenture with respect to the issuance and sale of each Series of Bonds. The Authorized Officers shall not take any action with respect to the execution and delivery of a Supplemental Indenture or the issuance, sale or delivery of any Bond unless and until such conditions are satisfied; provided, however, that upon satisfaction of such conditions as to any Bond, this resolution shall be fully effective and shall be carried out as to such Bonds without the further approval or action of the Board of Directors.

Section 9. Official Actions. Each Authorized Representative is hereby authorized and directed, for and in the name and on behalf of SANBAG, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of SANBAG with respect to the establishment of the HERO Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 10. Effective Date. This resolution shall take effect immediately upon its adoption; provided, however, if the Validation Judgment has not become final on the date of adoption of hereof then this resolution shall take effect upon the date following the date the Validation Judgment becomes final.

PASSED AND ADOPTED at a meeting of the Board of Directors of the San Bernardino Associated Governments held on October 2, 2013.

SAN BERNARDINO ASSOCIATED GOVERNMENTS ("SANBAG")

	<p><i>Approved</i> <i>Board of Directors</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>
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RESOLUTION NO. 14-004

RESOLUTION OF THE BOARD OF THE SAN BERNARDINO ASSOCIATED GOVERNMENTS AUTHORIZING ISSUANCE OF THE SAN BERNARDINO ASSOCIATED GOVERNMENTS LIMITED OBLIGATION IMPROVEMENT BONDS (FIRST COMMERCIAL PROPERTY TRANCHE), APPROVING AND DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS

WHEREAS, pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”), the Joint Exercise of Powers Agreement of the San Bernardino Associated Governments (“SANBAG”), originally made and entered October 17, 1975, as further amended to date, and each separate Memorandum of Understanding by and between SANBAG and those parties to the Joint Powers Agreement (each, a “Participating Party”) that have elected to participate in the implementation of a property assessed clean energy (“PACE”) program to finance the installation of distributed generation renewable energy sources, energy or water efficiency improvements or electric vehicle charging infrastructure, SANBAG has undertaken proceedings to establish and has established such a PACE program to be known as the “SANBAG HERO Program” (the “HERO Program”), to assist property owners within the jurisdictional boundaries of each Participating Party (the “Program Area”) with the cost of installing distributed generation renewable energy sources, energy or water efficient improvements or electric vehicle charging infrastructure (the “Authorized Improvements”) that are permanently fixed to their property; and

WHEREAS, on February 6, 2013, the Board of Directors of the San Bernardino Associated Governments (the “Board of Directors”) adopted Resolution No. 13-038, entitled “Resolution of the Board of the San Bernardino Associated Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure Through the Use of Voluntary Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon” (the “Resolution of Intention”), to initiate such proceedings to establish the HERO Program; and

WHEREAS, by the adoption of the Resolution of Intention, the Board of Directors provided that one or more series of limited obligation improvement bonds may be issued under the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the “Bond Act”) and Chapter 29 to represent voluntary Contractual Assessments (defined below) or other financing relationships would be entered to finance such assessments; and

WHEREAS, on March 6, 2013, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed HERO Program, the report prepared pursuant to Sections 5898.22 and 5898.23 of Chapter 29 addressing all of the matters required to be included therein (the “Program Report”) or any of its particulars, the Board of Directors adopted Resolution No. 13-044, entitled “Resolution Confirming the Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving and Ordering Other Related Matters,” (the “Resolution Confirming Program Report”), pursuant to which the Board

of Directors, among other things, (i) confirmed and approved the Program Report, (ii) established the HERO Program and (iii) approved the form and authorized execution of agreements (“Assessment Contracts”) with the owners of property located within the boundaries of the Program Area to provide for the levy of such voluntary contractual assessments (the “Contractual Assessments”) to finance installation of Authorized Improvements; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Program Report, SANBAG is authorized to (i) enter into Contractual Assessments to finance the installation of Authorized Improvements on parcels in the Program Area that are deemed “Commercial” as such term is defined in the Program Report (“Commercial Parcels”) and (ii) enter into Contractual Assessments to finance the installation of Authorized Improvements on parcels in the Program Area that are deemed “Commercial” as such term is defined in the Program Report (“Commercial Parcels”); and

WHEREAS, on March 6, 2013, the Board of Directors also adopted its Resolution No. 13-045 entitled “Resolution of the Board of Directors of the San Bernardino Associated Governments Authorizing Issuance of the Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Actions” (the “Original Resolution of Issuance”), pursuant to which, the Board of Directors, among other actions, (a) authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of California (the “Bond Act”), upon the security of voluntary contractual assessments levied on Commercial parcels only, (b) provided that each series of such bonds would be issued pursuant to a Master Indenture (each, an “Original Master Indenture”), as supplemented by one or more Supplemental Indentures (each, a “Original Supplemental Indenture”); and

WHEREAS, the Original Resolution of Issuance further provided that SANBAG shall not issue a series of such bonds until such time as the Board of Directors has approved the issuance thereof and the terms of the sale thereof at a meeting of the Board of Directors, such meeting to be a regular meeting held pursuant to Government Code Section 54954 and the conditions for issuance of such bonds set forth in the applicable Master Indenture have been satisfied; and

WHEREAS, subsequent to the adoption of the Original Resolution of Issuance, a judicial validation action was, at the direction of the Board of Directors, prepared, filed and prosecuted in the Superior Court of the County of San Bernardino as *San Bernardino Associated Governments v. All Persons Interested, etc.*, Case No. CIVDS 1305663 (the “Validation Action”) to judicially validate, among other matters, the Original Resolution of Issuance and the issuance of bonds pursuant thereto (collectively, the “Validation Matters”); and

WHEREAS, on _____, 2013, judgment was entered in the Validation Action (“Validation Judgment”) ordering, adjudging and decreeing, among other things, that the bonds authorized by the Original Resolution of Issuance constitute legal, valid, and binding obligations enforceable in accordance with their terms; and

WHEREAS, it is in the public interest and for the benefit of SANBAG and the owners of Commercial Parcels that will participate in the HERO Program to finance the installation of Authorized Improvements to serve and benefit such Commercial Parcels that SANBAG provide for

the issuance and sale of bonds to finance such Authorized Improvements, the disbursement of proceeds of such bonds, the disposition of the assessments securing such bonds and the administration and payment of such bonds; and

WHEREAS, there has been submitted to the Board of Directors forms of a Master Indenture and a Supplemental Indenture providing for the issuance of limited obligation improvement bonds to be designated as the “San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Commercial Property Tranche) (the “Bonds”) in one or more series (each such series of Bonds referred to as a “Series”) pursuant to Chapter 29 and the 1915 Act, and the use of the proceeds of those Bonds to finance the installation of Authorized Improvements on Commercial Parcels that are participating in the HERO Program; and

WHEREAS, there has been submitted to the Board of Directors the form of Master Bond Purchase Agreement by and between SANBAG and SAMAS Capital, LLC (the “Purchase Agreement”) pursuant to which SANBAG shall agree to sell the Bonds to SAMAS Capital, LLC and SAMAS Capital, LLC will agree to acquire the Bonds from SANBAG; and

WHEREAS, this Board of Directors, with the aid of its staff, has reviewed all of the foregoing documents and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the 1915 Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Bernardino Associated Governments as follows:

Section 1. Authorization of the Issuance of the Bonds. The Board of Directors hereby authorizes the issuance of one or more Series of Bonds under and pursuant to Chapter 29, the Bond Act, the Original Resolution of Issuance and this Resolution in a maximum principal amount of \$300,000,000.

Section 2. Approval of Master Indenture and Supplemental Indenture. With respect to the Bonds, the Board of Directors hereby approves the Master Indenture substantially in the form on file with the Clerk of the Board of Directors, together with any changes therein and additions thereto approved by the Executive Director of SANBAG, or any designee of the Executive Director (each, an “Authorized Representative”) and review and concurrence by Best Best & Krieger LLP, in its capacity as bond counsel to SANBAG for the SANBAG HERO Program (“Bond Counsel”), and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of the Master Indenture for and in the name of SANBAG for each Series of Bonds. The Board of Directors hereby authorizes the delivery and performance of the Master Indenture for each Series of Bonds.

The Board of Directors hereby approves the form of the Supplemental Indenture in substantially the form on file with the Clerk of the Board of Directors, together with any

changes therein or additions thereto approved by an Authorized Representative, required for the issuance of each Bond, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of each Supplemental Indenture for and in the name of SANBAG for each Series of Bonds. The Board of Directors hereby authorizes the delivery and performance of each Supplemental Indenture for each Series of Bonds.

Section 3. **Approval of the Purchase Agreement.** The Board of Directors hereby approves the Purchase Agreement substantially in the form on file with the Clerk, together with any changes therein and additions thereto approved by an Authorized Representative, subject to the review and concurrence by the General Counsel of SANBAG (the "General Counsel") and Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the final form of the Purchase Agreement for and in the name of SANBAG. The Board of Directors hereby authorizes the delivery and performance of the Purchase Agreement.

Section 4. **Sale of the Bonds.** SANBAG hereby authorizes the negotiated sale of the Bonds to SAMAS Capital pursuant to the Purchase Agreement provided that the conditions for issuance of each Bond set forth in the Master Indenture and the applicable Supplemental Indenture have been satisfied. Each Series of Bonds shall be sold to SAMAS Capital pursuant to the Purchase Agreement, the Master Indenture and the Supplemental Indenture pertaining to such Series of Bonds. The Board of Directors hereby delegates to the Executive Director or his designee the authority to establish and agree with SAMAS Capital to the final terms for each Bond including, but not limited to, the principal amount thereof, the interest rate on such Bond and the redemption provisions.

Section 5. **Appointment of Trustee.** Deutsche Bank National Trust Company is appointed as Trustee pursuant to the Master Indenture and each Supplemental Indenture, to take any and all actions provided for therein to be taken by the Trustee.

Section 6. **Form of Bond.** The form of Bond as set forth in the form of Supplemental Indenture is approved. The Treasurer of SANBAG and the Secretary of the Board of Directors are authorized and directed to execute by manual or facsimile signature, in the name and on behalf of SANBAG, the Bonds in either temporary or definitive form and to deliver or cause the delivery of each Bond to the Purchaser pursuant to the Master Indenture.

Section 7. **No Obligation of SANBAG or its Member Agencies.** Pursuant to Streets and Highways Code Section 8769, this Board of Directors has determined in the Resolution of Intention and does hereby determine that SANBAG will not obligate itself to advance funds from the SANBAG treasury to cure any deficiency in the Redemption Fund (as such term is defined in the Master Indenture) for the Bonds established pursuant to the Master Indenture. The Board of Directors further declares and determines that no Member Agency shall be obligated to advance funds from the treasury of such Member Agency to cure any such deficiency in the Redemption Fund.

Section 8. Conditions of Approval. The approvals, authorization and direction given by this resolution are conditioned upon the satisfaction of the requirements hereof and of the Master Indenture with respect to the issuance and sale of each Series of Bonds. The Authorized Officers and shall not take any action with respect to the execution and delivery of a Supplemental Indenture or the issuance, sale or delivery of any Bond unless and until such conditions are satisfied; provided, however, that upon satisfaction of such conditions as to any Bond, this resolution shall be fully effective and shall be carried out as to such Bonds without the further approval or action of the Board of Directors.

Section 9. Official Actions. Each Authorized Representative is hereby authorized and directed, for and in the name and on behalf of SANBAG, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of SANBAG with respect to the establishment of the HERO Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 10. Effective Date. This resolution shall take effect immediately upon its adoption; provided, however, if the Validation Judgment has not become final on the date of adoption of hereof then this resolution shall take effect upon the date following the date the Validation Judgment becomes final.

PASSED AND ADOPTED at a meeting of the Board of Directors of the San Bernardino Associated Governments held on October 2, 2013.

SAN BERNARDINO ASSOCIATED GOVERNMENTS ("SANBAG")

	<p><i>Approved Board of Directors</i></p> <p>Date: _____</p> <p>Moved: _____ Second: _____</p> <p>In Favor: _____ Opposed: _____ Abstained: _____</p> <p>Witnessed: _____</p>
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CONTRACT SUMMARY SHEET

Contract No. C 14054 Amendment No. _____

By and Between

SANBAG and Renovate America, Inc.

Contract Description To arrange for the sale by SANBAG and the purchase by Purchaser or its designee of all of the Improvement Bonds described below, which are being issued by SANBAG.

Board of Director's Meeting Date: October 2, 2013
Overview of BOD Action: Approve Master Bond Purchase Agreement for Renovate America to purchase up to \$300,000,000 of Improvement Bonds for the SANBAG HERO Program
 Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW					
Original Contract Amount	\$	1,350,000.00	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$		Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	1,350,000.00	TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)				\$	1,350,000.00

Contract Start Date October 2, 2013	Current Contract Expiration Date June 30, 2017	Revised Contract Expiration Date
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Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0708.
 A Budget Amendment is required.
 How are we funding current FY?
 Federal Funds State Funds Local Funds TDA Funds Measure I Funds

Provide Brief Overview of the Overall Funding for the duration of the Contract:
 Contract provides for contractor to purchase improvement bonds for the SANBAG HERO Program, contractor shall not be paid by SANBAG. SANBAG will receive an administrative fee of .45%
 Payable Receivable

CONTRACT MANAGEMENT INFORMATION

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

Duane A. Baker
 Project Manager (Duane Baker)
Duane A. Baker
 Task Manager (Duane Baker)
Andrea Zureick
 Dir. of Fund Admin. & Programming
 (Andrea Zureick)
Jeffery Hill
 Contract Administrator (Jeffery Hill)
W. Stawarski
 Chief Financial Officer (William Stawarski)

Duane A. Baker 9/13/13
 Signature Date
Duane A. Baker 9/13/13
 Signature Date
Andrea Zureick 9/17/13
 Signature Date
Jeffery Hill 9/23/13
 Signature Date
W. Stawarski 9/24/13
 Signature Date

CONTRACT NO. C 14054

**SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
SANBAG HERO Program
(First Residential Property Tranche)**

Master Bond Purchase Agreement

THIS MASTER BOND PURCHASE AGREEMENT, dated as of October 2, 2013 (the "Master BPA"), is entered into by and between the SAN BERNARDINO ASSOCIATED GOVERNMENTS, a California public agency ("SANBAG") and RENOVATE AMERICA, INC., a California corporation ("Purchaser") to arrange for the sale by SANBAG and the purchase by Purchaser or its designee of all of the Improvement Bonds described below, which are being issued by SANBAG.

RECITALS:

The Board of Directors of SANBAG (the "Board of Directors") established a voluntary contractual assessment program designated as the SANBAG HERO Program (the "Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29") to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Improvements").

The Board of Directors has approved and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "Program Area"), a draft contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and SANBAG (each, an "Assessment Contract"), a statement of policies of SANBAG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

On March 6, 2013, the Board of Directors adopted its Resolution No. 13-045 (the "Original Resolution of Issuance"), pursuant to which, the Board of Directors, among other actions, (a) authorized the issuance of one or more series of limited obligation improvement bonds (each such series of bonds referred to as a "Series") pursuant to Chapter 29 and the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of California (the "Bond Act"), upon the security of voluntary contractual assessments levied on Residential Parcels (as such term is defined in the Program Report) only, and (b) provided that each such Series of the limited obligation improvement bonds would be issued pursuant to a master indenture, as supplemented by one or more supplemental indentures.

On October 2, 2013, the Board of Directors adopted its Resolution No. 14-003 (the "Supplemental Resolution of Issuance" and, together with the Original Resolution of Issuance, the "Resolutions of Issuance") authorizing, pursuant to the Resolutions of Issuance, the issuance of limited obligation improvement bonds to be designated as the "San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche)" (the "Improvement Bonds") in one or more series pursuant to Chapter 29 and the 1915 Act, and the use of the proceeds of those Improvement Bonds to finance the installation of Eligible Improvements on Residential Parcels that are participating in the Program, providing that shall each such Improvement Bond shall be issued pursuant to a Master Indenture (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee"), to be supplemented by a Supplemental Indenture related to each such Improvement Bond, dated as of the Closing Date of such bond (as defined in the Master Indenture) (each, a "Supplemental Indenture"), by and between SANBAG and the Trustee, authorizing the negotiated sale of the Improvement Bonds to Purchaser provided that the conditions for the issuance of each such bond set forth in the Master Indenture and the applicable Supplemental Indenture have been satisfied and providing further that each such bond shall be sold to Purchaser pursuant to an agreement made and entered into by and between SANBAG and Purchaser, the Master Indenture and the Supplemental Indenture pertaining to such Bond. Pursuant to the Supplemental Resolution of Issuance, the Board of Directors also delegated to the Program Administrator the authority to establish and agree with Purchaser to the final terms for each Improvement Bond or Series of Improvement Bonds including, but not limited to, the principal amount thereof, the interest rate on such bond and the redemption provisions.

1. Definitions. Capitalized terms that are used in this Master BPA and not otherwise defined herein shall have the respective meanings ascribed to them in the Master Indenture.

2. Purchase and Sale and Delivery of the Improvement Bonds.

(a) Subject to the terms and conditions set forth in this Master BPA and any supplement to this Master BPA entered into by and between the parties hereto (each, a "Supplement to Master BPA"), and in reliance upon the representations, warranties and agreements set forth herein and in any Supplement to Master BPA, Purchaser hereby agrees to purchase, or cause its designee to purchase (as used herein the term "Purchaser" shall include any designee thereof), all (but not less than all) of the Improvement Bonds, from SANBAG and SANBAG hereby agrees to sell to Purchaser, when as and if issued, all (but not less than all) of the Improvement Bonds in an aggregate principal amount not to exceed \$300,000,000.

(b) SANBAG and the Trustee shall enter into a Supplemental Indenture pertaining to each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds which Supplemental Indenture shall set forth and establish the Closing Date for such Improvement Bond or Series of Improvement Bonds, the date from which such Improvement Bond or Series of Improvement Bonds shall bear interest and the dates on which the principal of and interest on such Improvement Bond or Series of Improvement Bonds shall be payable, the rate of interest per annum payable on such Improvement Bond or Series of Improvement Bonds, the maturity date of such Improvement Bond or Series of Improvement Bonds, the redemption

provisions pertaining to such Improvement Bond or Series of Improvement Bonds and the Purchase Price (defined below) for such Improvement Bond or Series of Improvement Bonds. Each such Supplemental Indenture shall be subject to the approval of Purchaser and SANBAG.

(c) Each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, the Master Indenture and the Supplemental Indenture pertaining to such Improvement Bond or Series of Improvement Bonds.

(d) The "Purchase Price" of an Improvement Bond or Series of Improvement Bonds shall be either (a) a sum equal to the principal amount of such Improvement Bond or Series of Improvement Bonds (the "Par Purchase Price Amount") or (b) a sum equal to the principal amount of such Improvement Bond less an amount equal to two and one half percent (2.50%) of the principal amount of such Improvement Bond or Series of Improvement Bonds (the "Discounted Purchase Price Amount"). The Purchase Price for an Improvement Bond or Series of Improvement Bonds shall be presumed to be the Par Purchase Price Amount unless Purchaser has provided written instructions at least five (5) Business Days prior to the Closing Date to the Trustee, Bond Counsel (defined below) and the Public Financial Management, Inc., the Program manager to SANBAG, that the Purchase Price of such Improvement Bond or Series of Improvement Bonds shall be the Discounted Purchase Price Amount.

(e) At 10:00 A.M., Pacific Daylight Time, on the Closing Date for each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds, or at such other time as shall be agreed upon by SANBAG and Purchaser, (i) SANBAG will deliver or cause to be delivered the Improvement Bond or Series of Improvement Bonds to Purchaser, duly executed by SANBAG and authenticated by the Trustee as provided in the Master Indenture, (ii) SANBAG will deliver the SANBAG Closing Documents (as defined below) to Bond Counsel at the offices of Bond Counsel or another place to be mutually agreed upon by SANBAG and Purchaser (the "Closing Location") and Purchaser shall accept such delivery and pay the purchase price of the Improvement Bond or Series of Improvement Bonds in federal funds payable to the order of SANBAG or its designee and deliver Purchaser's Closing Documents (as defined below) to Bond Counsel at the Closing Location. This payment and these deliveries, together with the delivery of the Closing Documents, are herein called the "Closing." Each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds shall be made available to Purchaser for inspection not later than the second last business day before the Closing Date.

3. Representations, Warranties and Agreements of SANBAG. SANBAG represents, warrants and covenants to and agrees with Purchaser as to each Improvement Bond or Series of Improvement Bonds that:

(a) SANBAG is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the "Constitution") and laws of the State of California (the "State"), and has, and at each Closing Date will have, full legal right, power and authority,

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- (i) to adopt the Resolutions of Issuance,
- (ii) to enter into this Master BPA and the Supplement to Master BPA pertaining to each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds,
- (iii) to enter into the Master Indenture and the Supplemental Indenture with respect to each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds,
- (iv) to issue, sell and deliver each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds to Purchaser as provided herein,
- (v) to enter into each Assessment Contract as such term is defined in the Supplemental Indenture,
- (vi) to carry out and consummate the transactions as to each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds on its part contemplated by the Master BPA and the Supplement to Master BPA, the Master Indenture, the Supplemental Indenture and such Improvement Bond or Series of Improvement Bonds.

As to each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds, the Master BPA, the applicable Supplement to Master BPA, if any, the Master Indenture, the applicable Supplemental Indenture and such Improvement Bond or Series of Improvement Bonds are collectively referred to herein as the "SANBAG Documents."

(b) By all necessary official action of SANBAG, SANBAG has duly authorized and approved the adoption or execution and delivery by SANBAG of, and the performance by SANBAG of the obligations contained in, the SANBAG Documents and the Resolutions of Issuance and such authorizations and approvals are and shall, as of each Closing Date, be in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds and the SANBAG Documents will constitute the legally valid and binding obligations of SANBAG enforceable against SANBAG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. SANBAG has complied, and as of each Closing Date, shall be in compliance in all respects, with the obligations on its part to be performed on or prior to each Closing Date under the SANBAG Documents.

(c) The Board of Directors has duly established the Program pursuant to Chapter 29. The Board of Directors has duly authorized the issuance and sale of each Improvement Bond or Series of Improvement Bonds or Series of Improvement Bonds pursuant to the Resolutions of Issuance, adopted by the Board of Directors, the Master Indenture and the applicable Supplemental Indenture.

(d) SANBAG is not and, as of each Closing Date, will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on SANBAG's ability to perform its obligations under each Improvement Bond or Series of Improvement Bonds or the SANBAG Documents; and, as of such times, the authorization, execution and delivery of each Improvement Bond or Series of Improvement Bonds and the SANBAG Documents and compliance by SANBAG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the SANBAG Documents.

(e) There is, and as of each Closing Date, there shall be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which SANBAG has been served with process or to the best knowledge of SANBAG threatened, in which any such Action (i) in any way questions the corporate existence of SANBAG or the titles of the officers of SANBAG to their respective offices, (ii) in any way questions the establishment of the Program or the titles of the Board of Directors of SANBAG, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of each Improvement Bond or Series of Improvement Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on each Improvement Bond or Series of Improvement Bonds, or in any way contests or affects the validity of the SANBAG Documents or the consummation of the transactions on the part of SANBAG contemplated thereby, or contests the exclusion of the interest on any Improvement Bond from state income taxation or contests the powers of SANBAG, or its authority, to levy and collect the applicable Assessments, (iv) may result in any material adverse change relating to the financial condition of SANBAG; and as of the time of acceptance hereof and as of each Closing Date, to the knowledge of SANBAG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Each Improvement Bond or Series of Improvement Bonds, when issued, executed and delivered in accordance with the Master Indenture and the applicable Supplemental Indenture and sold to Purchaser, will be validly issued and an outstanding limited obligation of SANBAG, entitled to the benefits of the Master Indenture and the applicable Supplemental

Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessment or Assessments. The Master Indenture and the applicable Supplemental Indenture create a valid pledge of the moneys in certain funds and accounts established pursuant to such Master Indenture, including the investments thereof subject in all cases to the provisions of such Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Each Assessment constituting the security for an Improvement Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

(h) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by each Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by SANBAG of its obligations in connection with the SANBAG Documents have been duly obtained or made and are in full force and effect.

(i) SANBAG will apply the proceeds of each Improvement Bond or Series of Improvement Bonds in accordance with the Master Indenture and the applicable Supplemental Indenture.

4. Conditions to the Obligations of Purchaser. The obligations of Purchaser to accept delivery of and pay for each Improvement Bond or Series of Improvement Bonds on the Closing Date thereof shall be subject, at the option of Purchaser, to the accuracy in all material respects of the representations and warranties on the part of SANBAG contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of SANBAG made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by SANBAG of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At each such Closing Date, the SANBAG Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by Purchaser, and there shall have been taken in connection therewith, with the issuance of each Improvement Bond or Series of Improvement Bonds and with the transactions contemplated thereby and by this Master BPA, all such actions as, in the opinion of Best, Best & Krieger, LLP, as Bond Counsel for SANBAG, shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date applicable to each Improvement Bond or Series of Improvement Bonds, the market price or marketability of such Improvement Bond at the prices set forth in the Supplemental Indenture applicable thereto shall not have been materially adversely affected, in the judgment of Purchaser (evidenced by a written notice to SANBAG terminating the obligation of Purchaser to accept delivery of and pay for the Improvement Bonds), which judgment shall be formed (to the maximum extent reasonably

practicable under the circumstances) only after consultation with SANBAG's financial advisor, by reason of any of the following:

(i) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Improvement Bonds, or such Improvement Bond, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Master Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Improvement Bonds, or of the Improvement Bonds as contemplated hereby or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(ii) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the validity or enforceability of the Assessments or the ability of SANBAG to construct or acquire the improvements as contemplated by SANBAG Documents.

(c) On each Closing Date, Purchaser shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to Purchaser:

(i) SANBAG Documents, together with a certificate dated as of the Closing Date of SANBAG Secretary to the effect that each such document is a true, correct and complete copy of the one duly approved by the Board of Directors; provided, however, the Master BPA and the Master Indenture need not be provided so long as such certificate specifies that such document or documents have not been amended since such document or documents were previously received by the Purchaser;

(ii) Unqualified approving opinion for each Improvement Bond or Series of Improvement Bonds delivered on such Closing Date, dated such Closing Date and addressed to SANBAG, of Best Best & Krieger LLP, Bond Counsel for SANBAG, in the form attached as Exhibit A hereto and a reliance letter dated such Closing Date and addressed to Purchaser, in the form attached as Exhibit B hereto, to the effect that such approving opinion addressed to SANBAG may be relied upon by Purchaser to the same extent as if such opinion was addressed to them;

(iii) Supplemental opinion, dated the Closing Date and addressed to SANBAG, the Purchaser and the Trustee, of Best Best & Krieger LLP, Bond Counsel for SANBAG, in the form attached as Exhibit C hereto;

(iv) A certificate, dated such Closing Date and signed by an authorized representative of SANBAG, in substantially the form attached hereto as Exhibit D;

(v) (5) A certificate of the Trustee dated such Closing Date in substantially the form attached hereto as Exhibit E;

(vi) An executed copy of the Assessment Contract pertaining to the Participating Property upon which the Assessment securing such Improvement Bond has been levied.

(vii) A conformed copy of the Notice of Assessment pertaining to the Assessment levied against the Participating Parcel as recorded in the office of the Auditor-County Clerk-Recorder of the County of San Bernardino (the "County Recorder").

(viii) A conformed copy of the Notice of Payment of Assessment Required pertaining to the Participating Parcel as recorded in the office of the County Recorder.

5. Conditions of SANBAG's Obligations. SANBAG's obligations hereunder as to the sale of any Improvement Bond are subject to Purchaser's performance of their obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of SANBAG executing the certificate referred to in Section 4(c)(iv) hereof, threatened, to restrain or enjoin the issuance or sale of such Improvement Bond or in any way affecting any authority for or the validity of such Improvement Bond or SANBAG Documents or the existence or powers of SANBAG;

(b) As of the Closing Date, SANBAG shall receive the approving opinions of Bond Counsel referred to in Section 4(c)(ii) and (iii) hereof, dated as of the Closing Date;

(c) Receipt by SANBAG of a duly executed letter of Purchaser dated as of the Closing Date and in substantially the form attached hereto as Exhibit F;

(d) Receipt by SANBAG of a duly executed certificate of Purchaser regarding the receipt of the Improvement Bond in substantially the form attached as Exhibit G hereto.

6. Expenses. Whether or not the Improvement Bonds are delivered to Purchaser as set forth herein:

(a) The Purchaser shall be under no obligation to pay, and SANBAG shall pay or cause to be paid (out of the proceeds of each Improvement Bond or Series of Improvement Bonds all expenses incidental to the performance of SANBAG's obligations hereunder in the following amounts or percentages of the principal amount of each such Improvement Bond:

(i) 0.45% payable to SANBAG as issuer of the Improvement Bonds;

(ii) \$150 payable to Public Financial Management, LLC, as Program manager;

(iii) 0.35% payable to Westhoff, Cone and Holmstedt, as placement agent (the "Placement Agent");

(iv) 0.40% payable to David Taussig & Associates as assessment administrator;

(v) 1.00% payable to Best Best & Krieger LLP as bond counsel;

2.50% payable to Renovate America, Inc., in payment for the provision by Renovate America, Inc. of its Residential HERO Program Administrative Services as defined in and payable pursuant to Contract #C 14053 by and between SANBAG and Renovate America, Inc. for Services to assist in the Implementation and Administration of Financing Mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) Program for Residential Properties in Participating Cities and San Bernardino County ("Contract #C 14053"); and in payment for the provision by Renovate America, Inc. of its Residential HERO Program Funding pertaining to such Improvement Bond.

(b) SANBAG shall be under no obligation to pay, and the Purchaser shall pay any and all expenses incurred by Purchaser, including but not limited to, the fees and disbursements of its counsel pertaining to the issuance of any Improvement Bond.

(c) Neither SANBAG nor the Purchaser shall be under any obligation to pay, and the Placement Agent shall pay, any fees of the California Debt and Investment Advisory Commission pertaining to any Improvement Bond.

7. Authority of Purchaser to Issue Asset Backed Securities and Sell Improvement Bonds. Purchaser will purchase the Improvement Bonds by utilizing source of funds as Purchaser may in its discretion elect to utilize. From time to time Purchaser may elect at its own expense to securitize its interest in Improvement Bonds and sell such securities to the investment community or sell any Improvement Bond, provided that any such sale is to an Accredited Investor (as such term is defined in Regulation D – Rules Governing the Limited Offer and sale of Securities Without Registration under the Securities Act of 1933, being 17 CFR 230.501 through 230.508) and that all subsequent buyers of such Improvement Bond agree to be bound by this provision. No further action or acknowledgment by SANBAG will be required to authorize such securitization or sale by Purchaser. All fees, costs and liabilities arising directly or indirectly from or associated with Purchaser's issuance of asset-backed securities or selling the Improvement Bonds, including without limitation costs of issuance and annual disclosure costs, will be borne by Purchaser.

SANBAG will provide any reasonable assistance requested by Purchaser, including without limitation, the provision of relevant Program data and reports as may be deemed reasonably necessary by the Purchaser for the securitization or other sale of Improvement Bonds by Purchaser. Nothing contained in this paragraph shall, however, require SANBAG to prepare

any disclosure documents pertaining to such securitization or other sale of Improvement Bonds as may be required pursuant to securities laws and regulations of the federal government or the State of California or any agency, department or office of either such government. The Purchaser shall pay all reasonable expenses incurred by SANBAG in providing such data and reports.

8. General Provisions.

(a) Termination of Agreement. Should (a) Purchaser (i) breach one or more of its material obligations as outlined herein or in the Contract #C 14053 by and between SANBAG and RENOVATE AMERICA, INC for Services to Assist in the Implementation and Administration of Financing Mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) Program, for Residential Properties in Participating Cities and San Bernardino County (the "Services Contract") or (ii) fail during any calendar year to purchase Improvement Bonds which have met the underwriting guidelines identified in the Program Report applicable to Residential Properties participating in the Program with an aggregate principal amount of \$1 million or more or (b) SANBAG terminate the Services Contract pursuant to the provisions thereof, SANBAG may, by written notice to Purchaser, terminate the whole or any part of this Master BPA by giving written notice to Purchaser of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Purchaser may, by written notice to SANBAG, terminate this Master BPA for cause which shall include, but not be limited to, the determination by Purchaser, in the exercise of its reasonable professional judgment after consultation with the SANBAG Representative, that SANBAG cannot reasonably be expected to be able to issue Improvement Bonds pursuant to this Master BPA.

(b) Delivery of Notices. All notices permitted or required under this Master BPA shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Purchaser: Renovate America, Inc.
16935 W. Bernardo Road, Suite 150
San Diego, CA 92127
Attn: J.P. McNeill, Chief Executive Officer

With copy to:

SANBAG: San Bernardino Associated Governments
1170 W. 3rd St., 2nd Floor
San Bernardino, CA 92410
Attn: Duane Baker, Director of Management Services

With copy to: San Bernardino Associated Governments
1170 W. 3rd St., 2nd Floor
San Bernardino, CA 92410

Attn: Eileen Monaghan Teichert, General Counsel

and

Best Best & Krieger LLP
655 West Broadway, 15th Floor
San Diego, CA 92101
Attn: Warren Diven

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

(c) Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Master BPA.

(d) Availability of Injunctive Relief. Purchaser and SANBAG agree that either Purchaser or SANBAG may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either Purchaser or SANBAG alleges or claims a violation of this Master BPA between SANBAG and Purchaser. Purchaser and SANBAG understand that any breach or threatened breach of such an agreement (including this Master BPA) will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both SANBAG and Purchaser hereby consent to the issuance of an injunction.

(e) Indemnification and Hold Harmless. Purchaser shall defend, indemnify and hold SANBAG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of Purchaser, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Purchaser shall defend, at Purchaser's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against SANBAG, its directors, officials, officers, employees, agents or volunteers. Purchaser shall pay and satisfy any judgment, award or decree that may be rendered against SANBAG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Purchaser shall reimburse SANBAG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Purchaser's obligation to indemnify shall not be restricted to

insurance proceeds, if any, received by the SANBAG, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 8(e).

(f) Entire Agreement. This Master BPA contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Master BPA may only be modified by a writing signed by both Parties.

(g) Governing Law. This Master BPA shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.

(h) Time of Essence. Time is of the essence for each and every provision of this Master BPA.

(i) Successors and Assigns. This Master BPA shall be binding on the successors and assigns of the Parties.

(j) Assignment or Transfer. Purchaser shall not assign, hypothecate, or transfer, either directly or by operation of law, this Master BPA or any interest herein without the prior written consent of SANBAG; provided, however, Purchaser may assign this Master BPA in connection with the merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of Purchaser hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

(k) Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Master BPA, the language of this Master BPA shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Purchaser include all personnel, employees, agents, and subcontractors of Purchaser, except as otherwise specified in this Master BPA. All references to SANBAG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Master BPA. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Master BPA.

(l) Amendment; Modification. No supplement, modification, or amendment of this Master BPA shall be binding unless executed in writing and signed by both Parties.

(m) Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

(n) No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

(o) Invalidity; Severability. If any portion of this Master BPA is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

(p) Prohibited Interests. Purchaser maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Purchaser, or independent contractors and consultants engaged by Purchaser to perform Purchaser's obligations and duties under this Master BPA to solicit or secure this Master BPA. Further, other than its outside counsel, Purchaser warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Purchaser, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Master BPA. For breach or violation of this warranty, SANBAG shall have the right to rescind this Master BPA without liability. For the term of this Master BPA, no member, officer or employee of SANBAG, during the term of his or her service with SANBAG, shall have any direct interest in this Master BPA, or obtain any present or anticipated material benefit arising therefrom.

(q) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of SANBAG set forth in or made pursuant to this Master BPA shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of Purchaser (or statements as to the results of such investigations) concerning such representations and statements of SANBAG and regardless of delivery of and payment for the Improvement Bonds.

(r) Equal Opportunity Employment. Purchaser represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

(s) Authority to Enter Master BPA. Purchaser has all requisite power and authority to conduct its business and to execute, deliver, and perform the Master BPA. Each Party warrants that the individuals who have signed this Master BPA have the legal power, right, and authority to make this Master BPA and bind each respective Party.

9. Effective. This Master BPA shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by SANBAG and shall be valid and enforceable as of the time of such acceptance.

10. Counterparts. This Master BPA may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Master BPA as of the date first written above.

SAN BERNARDINO ASSOCIATED
GOVERNMENTS

RENOVATE AMERICA, INC.

By: _____
Title: W.E. Jahn, President

By: _____
Title: J.P. McNeill, Chief Executive Officer

EXHIBIT A

FORM OF BOND COUNSEL OPINION

[Closing Date]

Board of Directors
San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California

Re: San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Residential Property Tranche - Taxable)

Bond Counsel Opinion

Ladies and Gentlemen:

We have acted as bond counsel to the San Bernardino Associated Governments ("SANBAG") in connection with the issuance by SANBAG of those San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche) listed in the attached Schedule I (the "Bonds" and each series individually, a "Bond"). In such capacity we have examined the proceedings taken by SANBAG for the levy of assessments and the authorization and issuance of the Bonds with respect to the SANBAG HERO Program (the "Program Proceedings"). Additionally, we have examined such law, certifications, and other documents as we have deemed necessary to render this opinion.

The Program Proceedings were taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California ("Chapter 29"). The Bond has been issued pursuant to Chapter 29, the Municipal Improvement Act of 1915 (Division 10 of the Streets and Highways Code of the State of California), Resolution No. 13-045 adopted by the Board of Directors of SANBAG (the "Board of Directors") on March 6, 2013 (the "Original Resolution of Issuance") and Resolution No. 14-003 adopted by the Board of Directors on October 2, 2013 (the "Supplemental Resolution of Issuance"), the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee") and a separate Supplemental Indenture, dated as of _____, 20__ (each, a "Supplemental Indenture"), by and between SANBAG and the Trustee, pertaining to each Bond. Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the applicable Supplemental Indenture, as appropriate.

As to questions of fact material to our opinion, we have relied upon representations of SANBAG, the certified proceedings and other certifications furnished to the SANBAG or to us, without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the default judgment rendered on August 26, 2013, by the Superior Court of the County of San Bernardino in the validation action entitled Superior Court of the County of San Bernardino as *San Bernardino Associated Governments v. All Persons Interested, etc.*, Case No. CIVDS 1305664, and cover certain matters not directly addressed by such authorities. We call attention to the fact that the opinions contained herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. This opinion is given as of the date hereof and we assume no obligation to revise and supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may thereafter occur.

Based upon the foregoing, we are of the opinion that the Program Proceedings have been undertaken in accordance with the law and the Constitution of the State of California and that the Bonds, having been duly issued, executed and delivered in the manner provided by law, and the Master Indenture and the applicable Supplemental Indenture having been duly authorized and executed by the proper official, constitute the legally valid and binding limited obligations of SANBAG enforceable in accordance with their terms subject to the qualifications specified below. Each Bond is secured by a first pledge of the Assessment or Assessments, as applicable, securing such Bond levied upon the Participating Parcel or Participating Parcels (except amounts deposited into the Administrative Expense Fund established pursuant to the Master Indenture) and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account therein) and the Reserve Fund established pursuant to the Master Indenture derived from the installments of such Assessment or Assessments, as applicable, or from the prepayment of such Assessment or Assessments, as applicable, received by SANBAG.

We are further of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of California, however, we observe that interest on the Bonds is not excludable from gross income for federal income tax under Section 103 of the Internal Revenue Code of 1986 (the "Code"). We express no opinion regarding other federal tax consequences with respect to the Bonds.

Any federal tax advice contained herein with respect to the Bonds is not intended or written to be used, and it cannot be used, for the purpose of avoiding penalties under the Code. The federal tax advice contained herein with respect to the Bonds was written to support the promoting and marketing of the Bonds. Before purchasing the Bonds, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the Bonds and the taxpayer's particular circumstances.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any

other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The rights of the owner of the Bonds and the enforceability of the Bonds, the Master Indenture and the Supplemental Indentures may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principals of equity.

Respectfully submitted,

Best Best & Krieger LLP

EXHIBIT B

FORM OF RELIANCE LETTER OF BOND COUNSEL

[Closing Date]

Purchaser of the Bond

Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California

Re: San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Residential Property Tranche)

Reliance Letter

Ladies and Gentlemen:

We are delivering to you on the date of this letter a copy of our opinion dated [Closing Date] that is attached hereto, and addressed to the Board of Directors of the San Bernardino Associated Governments with respect to the bonds listed on the attached Schedule I. This is to confirm that you may rely on that opinion as though it were addressed to you.

Respectfully submitted,

Best Best & Krieger LLP

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

Board of Directors
San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California

[Purchaser of the Bond]

Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California

Re: San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche)

Supplemental Opinion of Bond Counsel

Ladies and Gentlemen:

This opinion is rendered in our capacity as bond counsel for San Bernardino Associated Governments ("SANBAG") and in conjunction with and pertaining to the proceedings conducted by SANBAG for the levy of assessments and the authorization and issuance of San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche) listed on the attached Schedule I (the "Bonds" or each series individually, a "Bond"), with respect to the SANBAG HERO Program (the "Program") taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California ("Chapter 29") and the sale and delivery of the Bond by SANBAG pursuant to the provisions of Chapter 29, the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code of the State of California) (the "Bond Act"), Resolution No. 13-045 adopted by the Board of Directors of SANBAG (the "Board of Directors") on March 6, 2013 (the "Original Resolution of Issuance") and Resolution No. 14-003 adopted by the Board of Directors on October 2, 2013 (the "Supplemental Resolution of Issuance"), the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee") and a separate Supplemental Indenture, dated as of _____, 20__ (each, a "Supplemental Indenture"), by and between SANBAG and the Trustee, pertaining to each Bond. Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the applicable Supplemental Indenture, as appropriate.

On May 24, 2013 SANBAG filed a judicial validation proceeding pursuant to the provisions of Section 860 *et seq.* of the California Code of Civil Procedure (the "Validation Statute") in the Superior Court of the County of San Bernardino (the "Superior Court") entitled *San Bernardino Associated Governments v. All Persons Interested, et al.*, Case No. CIVDS 1305664 (the "Validation Action") to validate the Program and all proceedings relating to or leading up to the Program, the contractual assessments to be levied by SANBAG and the issuance and sale of limited obligation improvement bonds related thereto. On August 26, 2013, a default judgment was entered in the Validation Action (the "Default Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for SANBAG in connection with the Program, the contractual assessment agreements, and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local.

As to questions of fact material to our opinion, we have relied upon representations of SANBAG, the certified proceedings and other certifications furnished to the SANBAG or to us, without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the Default Judgment, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof.

As used in this opinion, the phrase "current actual knowledge" means knowledge of facts or other information that is in the conscious awareness of lawyers currently in our firm who have performed legal services for SANBAG.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. SANBAG is duly created and validly existing as a joint exercise of powers authority organized and existing under the Constitution and laws of the State of California.

2. SANBAG has full legal power and lawful authority to adopt the Original Resolution of Issuance and the Supplemental Resolution of Issuance and approve and enter into the Master Indenture and the Supplemental Indenture, and the Original Resolution of Issuance, the Supplemental Resolution of Issuance, the Master Indenture, the Supplemental Indentures and the Bonds were duly approved by the Board of Directors of SANBAG.

3. Each Bond has been duly authorized, issued, executed and delivered by SANBAG and constitutes the legal, valid and binding agreement of SANBAG, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium,

fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases. The Master Indenture and the Supplemental Indentures have been duly authorized, executed and delivered by SANBAG, and, assuming due authorization, execution and delivery where applicable by the other parties thereto, constitute the legal, valid and binding agreement of SANBAG, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases.

4. The Validation Action was duly filed and the Default Judgment duly entered in accordance with all applicable, laws, rules and regulations of the State of California.

5. Notice of the Validation Action was duly made in accordance with the Validation Statute and the order of the Superior Court.

6. The Default Judgment is final and in full force and effect.

7. Pursuant to its terms and the Validation Statute, the Default Judgment is, notwithstanding any other provisions of law, forever binding and conclusive, as to all matters adjudicated or which could have been adjudicated, against all persons interested, and such Default Judgment shall permanently enjoin the institution by any person of any proceeding raising any issue as to which the judgment is binding and conclusive.

8. Each Assessment has been duly and validly authorized in accordance with the laws of the State of California and a lien to secure payment of the Assessment has been imposed on the Participating Parcel.

9. The lien of each Assessment is coequal to and independent of the lien for general taxes, and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or *ad valorem* assessments in the nature of and collected as taxes levied by the State of California, the County of San Bernardino or the city, special district or other local agency, if any, within which each Participating Parcel is located, (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of each Assessment, (c) easements constituting servitudes upon or burdens to each Participating Parcel, (d) water rights, the record title to which is held separately from the title to each Participating Parcel, and (e) restrictions of record. The lien of each Assessment has the same priority as the lien for general taxes or *ad valorem* assessments in the nature of and collected as taxes levied by the State of California, the County of San Bernardino or the city, special district or other local agency, if any, within which each Participating Parcel is located.

10. To our actual knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body (except for the Validation Actions) is pending or threatened, in any way affecting the

existence of SANBAG or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Master Indenture and the Supplemental Indentures, the collection or application of the Assessments pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Assessments, the Bonds, the Master Indenture, the Supplemental Indentures, any other applicable agreements, or any action of the SANBAG contemplated by any of those documents, or in any way contesting the powers of the SANBAG or its authority with respect to the Bonds, the Master Indenture, the Supplemental Indentures, any other applicable agreements, or any action of the SANBAG contemplated by any of those documents, or which would adversely affect the exemption of interest on the Bonds from California personal income taxation; nor to our actual knowledge, is there any basis for any of the foregoing actions.

11. The Program, the Assessment Contracts, the levy of the Assessments and the issuance of the Bonds do not violate the prohibition against “impairing the obligation of contracts” as provided in the United States Constitution, Article I, Section 10, clause 1, or the California Constitution, Article I, Section 9, do not constitute a taking of a pre-existing lender’s property and do not constitute a taking of private property without due process of law in violation of the Fifth and Fourteenth Amendments to the United States Constitution or the California Constitution, Article I, Section 19.

12. Each Bond is exempt from registration pursuant to the Securities Act of 1933, as amended, and the Master Indenture and the Supplemental Indentures are exempt from qualification under the Trust Indenture of 1939, as amended.

The opinions expressed above do not constitute a guarantee of the outcome of any particular litigation, and there can be no assurance that no action may be taken in federal or state court challenging the constitutionality of Chapter 29 and/or the Bond Act relating to the Bonds. Furthermore, given the lack of judicial precedent directly on point, and the novelty of the transactions pertaining to Chapter 29, the Program and/or the Bonds, the outcome of any such litigation cannot be predicted with certainty. In the event of any claim and/or action which adversely impacts the rights of the holder of the Bonds, costly and time-consuming litigation could ensue, adversely affecting, at least temporarily, the price and liquidity of the Bonds.

The opinions set forth herein is intended for the information solely of the addressees hereof and is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or other administrative agency or other person or entity for any purpose without our prior express written consent. We do not undertake to advise you of matters that may come to our attention subsequent to the date hereof that may affect the opinions expressed herein.

Respectfully submitted,

EXHIBIT D

OMNIBUS CERTIFICATE OF SANBAG

Name and address of purchaser of Bond Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California 92705

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bonds
(SANBAG HERO Program)
(First Residential Property Tranche)

The undersigned hereby certifies that [he/she] is an Authorized Representative of the San Bernardino Associated Governments ("SANBAG") and that the undersigned is authorized to execute this Omnibus Certificate of SANBAG on behalf of SANBAG in connection with the issuance of the San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche) listed on the attached Schedule I (the "Bonds" or each series individually, a "Bond"). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee").

1. The San Bernardino Associated Governments ("SANBAG") is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the "Constitution") and laws of the State of California (the "State"), and has, and at the Closing Date will have, full legal right, power and authority, for and on behalf of the Participating Agencies,

(a) to adopt the Resolutions of Issuance,

(b) to enter into the Master Bond Purchase Agreement, dated as of October 2, 2013 (the "Master BPA"), by and between SANBAG and Renovate America, Inc. ("Renovate America"),

(c) to enter into the Master Indenture and each Supplemental Indenture, dated as of _____, 20__ (each, a "Supplemental Indenture" and collectively, the "Supplemental Indentures"), by and between SANBAG and the Trustee with respect to the Bonds,

(d) to issue, sell and deliver the Bonds to _____ as provided in

the Master BPA,

(e) to enter into the Assessment Contract for each Participating Parcel as identified in the applicable Supplemental Indenture,

(f) to carry out and consummate the transactions on its part contemplated by the Master BPA, the Master Indenture, the Supplemental Indentures and the Bonds and the Assessment Contracts.

The Master BPA, the Master Indenture, the Supplemental Indentures and the Assessment Contracts are collectively referred to herein as the "SANBAG Documents."

2. By all necessary official action of SANBAG, SANBAG has duly authorized and approved the adoption or execution and delivery by SANBAG of, and the performance by SANBAG of the obligations on its contained in, the Bonds, the SANBAG Documents and the Resolutions of Issuance and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. The Bonds and, when executed and delivered by the parties thereto, the SANBAG Documents will constitute the legally valid and binding obligations of SANBAG enforceable against SANBAG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. SANBAG has complied, and will at the Closing (as such term is defined in the Master BPA, be in compliance in all respects, with the obligations on its part to be performed on or prior to the Closing Date under the Bonds and the SANBAG Documents.

3. The Board of Directors has duly established the Program pursuant to the applicable Resolution of Formation and Chapter 29. The Board of Directors has duly authorized the issuance and sale of the Bond pursuant to Resolutions of Issuance, adopted by the Board of Directors, the Master Indenture and the applicable Supplemental Indenture.

4. As of the Closing Date, SANBAG is not or will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on SANBAG's ability to perform its obligations under the Bonds or the SANBAG Documents; and, as of such times, the authorization, execution and delivery of the Bond and the SANBAG Documents and compliance by SANBAG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will

any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the SANBAG Documents.

5. As of the Closing Date there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which SANBAG has been served with process or to the best knowledge of SANBAG threatened, in which any such Action (i) in any way questions the corporate existence of SANBAG or the titles of the officers of SANBAG to their respective offices, (ii) in any way questions the establishment of the Program or the titles of the Board of Directors of SANBAG, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the SANBAG Documents or the consummation of the transactions on the part of SANBAG contemplated thereby, or contests the exclusion of the interest on the Bonds from state income taxation or contests the powers of SANBAG, or its authority, to levy and collect the applicable Assessment, (iv) may result in any material adverse change relating to the financial condition of SANBAG; and as of the time of acceptance hereof and as of the Closing Date, to the knowledge of SANBAG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

6. Each Bond, when issued, executed and delivered in accordance with the Indenture and sold to _____, will be validly issued and an outstanding limited obligation of SANBAG, entitled to the benefits of the Master Indenture and the applicable Supplemental Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessments identified in the applicable Supplemental Indentures. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to such Indenture, including the investments thereof subject in all cases to the provisions of such Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

7. Each Assessment constituting the security for the applicable Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

8. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by SANBAG of its obligations in connection with the SANBAG Documents have been duly obtained or made and are in full force and effect.

9. SANBAG will apply the proceeds of the Bonds in accordance with the applicable Supplemental Indenture.

Respectfully submitted

D - 3

EXHIBIT E

CERTIFICATE OF TRUSTEE

SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
(SANBAG HERO Program)
(First Residential Property Tranche)

CERTIFICATE OF TRUSTEE

The undersigned hereby states and certifies:

1. The undersigned is an authorized officer of Deutsche Bank National Trust Company, a national banking association organized under the laws of the United States of America, acting as trustee (the "Trustee") under the Master Indenture, dated as of October 1, 2012 (the "Master Indenture"), by and between the Trustee and the San Bernardino Associated Governments ("SANBAG") and each Supplemental Indenture, dated as of _____, 20__ (the "Supplemental Indentures"), by and between the Trustee and SANBAG related to the applicable San Bernardino Associated Governments Limited Obligation Improvement Bond (SANBAG HERO Program) (First Residential Property Tranche), listed in the attached Schedule I;

2. the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Master Indenture and the Supplemental Indentures and to authenticate and deliver the Bonds to _____ (the "Original Purchaser"), as the purchaser thereof, pursuant to the Master Indenture, the Supplemental Indentures and the Master Bond Purchase Agreement made and entered on October 2, 2013, by and between SANBAG and Renovate America, Inc.;

3. the Trustee is duly authorized to enter into the Master Indenture and the applicable Supplemental Indenture and to authenticate and deliver each Bond to the Original Purchaser pursuant to the terms of the Master Indenture and the applicable Supplemental Indenture, and has duly executed and delivered the Master Indenture and each of the Supplemental Indentures;

4. the Trustee is duly authorized to accept the obligations created by the Master Indenture and the Supplemental Indentures and to authenticate each Bond pursuant to the terms of the Master Indenture and the applicable Supplemental Indenture;

5. pursuant to the Master Indenture and the applicable Supplemental Indenture, the Trustee will apply the proceeds from each Bond to the purposes specified in the Master Indenture and such Supplemental Indenture;

6. no consent, approval, authorization or other action by any governmental or regulatory agency having jurisdiction over the Trustee known to the Trustee that has not been

obtained by the Trustee is or will be required for the authentication and delivery of each Bond or the consummation by the Trustee of the other transactions contemplated by the Master Indenture and the applicable Supplemental Indenture;

7. to the best knowledge of the Trustee, the execution and delivery by the Trustee of the Master Indenture and the Supplemental Indentures and compliance with the terms thereof by the Trustee, and authentication and delivery of the Bonds will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any Federal or state securities or blue sky laws or regulations), or (except with respect to the lien of the Master Indenture and the Supplemental Indentures) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee;

8. there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best knowledge of the Trustee, threatened in any way affecting the existence of the Trustee, or seeking to restrain or to enjoin the execution and delivery of the Master Indenture or the Supplemental Indentures, or the authentication of the Bonds by the Trustee, or in any way contesting or affecting the validity or enforceability, as against the Trustee, of the Master Indenture or the Supplemental Indentures or any action of the Trustee contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Trustee to perform its obligations under the Master Indenture or the Supplemental Indentures; and

9. the Trustee has duly authenticated each Bond pursuant to the Master Indenture and the applicable Supplemental Indentures and delivered the Bonds to or upon the order of the Original Purchaser.

DATED:

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By: _____
Authorized Officer

EXHIBIT F

LETTER OF PURCHASER

INVESTOR LETTER

_____, 2013

San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California 92410
Attention: Executive Director

Deutsche Bank National Trust Company
c/o DB Services Americas, Inc.
5022 Gate Parkway, Suite 200
Jacksonville, Florida 32256
Attention: Transfer Unit

Re: San Bernardino Associated Governments
Limited Obligation Improvement Bonds
(SANBAG HERO Program)
(First Residential Property Tranche)

Ladies and Gentlemen:

The undersigned (the "Investor") proposes to purchase the limited obligation improvement bonds as listed on the attached Schedule I (the "Bonds") from the San Bernardino Associated Governments ("SANBAG"). Capitalized terms used in this Investor Letter and not otherwise defined herein shall have the meanings ascribed to such terms in the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee")

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Regulation D of the Securities Act of 1933 and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not for more than one account or with a view to distribution of the Bonds except as provided for in paragraph 8 below. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

5. The Investor understands that (a) the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the State of California or any political subdivision thereof and that SANBAG has no taxing power, (b) the Bonds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of SANBAG, the State of California or any political subdivision thereof; and (c) the liability of SANBAG with respect to each Bond is limited to first priority perfected security interest granted in the applicable Assessment and all other Collateral securing such Bond and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account, the Assessment Collection Account and the Prepayment Account therein) are derived from the issuance of the Bonds, the installments of such Assessments or from the prepayment of such Assessment received by SANBAG as set forth in the Indenture.

6. The Investor acknowledges that its has either been supplied with or been given access to such information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning SANBAG, the Program, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indentures, the Bonds and the security therefor and the Side Letter Agreement so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Investor, with assistance of counsel, has reviewed the Bonds, the Master Indenture and the Supplemental Indentures. The Investor acknowledges, consents and agrees to all terms of such documents.

8. The Investor acknowledges that it has the right to sell and transfer the Bonds, in accordance with the terms of the Master Indenture and the Supplemental Indentures, subject to the delivery to the Trustee of a letter from the transferee in the form attached to the Master

Indenture as Exhibit C, with no material revisions except as may be approved in writing by SANBAG. Failure to deliver such letter shall cause the purported transfer to be null and void.

9. The Investor understands that neither the members, directors, officers, employees or agents of the SANBAG, nor any person executing the Bonds, the Master Indenture or the Supplemental Indentures, shall be subject to any personal liability or accountability by reason of or in connection with the issuance, offering, execution and delivery of the Bonds.

10. The Investor has obtained what it considers adequate information regarding SANBAG, the Program, the Assessment Contracts, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indentures and the Bonds to make an informed investment decision to purchase the Bonds. Except as set forth in the Indenture, the Investor acknowledges that SANBAG and its agents, representatives and attorneys are under no duty to provide, and the Investor acknowledges that it is not entitled to receive, (i) any additional information regarding SANBAG, the Program, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indentures or the Bonds or (ii) an update to the information previously provided by such persons to the Investor; provided, however, that such acknowledgement does not extend to information provided by SANBAG, its agents, representatives and/or attorneys that would have the effect of correcting (a) any untrue statement of a material fact made in the Bonds, the Master Indenture or the Supplemental Indentures or in any of the other information provided to the Investor by SANBAG or its agents, representatives or attorneys or (b) any omission of a material fact necessary to make a statement made in such documents not misleading in light of the circumstances under which it was made.

Very truly yours,

[Insert] _____

By: _____

Name:

Title:

EXHIBIT G

RECEIPT FOR BONDS

SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BOND
(SANBAG HERO Program)
(First Residential Property Tranche)

RECEIPT FOR BONDS

Receipt is hereby acknowledged of the San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Residential Property Tranche) listed on the attached Schedule I (the "Bonds") by _____ (the "Purchaser"), as the original purchaser of the Bonds.

The undersigned hereby states and certifies on behalf of the Purchaser that the Purchaser has received on this date from Deutsche Bank National Trust Company, as Trustee (the "Trustee"), under the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between the Trustee and the San Bernardino Associated Governments ("SANBAG"), as supplemented by each Supplemental Indenture, dated as of _____, 20__ (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), pertaining to the applicable Bond by and between the Trustee and SANBAG, such Bonds, as authenticated and delivered by the Fiscal Agent pursuant to the Indenture.

The undersigned further states and certifies that all certificates, opinions and agreements requested by the Purchaser [as the assignee of Renovate America, Inc.] under the Master Bond Purchase Agreement, dated October 2, 2013 (the "Purchase Agreement"), between Renovate America, Inc. and SANBAG, have been delivered and that all conditions precedent for the Purchaser to accept delivery of such Bonds under the Purchase Agreement have been met or waived.

Dated:

By: _____
Authorized Signatory

CONTRACT SUMMARY SHEET

Contract No. C 14055 Amendment No. _____

By and Between

SANBAG and SAMAS Capital, LLC

Contract Description MASTER BOND PURCHASE AGREEMENT between the SAN BERNARDINO ASSOCIATED GOVERNMENTS, and SAMAS CAPITAL, LLC to arrange for the sale by SANBAG and the purchase by Purchaser or its designee of all of the Improvement Bonds described below, which are being issued by SANBAG.

Board of Director's Meeting Date: October 2, 2013

Overview of BOD Action: Approve Master Bond Purchase Agreement for SAMAS Capital to purchase up to \$300,000,000 of Improvement Bonds for the SANBAG HERO Program

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$	1,350,000.00	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$		Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	1,350,000.00	TOTAL CONTINGENCY VALUE	\$	

TOTAL BUDGET AUTHORITY (contract value + contingency) \$ 1,350,000.00

Contract Start Date October 2, 2013	Current Contract Expiration Date June 30, 2017	Revised Contract Expiration Date
--	---	----------------------------------

Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0708.

A Budget Amendment is required.

How are we funding current FY?

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

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

Contract provides for contractor to purchase Improvement Bonds for the SANBAG HERO Program, contractor shall not be paid by SANBAG. SANBAG will receive an administrative fee of .45%

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Duane A. Baker

Project Manager (Duane Baker)

Duane A. Baker

Task Manager (Duane Baker)

Andrea Zureick

Dir. of Fund Admin. & Programming
(Andrea Zureick)

Jeffery Hill

Contract Administrator (Jeffery Hill)

W. STAWARSKI

Chief Financial Officer (William Stawarski)

Duane A. Baker 9-13-13

Signature Date

Duane A. Baker 9-13-13

Signature Date

Andrea Zureick 9/17/13

Signature Date

Jeffery Hill 9/23/13

Signature Date

W. Stawarski 9/24/13

Signature Date

CONTRACT NO. C14055

**SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
SANBAG HERO Program
(First Commercial Property Tranche)**

Master Bond Purchase Agreement

THIS MASTER BOND PURCHASE AGREEMENT, dated as of October 2, 2013 (the "Master BPA"), is entered into by and between the SAN BERNARDINO ASSOCIATED GOVERNMENTS, a California public agency ("SANBAG") and SAMAS CAPITAL, LLC, a California corporation ("Purchaser") to arrange for the sale by SANBAG and the purchase by Purchaser or its designee of all of the Improvement Bonds described below, which are being issued by SANBAG.

RECITALS:

The Board of Directors of SANBAG (the "Board of Directors") established a voluntary contractual assessment program designated as the SANBAG HERO Program (the "Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29") to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Improvements").

The Board of Directors has approved and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "Program Area"), a draft contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and SANBAG (each, an "Assessment Contract"), a statement of policies of SANBAG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

On March 6, 2013, the Board of Directors adopted its Resolution No. 13-045 (the "Original Resolution of Issuance"), pursuant to which, the Board of Directors, among other actions, (a) authorized the issuance of one or more series of limited obligation improvement bonds (each such series of bonds referred to as a "Series") pursuant to Chapter 29 and the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of California (the "Bond Act"), upon the security of voluntary contractual assessments levied on Commercial Parcels (as such term is defined in the Program Report) only, and (b) provided that each such Series of the limited obligation improvement bonds would be issued pursuant to a master indenture, as supplemented by one or more supplemental indentures.

On October 2, 2013, the Board of Directors adopted its Resolution No. 14-004 (the "Supplemental Resolution of Issuance" and, together with the Original Resolution of Issuance, the "Resolutions of Issuance") authorizing, pursuant to the Resolutions of Issuance, the issuance of limited obligation improvement bonds to be designated as the "San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Commercial Property Tranche)" (the "Improvement Bonds") in one or more series pursuant to Chapter 29 and the 1915 Act, and the use of the proceeds of those Improvement Bonds to finance the installation of Eligible Improvements on Commercial Parcels that are participating in the Program, providing that each such Improvement Bond shall be issued pursuant to a Master Indenture (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee"), to be supplemented by a Supplemental Indenture related to each such Improvement Bond, dated as of the Closing Date of such bond (as defined in the Master Indenture) (each, a "Supplemental Indenture"), by and between SANBAG and the Trustee, authorizing the negotiated sale of the Improvement Bonds to Purchaser provided that the conditions for the issuance of each such bond set forth in the Master Indenture and the applicable Supplemental Indenture have been satisfied and providing further that each such bond shall be sold to Purchaser pursuant to an agreement made and entered into by and between SANBAG and Purchaser, the Master Indenture and the Supplemental Indenture pertaining to such Bond. Pursuant to the Supplemental Resolution of Issuance, the Board of Directors also delegated to the Program Administrator the authority to establish and agree with Purchaser to the final terms for each Improvement Bond including, but not limited to, the principal amount thereof, the interest rate on such bond and the redemption provisions.

1. Definitions. Capitalized terms that are used in this Master BPA and not otherwise defined herein shall have the respective meanings ascribed to them in the Master Indenture.

2. Purchase and Sale and Delivery of the Improvement Bonds.

(a) Subject to the terms and conditions set forth in this Master BPA and any supplement to this Master BPA entered into by and between the parties hereto (each, a "Supplement to Master BPA"), and in reliance upon the representations, warranties and agreements set forth herein and in any Supplement to Master BPA, Purchaser hereby agrees to purchase, or cause its designee to purchase (as used herein the term "Purchaser" shall include any designee thereof), all (but not less than all) of the Improvement Bonds, from SANBAG and SANBAG hereby agrees to sell to Purchaser, when as and if issued, all (but not less than all) of the Improvement Bonds in an aggregate principal amount not to exceed \$300,000,000.

(b) SANBAG and the Trustee shall enter into a Supplemental Indenture pertaining to each Improvement Bond which Supplemental Indenture shall set forth and establish the Closing Date for such Improvement Bond, the date from which such Improvement Bond shall bear interest and the dates on which the principal of and interest on such Improvement Bond shall be payable, the rate of interest per annum payable on such Improvement Bond, the maturity date of such Improvement Bond, the redemption provisions pertaining to such Improvement Bond and the Purchase Price (defined below) for such Improvement Bond. Each such Supplemental Indenture shall be subject to the approval of Purchaser and SANBAG.

(c) Each Improvement Bond shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, the Master Indenture and the Supplemental Indenture pertaining to such Improvement Bond.

(d) The "Purchase Price" of an Improvement Bond shall be either (a) a sum equal to the principal amount of such Improvement Bond (the "Par Purchase Price Amount") or (b) a sum equal to the principal amount of such Improvement Bond less an amount equal to two and forty hundredths percent (2.40%) of the principal amount of such Improvement Bond (the "Discounted Purchase Price Amount"). The Purchase Price for an Improvement Bond shall be presumed to be the Par Purchase Price Amount unless Purchaser has provided written instructions at least five (5) Business Days prior to the Closing Date to the Trustee, Bond Counsel (defined below) and the Public Financial Management, Inc., the Program manager to SANBAG, that the Purchase Price of such Improvement Bond shall be the Discounted Purchase Price Amount.

(e) At 10:00 A.M., Pacific Daylight Time, on the Closing Date for each Improvement Bond, or at such other time as shall be agreed upon by SANBAG and Purchaser, (i) SANBAG will deliver or cause to be delivered the Improvement Bond to Purchaser, duly executed by SANBAG and authenticated by the Trustee as provided in the Master Indenture, (ii) SANBAG will deliver the SANBAG Closing Documents (as defined below) to Bond Counsel at the offices of Bond Counsel or another place to be mutually agreed upon by SANBAG and Purchaser (the "Closing Location") and Purchaser shall accept such delivery and pay the purchase price of the Improvement Bonds in federal funds payable to the order of SANBAG or its designee and deliver Purchaser's Closing Documents (as defined below) to Bond Counsel at the Closing Location. This payment and these deliveries, together with the delivery of the Closing Documents, are herein called the "Closing." Each Improvement Bond shall be made available to Purchaser for inspection not later than the second last business day before the Closing Date.

3. Representations, Warranties and Agreements of SANBAG. SANBAG represents, warrants and covenants to and agrees with Purchaser as to each Improvement Bond that:

(a) SANBAG is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the "Constitution") and laws of the State of California (the "State"), and has, and at each Closing Date will have, full legal right, power and authority,

(i) to adopt the Resolutions of Issuance,

(ii) to enter into this Master BPA and the Supplement to Master BPA pertaining to each Improvement Bond,

(iii) to enter into the Master Indenture and the Supplemental Indenture with respect to each Improvement Bond,

(iv) to issue, sell and deliver each Improvement Bond to Purchaser as provided herein,

(v) to enter into each Assessment Contract as such term is defined in the Supplemental Indenture,

(vi) to carry out and consummate the transactions as to each Improvement Bond on its part contemplated by the Master BPA and the Supplement to Master BPA, the Master Indenture, the Supplemental Indenture and such Improvement Bond.

As to each Improvement Bond, the Master BPA, the applicable Supplement to Master BPA, if any, the Master Indenture, the applicable Supplemental Indenture and such Improvement Bond are collectively referred to herein as the "SANBAG Documents."

(b) By all necessary official action of SANBAG, SANBAG has duly authorized and approved the adoption or execution and delivery by SANBAG of, and the performance by SANBAG of the obligations contained in, the SANBAG Documents and the Resolutions of Issuance and such authorizations and approvals are and shall, as of each Closing Date, be in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, each Improvement Bond and the SANBAG Documents will constitute the legally valid and binding obligations of SANBAG enforceable against SANBAG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. SANBAG has complied, and as of each Closing Date, shall be in compliance in all respects, with the obligations on its part to be performed on or prior to each Closing Date under the SANBAG Documents.

(c) The Board of Directors has duly established the Program pursuant to Chapter 29. The Board of Directors has duly authorized the issuance and sale of each Improvement Bond pursuant to the Resolutions of Issuance, adopted by the Board of Directors, the Master Indenture and the applicable Supplemental Indenture.

(d) SANBAG is not and, as of each Closing Date, will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on SANBAG's ability to perform its obligations under each Improvement Bond or the SANBAG Documents; and, as of such times, the authorization, execution and delivery of each Improvement Bond and the SANBAG Documents and compliance by SANBAG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever

upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the SANBAG Documents.

(e) There is, and as of each Closing Date, there shall be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which SANBAG has been served with process or to the best knowledge of SANBAG threatened, in which any such Action (i) in any way questions the corporate existence of SANBAG or the titles of the officers of SANBAG to their respective offices, (ii) in any way questions the establishment of the Program or the titles of the Board of Directors of SANBAG, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of each Improvement Bond, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on each Improvement Bond, or in any way contests or affects the validity of the SANBAG Documents or the consummation of the transactions on the part of SANBAG contemplated thereby, or contests the exclusion of the interest on any Improvement Bond from state income taxation or contests the powers of SANBAG, or its authority, to levy and collect the applicable Assessments, (iv) may result in any material adverse change relating to the financial condition of SANBAG; and as of the time of acceptance hereof and as of each Closing Date, to the knowledge of SANBAG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Each Improvement Bond, when issued, executed and delivered in accordance with the Master Indenture and the applicable Supplemental Indenture and sold to Purchaser, will be validly issued and an outstanding limited obligation of SANBAG, entitled to the benefits of the Master Indenture and the applicable Supplemental Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessment or Assessments. The Master Indenture and the applicable Supplemental Indenture create a valid pledge of the moneys in certain funds and accounts established pursuant to such Master Indenture, including the investments thereof subject in all cases to the provisions of such Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Each Assessment constituting the security for an Improvement Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

(h) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by each Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by SANBAG of its obligations in connection with the SANBAG Documents have been duly obtained or made and are in full force and effect.

(i) SANBAG will apply the proceeds of each Improvement Bond in accordance with the Master Indenture and the applicable Supplemental Indenture.

4. Conditions to the Obligations of Purchaser. The obligations of Purchaser to accept delivery of and pay for each Improvement Bond on the Closing Date thereof shall be subject, at the option of Purchaser, to the accuracy in all material respects of the representations and warranties on the part of SANBAG contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of SANBAG made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by SANBAG of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At each such Closing Date, the SANBAG Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by Purchaser, and there shall have been taken in connection therewith, with the issuance of each Improvement Bond and with the transactions contemplated thereby and by this Master BPA, all such actions as, in the opinion of Best, Best & Krieger, LLP, as Bond Counsel for SANBAG, shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date applicable to each Improvement Bond, the market price or marketability of such Improvement Bond at the prices set forth in the Supplemental Indenture applicable thereto shall not have been materially adversely affected, in the judgment of Purchaser (evidenced by a written notice to SANBAG terminating the obligation of Purchaser to accept delivery of and pay for the Improvement Bonds), which judgment shall be formed (to the maximum extent reasonably practicable under the circumstances) only after consultation with SANBAG's financial advisor, by reason of any of the following:

(i) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Improvement Bonds, or such Improvement Bond, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Master Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Improvement Bonds, or of the Improvement Bonds as contemplated hereby or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(ii) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the validity or enforceability of the Assessments or the ability of SANBAG to construct or acquire the improvements as contemplated by SANBAG Documents.

(c) On each Closing Date, Purchaser shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to Purchaser:

(i) SANBAG Documents, together with a certificate dated as of the Closing Date of SANBAG Secretary to the effect that each such document is a true, correct and complete copy of the one duly approved by the Board of Directors; provided, however, the Master BPA and the Master Indenture need not be provided so long as such certificate specifies that such document or documents have not be amended since such document or documents were previously received by the Purchaser;

(ii) Unqualified approving opinion for each Improvement Bond or Improvement Bonds delivered on such Closing Date, dated such Closing Date and addressed to SANBAG, of Best Best & Krieger LLP, Bond Counsel for SANBAG, in the form attached as Exhibit A hereto and a reliance letter dated such Closing Date and addressed to Purchaser, in the form attached as Exhibit B hereto, to the effect that such approving opinion addressed to SANBAG may be relied upon by Purchaser to the same extent as if such opinion was addressed to them;

(iii) Supplemental opinion, dated the Closing Date and addressed to SANBAG, the Purchaser and the Trustee, of Best Best & Krieger LLP, Bond Counsel for SANBAG, in the form attached as Exhibit C hereto;

(iv) A certificate, dated such Closing Date and signed by an authorized representative of SANBAG, in substantially the form attached hereto as Exhibit D;

(v) (5) A certificate of the Trustee dated such Closing Date in substantially the form attached hereto as Exhibit E;

(vi) An executed copy of the Assessment Contract pertaining to the Participating Property upon which the Assessment securing such Improvement Bond has been levied.

(vii) A conformed copy of the Notice of Assessment pertaining to the Assessment levied against the Participating Parcel as recorded in the office of the Auditor-County Clerk-Recorder of the County of San Bernardino (the "County Recorder").

(viii) A conformed copy of the Notice of Payment of Assessment Required pertaining to the Participating Parcel as recorded in the office of the County Recorder.

5. Conditions of SANBAG's Obligations. SANBAG's obligations hereunder as to the sale of any Improvement Bond are subject to Purchaser's performance of their obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of SANBAG executing the certificate referred to in Section 3(c)(4) hereof, threatened, to restrain or enjoin the issuance or sale of such Improvement Bond or in any way affecting any authority for or the validity of such Improvement Bond or SANBAG Documents or the existence or powers of SANBAG;

(b) As of the Closing Date, SANBAG shall receive the approving opinions of Bond Counsel referred to in Section 3(c)(ii) and (iii) hereof, dated as of the Closing Date;

(c) Receipt by SANBAG of a duly executed letter of Purchaser dated such Closing Date in substantially the form attached hereto as Exhibit F hereto; and

(d) Receipt by SANBAG of a duly executed certificate of Purchaser regarding the receipt of the Improvement Bond in substantially the form attached as Exhibit G hereto.

6. Expenses. Whether or not the Improvement Bonds are delivered to Purchaser as set forth herein:

(a) The Purchaser shall be under no obligation to pay, and SANBAG shall pay or cause to be paid (out of the proceeds of each Improvement Bond) all expenses incidental to the performance of SANBAG's obligations hereunder in the following amounts or percentages of the principal amount of each such Improvement Bond:

(i) 0.30% payable to SANBAG as issuer of the Improvement Bonds;

(ii) an amount payable per Assessment to Public Financial Management, LLC, as Program manager, based upon the following table:

<u>Assessment Amount</u>	<u>Fee per Assessment</u>
Less than or equal to \$100,000	\$750
Greater than \$100,000 and less than or equal to \$250,000	\$1,500
Greater than \$250,000 and less than or equal to \$500,000	\$3,000
Greater than \$500,000 and less than or equal to \$750,000	\$4,500
Greater than \$750,000	\$7,500

(iii) 0.35% payable to Westhoff, Cone and Holmstedt, as placement agent (the "Placement Agent");

(iv) 0.40% payable to David Taussig & Associates as assessment administrator;

(v) 1.00% payable to Best Best & Krieger LLP as bond counsel;

2.40% payable to Samas Capital, LLC, in payment for the provision by Samas Capital, LLC of its Commercial HERO Program Administrative Services as defined in and payable pursuant to Contract #C 14052 by and between SANBAG and Samas Capital, LLC for Services to assist in the Implementation and Administration of Financing Mechanisms for the SANBAG HERO Program, a Property Assessed Clean Energy (PACE) Program for Commercial Properties in Participating Cities and San Bernardino County ("Contract #C 14052") and in payment for the provision of its Commercial HERO Program Funding pertaining to such Improvement Bonds

(b) SANBAG shall be under no obligation to pay, and the Purchaser shall pay any and all expenses incurred by Purchaser, including but not limited to, the fees and disbursements of its counsel pertaining to the issuance of any Improvement Bond.

(c) Neither SANBAG nor the Purchaser shall be under any obligation to pay, and the Placement Agent shall pay, any fees of the California Debt and Investment Advisory Commission pertaining to any Improvement Bond.

7. Authority of Purchaser to Issue Asset Backed Securities and Sell Improvement Bonds. Purchaser will purchase the Improvement Bonds by utilizing sources of funds as Purchaser may in its discretion elect to utilize. From time to time Purchaser may elect at its own expense to securitize its interest in Improvement Bonds and sell such securities to the investment community or sell any Improvement Bond, provided that any such sale is to an Accredited Investor (as such term is defined in Regulation D – Rules Governing the Limited Offer and Sale of Securities Without Registration under the Securities Act of 1933, being 17 CFR 230.501 through 230.508) and that all subsequent buyers of such Improvement Bond agree to be bound by this provision. No further action or acknowledgment by SANBAG will be required to authorize such securitization or sale by Purchaser. All fees, costs and liabilities arising directly or indirectly from or associated with Purchaser's issuance of asset-backed securities or selling the Improvement Bonds, including without limitation costs of issuance and annual disclosure costs, will be borne by Purchaser.

SANBAG will provide any reasonable assistance requested by Purchaser, including without limitation, the provision of relevant Program data and reports as may be deemed reasonably necessary by the Purchaser for the securitization or other sale of Improvement Bonds by Purchaser. Nothing contained in this paragraph shall, however, require SANBAG to prepare any disclosure documents pertaining to such securitization or other sale of Improvement Bonds as may be required pursuant to securities laws and regulations of the federal government or the State of California or any agency, department or office of either such government. The Purchaser shall pay all reasonable expenses incurred by SANBAG in providing such data and reports.

8. General Provisions.

(a) Termination of Agreement. Should (a) Purchaser (i) breach one or more of its material obligations as outlined herein or in the Contract #C 14052 or (ii) fail during any calendar year to purchase Improvement Bonds which have met the underwriting guidelines identified in the Program Report applicable to Commercial properties participating in the Program with an aggregate principal amount of \$1 million or more or (b) SANBAG terminate Contract #C 14052 pursuant to the provisions thereof, SANBAG may, by written notice to Purchaser, terminate the whole or any part of this Master BPA by giving written notice to Purchaser of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Purchaser may, by written notice to SANBAG, terminate this Master BPA for cause which shall include, but not be limited to, the determination by Purchaser, in the exercise of its reasonable professional judgment after consultation with the SANBAG Representative, that SANBAG cannot reasonably be expected to be able to issue Improvement Bonds pursuant to this Master BPA.

(b) Delivery of Notices. All notices permitted or required under this Master BPA shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Purchaser: Samas Capital, LLC
32 Executive Park, Suite 105
Irvine, CA 92614
Attn: Mark Allan Aarvig, Managing Director
Office (909) 342-4414

With copy to:

SANBAG: San Bernardino Associated Governments
1170 W. 3rd St., 2nd Floor
San Bernardino, CA 92410
Attn: Duane Baker, Director of Management Services

With copy to: San Bernardino Associated Governments
1170 W. 3rd St., 2nd Floor
San Bernardino, CA 92410
Attn: Eileen Monaghan Teichert, General Counsel

and

Best Best & Krieger LLP
655 West Broadway, 15th Floor
San Diego, CA 92101
Attn: Warren Diven

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

(c) Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Master BPA.

(d) Availability of Injunctive Relief. Purchaser and SANBAG agree that either Purchaser or SANBAG may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either Purchaser or SANBAG alleges

or claims a violation of this Master BPA between SANBAG and Purchaser. Purchaser and SANBAG understand that any breach or threatened breach of such an agreement (including this Master BPA) will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both SANBAG and Purchaser hereby consent to the issuance of an injunction.

(e) Purchaser shall defend, indemnify and hold SANBAG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of Purchaser, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Purchaser shall defend, at Purchaser's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against SANBAG, its directors, officials, officers, employees, agents or volunteers. Purchaser shall pay and satisfy any judgment, award or decree that may be rendered against SANBAG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Purchaser shall reimburse SANBAG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Purchaser's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the SANBAG, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 8(e).

(f) Entire Agreement. This Master BPA contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Master BPA may only be modified by a writing signed by both Parties.

(g) Governing Law. This Master BPA shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.

(h) Time of Essence. Time is of the essence for each and every provision of this Master BPA.

(i) Successors and Assigns. This Master BPA shall be binding on the successors and assigns of the Parties.

(j) Assignment or Transfer. Purchaser shall not assign, hypothecate, or transfer, either directly or by operation of law, this Master BPA or any interest herein without the prior written consent of SANBAG; provided, however, Purchaser may assign this Master BPA in connection with the merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of Purchaser hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

(k) Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Master BPA, the language of this Master BPA shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Purchaser include all personnel, employees, agents, and subcontractors of Purchaser, except as otherwise specified in this Master BPA. All references to SANBAG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Master BPA. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Master BPA.

(l) Amendment; Modification. No supplement, modification, or amendment of this Master BPA shall be binding unless executed in writing and signed by both Parties.

(m) Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

(n) No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

(o) Invalidity; Severability. If any portion of this Master BPA is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

(p) Prohibited Interests. Purchaser maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Purchaser, or independent contractors and consultants engaged by Purchaser to perform Purchaser's obligations and duties under this this Master BPA to solicit or secure this Master BPA. Further, other than its outside counsel, Purchaser warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Purchaser, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Master BPA. For breach or violation of this warranty, SANBAG shall have the right to rescind this Master BPA without liability. For the term of this Master BPA, no member, officer or employee of SANBAG, during the term of his or her service with SANBAG, shall have any direct interest in this Master BPA, or obtain any present or anticipated material benefit arising therefrom.

(q) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of SANBAG set forth in or made pursuant to this Master BPA shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of Purchaser (or statements as to the results of such investigations) concerning such representations and statements of SANBAG and regardless of delivery of and payment for the Improvement Bonds.

(r) Equal Opportunity Employment. Purchaser represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

(s) Authority to Enter Master BPA. Purchaser has all requisite power and authority to conduct its business and to execute, deliver, and perform the Master BPA. Each Party warrants that the individuals who have signed this Master BPA have the legal power, right, and authority to make this Master BPA and bind each respective Party.

9. Effective. This Master BPA shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by SANBAG and shall be valid and enforceable as of the time of such acceptance.

10. Counterparts. This Master BPA may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Master BPA as of the date first written above.

SAN BERNARDINO ASSOCIATED
GOVERNMENTS

SAMAS CAPITAL, LLC

By: _____
W.E. Jahn, President

By: _____
Mark Allan Aarvig, Managing Director

EXHIBIT A

FORM OF BOND COUNSEL OPINION

[Closing Date]

Board of Directors
San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche - Taxable)
Series No. _____

Bond Counsel Opinion

Ladies and Gentlemen:

We have acted as bond counsel to the San Bernardino Associated Governments (“SANBAG”) in connection with the issuance by SANBAG of the above referenced San Bernardino Associated Governments Limited Obligation Improvement Bond (SANBAG HERO Program) (First Commercial Property Tranche) (the “Bond”). In such capacity we have examined the proceedings taken by SANBAG for the levy of assessments and the authorization and issuance of the limited obligation improvement bonds, including the Bond, with respect to the SANBAG HERO Program (the “Program Proceedings”). Additionally, we have examined such law, certifications, and other documents as we have deemed necessary to render this opinion.

The Program Proceedings were taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California (“Chapter 29”). The Bond has been issued pursuant to Chapter 29, the Municipal Improvement Act of 1915 (Division 10 of the Streets and Highways Code of the State of California), Resolution No. 13-045 adopted by the Board of Directors of SANBAG (the “Board of Directors”) on March 6, 2013 (the “Original Resolution of Issuance”) and Resolution No. 14-003 adopted by the Board of Directors on October 2, 2013 (the “Supplemental Resolution of Issuance”), the Master Indenture, dated as of October 1, 2013 (the “Master Indenture”), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the “Trustee”) and the Supplemental Indenture, dated as of _____, 20__ (the “Supplemental Indenture”), by and between SANBAG and the Trustee, pertaining to the Bond. Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the Supplemental Indenture, as appropriate.

A - 1

As to questions of fact material to our opinion, we have relied upon representations of SANBAG, the certified proceedings and other certifications furnished to the SANBAG or to us, without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the default judgment rendered on _____, 2013, by the Superior Court of the County of San Bernardino in the validation action entitled Superior Court of the County of San Bernardino as *San Bernardino Associated Governments v. All Persons Interested, etc.*, Case No. CIVDS _____, and cover certain matters not directly addressed by such authorities. We call attention to the fact that the opinions contained herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. This opinion is given as of the date hereof and we assume no obligation to revise and supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may thereafter occur.

Based upon the foregoing, we are of the opinion that the Program Proceedings have been undertaken in accordance with the law and the Constitution of the State of California and that the Bonds, having been duly issued, executed and delivered in the manner provided by law, and the Master Indenture and the Supplemental Indenture having been duly authorized and executed by the proper official, constitute the legally valid and binding limited obligations of SANBAG enforceable in accordance with their terms subject to the qualifications specified below. The Bond is secured by a first pledge of the Assessment or Assessments, as applicable, securing such Bond levied upon the Participating Parcel or Participating Parcels (except amounts deposited into the Administrative Expense Fund established pursuant to the Master Indenture) and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account therein) established pursuant to the Master Indenture derived from the installments of such Assessment or Assessments, as applicable, or from the prepayment of such Assessment or Assessments, as applicable, received by SANBAG.

We are further of the opinion that interest on the Bond is exempt from personal income taxes imposed by the State of California, however, we observe that interest on the Bond is not excludable from gross income for federal income tax under Section 103 of the Internal Revenue Code of 1986 (the "Code"). We express no opinion regarding other federal tax consequences with respect to the Bond.

Any federal tax advice contained herein with respect to the Bond is not intended or written to be used, and it cannot be used, for the purpose of avoiding penalties under the Code. The federal tax advice contained herein with respect to the Bond was written to support the promoting and marketing of the Bond. Before purchasing the Bond, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the Bond and the taxpayer's particular circumstances.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any

other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The rights of the owner of the Bond and the enforceability of the Bond, the Master Indenture and the Supplemental Indenture may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principals of equity.

Respectfully submitted,

Best Best & Krieger LLP

EXHIBIT B

FORM OF RELIANCE LETTER OF BOND COUNSEL

[Closing Date]

Purchaser of the Bond

[a]

Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche)
Series No. ____

Reliance Letter

Ladies and Gentlemen:

We are delivering to you on the date of this letter a copy of our opinion dated [Closing Date] that is attached hereto, and addressed to the Board of Directors of the San Bernardino Associated Governments with respect to the above referenced bond. This is to confirm that you may rely on that opinion as though it were addressed to you.

Respectfully submitted,

Best Best & Krieger LLP

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

Board of Directors
San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California

[Purchaser of the Bond]

Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche)
Series No. ____

Supplemental Opinion of Bond Counsel

Ladies and Gentlemen:

This opinion is rendered in our capacity as bond counsel for San Bernardino Associated Governments (“SANBAG”) and in conjunction with and pertaining to the proceedings conducted by SANBAG for the levy of assessments and the authorization and issuance of bonds, including the above referenced bond (the “Bond”), with respect to the SANBAG HERO Program (the “Program”) taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California (“Chapter 29”) and the sale and delivery of the Bond by SANBAG pursuant to the provisions of Chapter 29, the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code of the State of California) (the “Bond Act”), Resolution No. 13-038 adopted by the Board of Directors of SANBAG (the “Board of Directors”) on February 6, 2013 (the “Original Resolution of Issuance”) and Resolution No. 14-004 adopted by the Board of Directors on October 2, 2013 (the “Supplemental Resolution of Issuance”), the Master Indenture, dated as of October 1, 2013 (the “Master Indenture”), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the “Trustee”) and the Supplemental Indenture, dated as of _____, 20__] (the “Supplemental Indenture”), by and between SANBAG and the Trustee, pertaining to the Bond.

On May 24, 2013 SANBAG filed a judicial validation proceeding pursuant to the provisions of Section 860 *et seq.* of the California Code of Civil Procedure (the “Validation

Statute”) in the Superior Court of the County of San Bernardino (the “Superior Court”) entitled *San Bernardino Associated Governments v. All Persons Interested, et al.*, Case No. CIVDS 1305663 (the “Validation Action”) to validate the Program and all proceedings relating to or leading up to the Program, the contractual assessments to be levied by SANBAG and the issuance and sale of limited obligation improvement bonds related thereto. On August 26, 2013, a default judgment was entered in the Validation Action (the “Default Judgment”) in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for SANBAG in connection with the Program, the contractual assessment agreements, and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local.

Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the Supplemental Indenture, as applicable.

As to questions of fact material to our opinion, we have relied upon representations of SANBAG, the certified proceedings and other certifications furnished to the SANBAG or to us, without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the Default Judgment, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof.

As used in this opinion, the phrase “current actual knowledge” means knowledge of facts or other information that is in the conscious awareness of lawyers currently in our firm who have performed legal services for SANBAG.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. SANBAG is duly created and validly existing as a joint exercise of powers authority organized and existing under the Constitution and laws of the State of California.

2. SANBAG has full legal power and lawful authority to adopt the Original Resolution of Issuance and the Supplemental Resolution of Issuance and approve and enter into the Master Indenture and the Supplemental Indenture, and the Original Resolution of Issuance, the Supplemental Resolution of Issuance, the Master Indenture, the Supplemental Indenture and the Bond were duly approved by the Board of Directors of SANBAG.

3. The Bond has been duly authorized, issued, executed and delivered by SANBAG and constitutes the legal, valid and binding agreement of SANBAG, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium,

fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases. The Master Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by SANBAG, and, assuming due authorization, execution and delivery where applicable by the other parties thereto, constitute the legal, valid and binding agreement of SANBAG, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases.

4. The Validation Action was duly filed and the Default Judgment duly entered in accordance with all applicable, laws, rules and regulations of the State of California.

5. Notice of the Validation Action was duly made in accordance with the Validation Statute and the order of the Superior Court.

6. The Default Judgment is final and in full force and effect.

7. Pursuant to its terms and the Validation Statute, the Default Judgment is, notwithstanding any other provisions of law, forever binding and conclusive, as to all matters adjudicated or which could have been adjudicated, against all persons interested, and such Default Judgment shall permanently enjoin the institution by any person of any proceeding raising any issue as to which the judgment is binding and conclusive.

8. The Assessment has been duly and validly authorized in accordance with the laws of the State of California and a lien to secure payment of the Assessment has been imposed on the Participating Parcel.

9. The lien of the Assessment is coequal to and independent of the lien for general taxes, and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or *ad valorem* assessments in the nature of and collected as taxes levied by the State of California, the County of San Bernardino or the city, special district or other local agency, if any, within which the Participating Parcel is located, (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment, (c) easements constituting servitudes upon or burdens to the Participating Parcel, (d) water rights, the record title to which is held separately from the title to the Participating Parcel, and (e) restrictions of record. The lien of the Assessment has the same priority as the lien for general taxes or *ad valorem* assessments in the nature of and collected as taxes levied by the State of California, the County of San Bernardino or the city, special district or other local agency, if any, within which the Participating Parcel is located.

10. To our actual knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body (except for the Validation Actions) is pending or threatened, in any way affecting the

existence of SANBAG or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bond, the application of the proceeds thereof in accordance with the Master Indenture and the Supplemental Indenture, the collection or application of the Assessment pledged or to be pledged to pay the principal of and interest on the Bond, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Assessment, the Bond, the Master Indenture, the Supplemental Indenture, any other applicable agreements, or any action of the SANBAG contemplated by any of those documents, or in any way contesting the powers of the SANBAG or its authority with respect to the Bond, the Master Indenture, the Supplemental Indenture, any other applicable agreements, or any action of the SANBAG contemplated by any of those documents, or which would adversely affect the exemption of interest on the Bond from California personal income taxation; nor to our actual knowledge, is there any basis for any of the foregoing actions.

11. The Program, the Assessment Contract, the levy of the Assessment and the issuance of the Bond do not violate the prohibition against “impairing the obligation of contracts” as provided in the United States Constitution, Article I, Section 10, clause 1, or the California Constitution, Article I, Section 9, do not constitute a taking of a pre-existing lender’s property and do not constitute a taking of private property without due process of law in violation of the Fifth and Fourteenth Amendments to the United States Constitution or the California Constitution, Article I, Section 19.

12. The Bond is exempt from registration pursuant to the Securities Act of 1933, as amended, and the Master Indenture and the Supplemental Indenture are exempt from qualification under the Trust Indenture of 1939, as amended.

The opinions expressed above do not constitute a guarantee of the outcome of any particular litigation, and there can be no assurance that no action may be taken in federal or state court challenging the constitutionality of Chapter 29 and/or the Bond Act relating to the Bond. Furthermore, given the lack of judicial precedent directly on point, and the novelty of the transactions pertaining to Chapter 29, the Program and/or the Bond, the outcome of any such litigation cannot be predicted with certainty. In the event of any claim and/or action which adversely impacts the rights of the holder of the Bond, costly and time-consuming litigation could ensue, adversely affecting, at least temporarily, the price and liquidity of the Bond.

The opinions set forth herein is intended for the information solely of the addressees hereof and is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or other administrative agency or other person or entity for any purpose without our prior express written consent. We do not undertake to advise you of matters that may come to our attention subsequent to the date hereof that may affect the opinions expressed herein.

Respectfully submitted,

EXHIBIT D

OMNIBUS CERTIFICATE OF SANBAG

Name and address of purchaser of Bond Deutsche Bank National Trust Company
1761 E Street Andrew Place
Santa Ana, California 92705

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche)
Series No. ____

The undersigned hereby certifies that [he/she] is an Authorized Representative of the San Bernardino Associated Governments (“SANBAG”) and that the undersigned is authorized to execute this Omnibus Certificate of SANBAG on behalf of SANBAG in connection with the issuance of the San Bernardino Associated Governments Limited Obligation Improvement Bonds (SANBAG HERO Program) (First Commercial Property Tranche) (the “Bond”). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Indenture, dated as of October 1, 2013 (the “Master Indenture”), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the “Trustee”).

1. The San Bernardino Associated Governments (“SANBAG”) is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the “Constitution”) and laws of the State of California (the “State”), and has, and at the Closing Date will have, full legal right, power and authority, for and on behalf of the Districts,

(a) to adopt the Resolutions of Issuance,

(b) to enter into the Master Bond Purchase Agreement, dated as of October 2, 2013 (the “Master BPA”), by and between SANBAG and Samas Capital, LLC (“Samas Capital”),

(c) to enter into the Master Indenture and the Supplemental Indenture, dated as of [e], 20[f] (the “Supplemental Indenture”), by and between SANBAG and the Trustee with respect to the Bond,

(d) to issue, sell and deliver the Bond to _____ as provided in the Master BPA,

(e) to enter into the Assessment Contract as such term is defined in the Supplemental Indenture,

(f) to carry out and consummate the transactions on its part contemplated by the Master BPA, the Master Indenture, the Supplemental Indenture and the Bond.

The Master BPA, the Master Indenture, the Supplemental Indenture and the Bond are collectively referred to herein as the "SANBAG Documents."

2. By all necessary official action of SANBAG, SANBAG has duly authorized and approved the adoption or execution and delivery by SANBAG of, and the performance by SANBAG of the obligations on its contained in, the SANBAG Documents and the Resolutions of Issuance and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Bond and the SANBAG Documents will constitute the legally valid and binding obligations of SANBAG enforceable against SANBAG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. SANBAG has complied, and will at the Closing (as such term is defined in the Master BPA, be in compliance in all respects, with the obligations on its part to be performed on or prior to the Closing Date under the SANBAG Documents.

3. The Board of Directors has duly established the Program pursuant to the applicable Resolution of Formation and Chapter 29. The Board of Directors has duly authorized the issuance and sale of the Bond pursuant to Resolutions of Issuance, adopted by the Board of Directors, and the Indenture.

4. As of the Closing Date, SANBAG is not or will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on SANBAG's ability to perform its obligations under the Bond or the SANBAG Documents; and, as of such times, the authorization, execution and delivery of the Bond and the SANBAG Documents and compliance by SANBAG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which SANBAG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of

its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the SANBAG Documents.

5. As of the Closing Date there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which SANBAG has been served with process or to the best knowledge of SANBAG threatened, in which any such Action (i) in any way questions the corporate existence of SANBAG or the titles of the officers of SANBAG to their respective offices, (ii) in any way questions the establishment of the Program or the titles of the Board of Directors of SANBAG, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bond, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bond, or in any way contests or affects the validity of the SANBAG Documents or the consummation of the transactions on the part of SANBAG contemplated thereby, or contests the exclusion of the interest on the Bond from state income taxation or contests the powers of SANBAG, or its authority, to levy and collect the applicable Assessment, (iv) may result in any material adverse change relating to the financial condition of SANBAG; and as of the time of acceptance hereof and as of the Closing Date, to the knowledge of SANBAG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

6. The Bond, when issued, executed and delivered in accordance with the Indenture and sold to _____, will be validly issued and an outstanding limited obligation of SANBAG, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessment. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to such Indenture, including the investments thereof subject in all cases to the provisions of such Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

7. The Assessment constituting the security for the Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

8. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by SANBAG of its obligations in connection with the SANBAG Documents have been duly obtained or made and are in full force and effect.

9. SANBAG will apply the proceeds of the Bond in accordance with the Indenture.

Respectfully submitted,

EXHIBIT E

CERTIFICATE OF TRUSTEE

§ _____
SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
(SANBAG HERO Program)

(First Residential Property Tranche)

Series No. ____

CERTIFICATE OF TRUSTEE

The undersigned hereby states and certifies:

1. The undersigned is an authorized officer of Deutsche Bank National Trust Company, a national banking association organized under the laws of the United States of America, acting as trustee (the "Trustee") under the Master Indenture, dated as of October 1, 2012 (the "Master Indenture"), by and between the Trustee and the San Bernardino Associated Governments ("SANBAG") and the Supplemental Indenture, dated as of _____, 20__ (the "Supplemental Indenture"), by and between the Trustee and SANBAG related to the above referenced San Bernardino Associated Governments Limited Obligation Improvement Bond (SANBAG HERO Program) (First Residential Property Tranche);

2. the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Master Indenture and the Supplemental Indentures and to authenticate and deliver the Bond to _____ (the "Original Purchaser"), as the purchaser thereof, pursuant to the Master Indenture, the Supplemental Indenture and the Master Bond Purchase Agreement made and entered on October 2, 2013, by and between SANBAG and Samas Capital, LLC;

3. the Trustee is duly authorized to enter into the Master Indenture and the Supplemental Indenture and to authenticate and deliver the Bond to the Original Purchaser pursuant to the terms of the Master Indenture and the Supplemental Indenture, and has duly executed and delivered the Master Indenture and the Supplemental Indenture;

4. the Trustee is duly authorized to accept the obligations created by the Master Indenture and the Supplemental Indenture and to authenticate the Bond pursuant to the terms of the Master Indenture and the Supplemental Indenture;

5. pursuant to the Master Indenture and the Supplemental Indenture, the Trustee will apply the proceeds from the Bond to the purposes specified in the Master Indenture and the Supplemental Indenture;

6. no consent, approval, authorization or other action by any governmental or regulatory agency having jurisdiction over the Trustee known to the Trustee that has not been obtained by the Trustee is or will be required for the authentication and delivery of the Bond or the consummation by the Trustee of the other transactions contemplated by the Master Indenture and the Supplemental Indenture;

7. to the best knowledge of the Trustee, the execution and delivery by the Trustee of the Master Indenture and the Supplemental Indenture and compliance with the terms thereof by the Trustee, and authentication and delivery of the Bond will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any Federal or state securities or blue sky laws or regulations), or (except with respect to the lien of the Master Indenture and the Supplemental Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee;

8. there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best knowledge of the Trustee, threatened in any way affecting the existence of the Trustee, or seeking to restrain or to enjoin the execution and delivery of the Master Indenture or the Supplemental Indenture, or the authentication of the Bond by the Trustee, or in any way contesting or affecting the validity or enforceability, as against the Trustee, of the Master Indenture or the Supplemental Indenture or any action of the Trustee contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Trustee to perform its obligations under the Master Indenture or the Supplemental Indenture; and

9. the Trustee has duly authenticated the Bond pursuant to the Master Indenture and the applicable Supplemental Indenture and delivered the Bond to or upon the order of the Original Purchaser.

DATED:

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By: _____
Authorized Officer

EXHIBIT F

INVESTOR LETTER

_____, 2013

San Bernardino Associated Governments
1170 W. 3rd Street, 2nd Floor
San Bernardino, California 92410
Attention: Executive Director

Deutsche Bank National Trust Company
c/o DB Services Americas, Inc.
5022 Gate Parkway, Suite 200
Jacksonville, Florida 32256
Attention: Transfer Unit

Re: \$ _____
San Bernardino Associated Governments
Limited Obligation Improvement Bond
(SANBAG HERO Program)
(First Commercial Property Tranche)
Series No. _____

Ladies and Gentlemen:

The undersigned (the "Investor") proposes to purchase the above referenced limited obligation improvement bond (the "Bond") from the San Bernardino Associated Governments ("SANBAG"). Capitalized terms used in this Investor Letter and not otherwise defined herein shall have the meanings ascribed to such terms in the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between SANBAG and Deutsche Bank National Trust Company, as trustee (the "Trustee")

In connection with the sale of the Bond to the Investor, the Investor hereby makes the following representations upon which you may rely:

I. The Investor has authority to purchase the Bond and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bond.

2. The Investor is an "accredited investor" under Regulation D of the Securities Act of 1933 and therefore, has sufficient knowledge and experience in financial and business matters,

including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bond.

3. The Bond is being acquired by the Investor for investment and not for more than one account or with a view to distribution of the Bond except as provided for in paragraph 8 below. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bond is not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bond (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

5. The Investor understands that (a) the Bond is not secured by any pledge of any moneys received or to be received from taxation by the State of California or any political subdivision thereof and that SANBAG has no taxing power, (b) the Bond does not and will not represent or constitute a general obligation or a pledge of the faith and credit of SANBAG, the State of California or any political subdivision thereof; and (c) the liability of SANBAG with respect to each Bond is limited to first priority perfected security interest granted in the applicable Assessment and all other Collateral securing such Bond and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account, the Assessment Collection Account and the Prepayment Account therein) are derived from the issuance of the Bond, the installments of such Assessments or from the prepayment of such Assessment received by SANBAG as set forth in the Indenture.

6. The Investor acknowledges that it has either been supplied with or been given access to such information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning SANBAG, the Program, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture, the Bond and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bond.

7. The Investor has made its own inquiry and analysis with respect to the Bond and the security therefor, and other material factors affecting the security and payment of the Bond. The Investor, with assistance of counsel, has reviewed the Bond, the Master Indenture and the Supplemental Indenture. The Investor acknowledges, consents and agrees to all terms of such documents.

8. The Investor acknowledges that it has the right to sell and transfer the Bond, in accordance with the terms of the Master Indenture and the Supplemental Indenture, subject to the delivery to the Trustee of a letter from the transferee in the form attached to the Master Indenture as Exhibit C, with no material revisions except as may be approved in writing by SANBAG. Failure to deliver such letter shall cause the purported transfer to be null and void.

9. The Investor understands that neither the members, directors, officers, employees or agents of the SANBAG, nor any person executing the Bond, the Master Indenture or the Supplemental Indenture, shall be subject to any personal liability or accountability by reason of or in connection with the issuance, offering, execution and delivery of the Bond.

10. The Investor has obtained what it considers adequate information regarding SANBAG, the Program, the Assessment Contracts, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture and the Bond to make an informed investment decision to purchase the Bond. Except as set forth in the Indenture, the Investor acknowledges that SANBAG and its agents, representatives and attorneys are under no duty to provide, and the Investor acknowledges that it is not entitled to receive, (i) any additional information regarding SANBAG, the Program, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture or the Bond or (ii) an update to the information previously provided by such persons to the Investor; provided, however, that such acknowledgement does not extend to information provided by SANBAG, its agents, representatives and/or attorneys that would have the effect of correcting (a) any untrue statement of a material fact made in the Bond, the Master Indenture or the Supplemental Indenture or in any of the other information provided to the Investor by SANBAG or its agents, representatives or attorneys or (b) any omission of a material fact necessary to make a statement made in such documents not misleading in light of the circumstances under which it was made.

Very truly yours,

[Insert] _____

By: _____

Name:

Title:

EXHIBIT G

RECEIPT FOR BOND

\$ _____
SAN BERNARDINO ASSOCIATED GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BOND
(SANBAG HERO Program)
(First Commercial Property Tranche)
Series No. _____

RECEIPT FOR BOND

Receipt is hereby acknowledged of the above-captioned limited obligation improvement bond (the "Bond") by _____ (the "Purchaser"), as the original purchaser of the Bond.

The undersigned hereby states and certifies on behalf of the Purchaser that the Purchaser has received on this date from Deutsche Bank National Trust Company, as Trustee (the "Trustee"), under the Master Indenture, dated as of October 1, 2013 (the "Master Indenture"), by and between the Trustee and the San Bernardino Associated Governments ("SANBAG"), as supplemented by the Supplemental Indenture, dated as of _____, 20__ (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), by and between the Trustee and SANBAG, the Bond, as authenticated and delivered by the Fiscal Agent pursuant to the Indenture.

The undersigned further states and certifies that all certificates, opinions and agreements requested by the Purchaser under the Master Bond Purchase Agreement, dated October 2, 2013 (the "Purchase Agreement"), between the Samas Capital, LLC and SANBAG, have been delivered and that all conditions precedent for the Purchaser to accept delivery of the Bond under the Purchase Agreement have been met or waived.

Dated:

By: _____
Authorized Signatory



- 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: 32

Date: October 2, 2013

Subject: Amendment No. 1 to Contract No. C14004 – E Street Storm Drain

Recommendation: Approve Amendment No. 1 to Contract No. C14004 with GRFCO, Inc. for the E Street Storm Drain project to revise the insurance requirements.

Background: The San Bernardino Associated Governments (SANBAG) Board of Directors approved Contract No. C14004 - E Street Storm Drain to GRFCO, Inc. (GRFCO) at its regularly scheduled meeting September 4, 2013. In reviewing insurance compliance, SANBAG's Risk Management Company, Keenan & Associates (Keenan), identified that the insurance verification provided by the vendor was noncompliant with the contractual requirement. The contract requires that the vendor provide evidence of Builder's Risk liability coverage that provides liability coverage in the event of a catastrophic occurrence causing damage and loss during the construction phase of the project.

After submitting a request to the vendor for the Builder's Risk liability coverage GRFCO's insurance carrier expressed concern with the requirement of Builder's Risk coverage for the project. This type of project does not require vertical construction of a building or of property. The carrier suggested more appropriate liability coverage for a storm drain installation project would be Installation Floater coverage that is included as part of the general liability coverage for the installation of equipment or pipe in this circumstance.

*Approved
 Board of Directors*

Date: _____

Moved: _____ *Second:* _____

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

Witnessed: _____

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

Check all that apply.

BRD1310a-maa

Attachment: <http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14004%20-%20Amendment%20No.%201.doc>

After providing Keenan with a copy of the contract, a copy of the insurance certificate, and a phone discussion with the GRFCO's insurance carrier, Keenan agreed that Installation Floater coverage would be more appropriate for this type of project and would provide the liability insurance coverage that is in the best interest of SANBAG.

Staff is recommending an Amendment to Contract No. C14004 to accept the Installation Floater coverage in lieu of the Builder's Risk insurance.

Financial Impact: This item has no financial impact.

Reviewed By: This item has not received prior policy committee review. This item has been reviewed and approved by SANBAG's Contract Administrator and General Counsel.

Responsible Staff: Mitch Alderman, Director of Rail & Transit Programs

CONTRACT SUMMARY SHEET

Contract No. C 14004 Amendment No. 1

By and Between

San Bernardino Associated Governments (SANBAG) and GRFCO, Inc.

Contract Description Construction of a 36 inch storm drain on E Street in San Bernardino

Board of Director's Meeting Date: October 2, 2013	
Overview of BOD Action: Approve Contract C14004	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

CONTRACT OVERVIEW			
Original Contract Amount	\$	354,300	Original Contingency Amount
			\$ 0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>
			\$ 0
Current Amendment Amount	\$		Contingency Amendment
			\$ 0
TOTAL CONTRACT VALUE	\$	354,300	TOTAL CONTINGENCY VALUE
			\$ 35,430
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$ 389,730

Contract Start Date 8/15/2013	Current Contract Expiration Date 12/31/2013	Revised Contract Expiration Date
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION				
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task N0. 0311.				
<input type="checkbox"/> A Budget Amendment is required.				
How are we funding current FY? Omnitrans Contract C12117				
<input checked="" type="checkbox"/> Federal Funds	<input checked="" type="checkbox"/> State Funds	<input checked="" type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input type="checkbox"/> Measure I Funds
Provide Brief Overview of the Overall Funding for the duration of the Contract: 6012 (Transit Center Project Fund)				
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable				

CONTRACT MANAGEMENT INFORMATION
Check all applicable boxes:
<input type="checkbox"/> Retention? If yes, indicate % _____.
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %

Casey Dailey	
Project Manager (Print Name) Mitch Alderman	Signature Date
Task Manager (Print Name) Andrea Zureick	Signature Date
Dir. of Fund Admin. & Programming (Print Name) Jeffery Hill	Signature Date
Contract Administrator (Print Name)	Signature Date
Bill Stawarski	
Chief Financial Officer (Print Name)	Signature Date

AMENDMENT NO. 1
TO
CONTRACT NO. C14004
BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AND
GRFCO INC.

This AMENDMENT No. 1 to Contract No. C14004 (this "Amendment") is made by and between GRFCO Inc. (hereafter called Contractor) and the San Bernardino County Transportation Authority (hereafter called SANBAG):

RECITALS:

- A. **WHEREAS**, SANBAG, under Contract No. C14004, has engaged the services of CONTRACTOR to preform construction of the E Street Strom Drain Project; and
- B. **WHEREAS**, SANBAG and CONTRACTOR desire to amend the aforesaid contract to revise the insurance requirements.

NOW THEREFORE, the PARTIES hereto do mutually agree to amend Contract No. C14004 as follows:

1. Delete paragraph 17.7 Builder's Risk Insurance of Article 17 "Insurance", in its entirety and replace with the following:

Builder's Risk/Insurance Floater – During the term of this contract, Contractor shall maintain in force, at its own expense, Builder's Risk / Installation Floater covering contractor's labor, materials and equipment to be used for completion of the work performed under this contract against all risks of direct physical loss, excluding earthquake and flood, for an amount equal to the full amount of the contract improvements.
2. The Contract is incorporated into this Amendment.
3. Except as amended by this Amendment, all other provisions of the Contract shall remain in full force and effect.
4. This Amendment No. 1 is effective on the date executed by SANBAG.

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 1 below.

GRFCO INC.

By: _____

Date: _____

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
W.E. Jahn, President
SANBAG Board of Directors

Date: _____

APPROVED AS TO FORM:

By: _____
Eileen Monaghan Teichert
General Counsel

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator

**AGENCY
REPORTS**



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

September 11, 2013

**Members of the
Governing Board:**

Chairman
Dr. William A. Burke
Speaker of the Assembly
Appointee

Vice Chairman
Dennis R. Yates
Mayor, Chino
Cities of San Bernardino County

Michael D. Antonovich
Supervisor, Fifth District
County of Los Angeles

Ben Benoit
Councilmember, Wildomar
Cities of Riverside County

John J. Benoit
Supervisor, Fourth District
County of Riverside

Joe Buscaino
Councilmember, 15th District
City of Los Angeles

Michael A. Cacciotti
Councilmember, South Pasadena
Cities of Los Angeles County/
Eastern Region

Josie Gonzales
Supervisor, Fifth District
County of San Bernardino

Joseph K. Lyou, Ph.D.
Governor's Appointee

Judith Mitchell
Mayor Pro Tem, Rolling Hills Estates
Cities of Los Angeles County/
Western Region

Shawn Nelson
Supervisor, Fourth District
County of Orange

Dr. Clark E. Parker, Sr.
Senate Rules Appointee

Miguel A. Pulido
Mayor, Santa Ana
Cities of Orange County

To: Mayors and Councilmembers

From: Dennis R. Yates
Mayor, City of Chino
Vice Chairman, South Coast AQMD Governing Board /
Representative, Cities of San Bernardino County

Attached are the agenda items and outcomes of the September 6, 2013 SCAQMD Governing Board meeting, and a preview of item(s) for discussion at the October 4, 2013 meeting.

PUBLIC HEARING ITEMS AT SEPTEMBER 6 BOARD MEETING:

Adopt Proposed Rule 1304.1 - Electrical Generating Facility Annual Fee for Use of Offset Exemption

Proposed Rule 1304.1 sets a fee for Electric Generating Facilities electing to meet their emissions offset obligations for boiler replacement projects by using offsets provided by the District pursuant to Rule 1304(a)(2). The fee proceeds will be invested in air pollution improvement strategies consistent with the Air Quality Management Plan goals. The Proposed Rule does not apply to facilities that meet their emissions offset obligations through privately held Emission Reduction Credits. This action is to adopt the resolution: 1) Certifying the Final Environmental Assessment for Proposed Rule 1304.1 - Electrical Generating Facility Fee for Use of Offset Exemptions; and 2) Adopting Proposed Rule 1304.1 - Electrical Generating Facility Fee for Use of Offset Exemptions.

Vote: 10 Yes; 1 No; 1 Abstain; 1 Absent

Amend Rule 314 - Fees for Architectural Coatings

Amendments are being proposed to clarify certain reporting requirements. The staff proposal includes exempting small manufacturers and certain coatings from fees, removing the ability to use "grouping" in the reporting, clarifying existing definitions and reporting requirements, and removing outdated phased-in fee rates. This action is to adopt the resolution:

1) Certifying the Notice of Exemption for Proposed Amended Rule 314 – Fees for Architectural Coatings; and 2) Amending Rule 314 – Fees for Architectural Coatings.

Vote: 12 Yes; 0 No; 0 Abstain; 1 Absent

Amend Rule 1113 - Architectural Coatings

Amendments are being proposed to provide relief to coating manufacturers from certain rule requirements. The staff proposal includes exempting small coating containers with a capacity of two ounces or less from labeling requirements, clarifying rule intent, and removing outdated language. This action is to adopt the resolution: 1) Certifying the Notice of Exemption for Proposed Amended Rule 1113 – Architectural Coatings; and 2) Amending Rule 1113 – Architectural Coatings.

Vote: 12 Yes; 0 No; 0 Abstain; 1 Absent

PUBLIC HEARINGS TENTATIVELY SET FOR OCTOBER BOARD MEETING:

No Public Hearing items are currently scheduled.

c:/Docs/Remarks/Yates/Yates_090613 newsltr



REPORT: Mobile Source Air Pollution Reduction Review Committee

FROM: Larry McCallon, SANBAG Representative to the MSRC

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on August 15, 2013. The MSRC's next meeting is scheduled for Thursday, September 19, 2013, at 2:00 p.m. in Conference Room CC8.

Meeting Minutes Approved

The MSRC unanimously approved the minutes from its June 20, 2013 meeting.

Award to Implement Event Center Transportation Programs

As part of their FYs 2012-14 Work Program, the MSRC allocated \$4 million towards the implementation of programs to provide transportation service for venues not currently served by sufficient transportation service. Four awards were previously approved under this program, which has an open application period from March 1, 2013 through September 30, 2014. In June 2013, the MSRC considered an application from Transit Systems Unlimited for \$1.4 million in MSRC funding to implement expanded transportation services between four existing shuttle lots and the Hollywood Bowl. Due to three significant areas of concern with the application, the MSRC took no action but instead referred the applicant back to staff for guidance and direction and suggested they submit a revised application. Subsequently, Transit Systems Unlimited submitted a revised application requesting \$515,200 to implement higher-frequency shuttle service for the 2014 and 2015 Hollywood Bowl seasons, specifically expanding the service at four existing shuttle lots. At its August 15, 2013 meeting, the MSRC unanimously approved the application awarding \$515,200 to Transit Systems Unlimited, contingent upon 1) providing documentation that the CNG buses to be used for the service would have emission levels of less than or equal to 2006 Cummins LG-320 CNG engines; 2) submittal of a marketing and outreach plan, including ways to increase patron use of public transportation to access the shuttle service; 3) monitoring and reporting on the number of patrons using the service, including comparisons to previous years, and on patrons' origins and transportation mode used to access the service; and 4) a technology

assessment after the 2014 season to determine whether MSRC funding would continue for the 2015 season. The SCAQMD Board will consider this award at its September 6, 2013 meeting.

Option Exercised to Extend Programmatic Outreach Contract

The MSRC retains a contractor to continue and enhance public awareness of the MSRC by highlighting its mission, achievements, and the funding opportunities the MSRC has available. Following an open RFP process in 2011, The Better World Group was awarded \$98,418 for programmatic outreach services for two years. The contract included an option clause for another two-year contract term extension, which established a pre-set funding amount for the option at \$98,418, to be executed at the MSRC's discretion and subject to funding approval by the SCAQMD Board. The MSRC's Administrative Subcommittee evaluated the performance of The Better World Group and unanimously recommended exercising the option, including carrying over any unexpended funds remaining on the initial two-year contract. At its August 15, 2013 meeting, the MSRC unanimously approved exercising the option and adding an additional \$98,418 to fund the services for an additional two years as part of the FYs 2012-14 Work Program. The SCAQMD Board will consider this award at its September 6, 2013 meeting.

Issue Solicitations to Implement the FYs 2012-14 Work Program

Earlier in the year the MSRC established categories and funding targets to implement a two-year work program for FYs 2012-14. At its August 15, 2013 meeting, the MSRC unanimously approved the release of three solicitations to begin implementing some of the categories of the FYs 2012-14 Work Program, as follows:

1. Local Government Match Program Announcement #PA2014-04 - provides \$11 million in funding for: a) installation of alternative fuel infrastructure, including both new and expanded stations as well as upgrades of existing vehicle maintenance facilities, up to a maximum amount per project of \$500,000; b) the purchase of medium- and heavy-duty alternative fuel vehicles up to \$10,000 per vehicle and \$30,000 per vehicle, respectively; c) installation of electric vehicle charging infrastructure up to a maximum of \$500,000 per entity; d) implementation of regional street sweeping programs in the Coachella Valley up to a maximum of \$250,000 per entity; and e) bicycle infrastructure and related projects up to a maximum of \$500,000 per entity. The PA's open application period commences October 15, 2013 through February 28, 2014.
2. Alternative Fuel Infrastructure Program Announcement #PA2014-05 – provides \$7.5 million in funding on a first-come, first-served basis for new and expanded alternative fuel stations as well as the upgrade of existing vehicle maintenance facilities up to a 50 percent cost-share of eligible costs with a maximum per project ranging from \$100,000 to \$325,000 depending upon whether the applicant

is a public or private entity, accessibility level of the proposed project, the number of fuels offered, and whether the natural gas used is produced from a renewable source. The PA's open application period commences with its release through September 26, 2014.

3. Alternative Fuel School Bus Program Request for Qualifications #Q2014-03 – seeks qualified vendors to offer a buydown incentive for qualifying natural gas or liquefied petroleum gas school buses with incentives ranging from \$9,000 to \$31,000 per bus depending on vehicle type. The RFQ's open application period commences with its release through November 8, 2013.

The SCAQMD Board will consider issuance of the above three solicitations at its September 6, 2013 meeting.

Contract Modification Requests

The MSRC considered three contract modification requests and took the following actions:

1. For Nationwide Environmental Services Contract #MS10006, which provides \$94,887 towards the purchase of three CNG street sweepers, approval of a one-year, no-cost contract term extension;
2. For Ware Disposal Contract #MS12034, which provides \$195,000 towards the purchase of two medium-duty and seven medium-heavy duty Isuzu NPR gas trucks, approval to substitute two medium-duty vehicles originally awarded for one medium-heavy duty vehicle instead, including a corresponding reduction in the contract value; and
3. For (pending) City of La Puente Contract #ML12022, which currently would provide \$110,000 for the purchase of five medium-duty and two medium-heavy duty natural gas vehicles, approval to substitute three of the medium-duty vehicles originally awarded for one medium-heavy duty vehicle instead.

The SCAQMD Board will consider the above contract modifications for Ware Disposal and City of La Puente at its September 6, 2013 meeting.

Received and Approved Final Reports

The MSRC received and approved four final report summaries this month, as follows:

1. Fox Transportation Contract #MS12032, which provided \$500,000 towards the purchase of 20 medium-heavy duty vehicles;
2. Krisda Inc. Contract #MS11052, which provided \$120,000 to repower heavy-duty on-road vehicles;

3. Krisda Inc. Contact #MS12058, which provided \$25,000 to repower one heavy-duty on-road vehicle; and
4. Community Action Partnership of Orange County Contract #MS12029, which provided \$25,000 towards the purchase of one medium-heavy duty on-road vehicle.

A two-page summary of each closed project can be viewed in the electronic library on the MSRC's website at www.CleanTransportationFunding.org.

Contracts Administrator's Report

The MSRC's AB 2766 Contracts Administrator provides a written status report on all open contracts from FY 2004-05 through the present.

**ADDITIONAL
INFORMATION**

APPOINTING/ELECTING AUTHORITY	REGIONAL COUNCIL (12:00 noon)	POLICY COMMITTEES (Regional Council Members Serve on One Each) (Subregional Appointments) (County Commissions Appoint One to TC) (10:00 a.m.)		
		Community, Economic, and Human Development	Energy and Environment	Transportation
District 6 (Grand Terrace, Colton, Loma Linda, Redlands, Yucaipa)	J. Harrison	J. Harrison	D, Robertson	P. Eaton
District 7 (San Bernardino, Highland)	L. McCallon	L. McCallon	E. Graham	R. McEachron
District 8 (Rialto, Fontana)	D. Robertson	B. Jahn		G. Ovit
District 9 (Rancho Cucamonga, Upland, Montclair)	P. Eaton			A. Wapner
District 10 (Chino, Chino Hills, Ontario)	E. Graham			Vacant (R. McEachron)
District 11 (Barstow, Big Bear, Needles, Twentynine Palms, Yucca Valley)	B. Jahn			B. Stanton
District 65 (Adelanto, Apple Valley, Hesperia, Victorville)	R. McEachron			
San Bernardino County	G. Ovit			
†SANBAG Acting as County Transportation Commission	A. Wapner			
SANBAG Subregional Appointees*		Julie McIntyre	Diane Williams	Vacant (R. McEachron)
*One appointee to each policy committee for a total of three appointees per subregion, plus one additional appointee for every SCAG District over three in the subregion. SANBAG has a total of seven subregional appointees to the policy committees.		Ray Musser	Vacant (James Ramos)	
		Ed Paget		

Rules of Appointment

1. SANBAG policy stipulates that all SANBAG appointees be SANBAG Board Members.
2. SCAG President appoints Regional Council members to Standing and Policy Committees.

Terms of Appointment

Terms of appointment are two years, commencing on adjournment of the annual General Assembly in May of each year. Even-numbered District representatives' terms expire in even-numbered years; odd-numbered District representatives expire in odd-numbered years. †SANBAG's Regional Council Representative serves a two-year term from the date of appointment.

Stipend Summary

SCAG Regional Council members receive a \$120 stipend for attendance and travel to SCAG sponsored meetings. Regional Council members may also receive reimbursement for public transit expenses or a mileage reimbursement. Parking is validated at SCAG's downtown Los Angeles office for RC members. RC members are eligible to receive up to six (6) per diem stipends per month. Both RC members and Subregional Appointees, if eligible, may receive reimbursement (\$150 + taxes) for lodging (please review SCAG rules before making expenditure). Subregional Appointees shall receive a \$120 stipend for up to four Policy or Task Force meetings per month.

Meeting Information

The regular meetings of SCAG Regional Council and Policy Committees are on the 1st Thursday of each month at the SCAG offices located at 818 West 7th Street, 12th Floor in Los Angeles. Generally, the Policy Committee meetings start at 10 AM and Regional Council meetings start at 12:15 PM.

Policy Committees

Community, Economic, and Human Development: Provides policy recommendations to the Regional Council on subjects of housing, land use, resource, economic, community development, infrastructure, employment, and regional disaster preparedness issues. Reviews and recommends to the Planning Committee revisions to the Housing, Economy, Growth Management, Human Resources, and Finance Chapters of the Regional Comprehensive Plan and Guide.

Energy and Environment: Acts as the policy advisory committee to the Regional Council on environmental issues, including air and water, hazardous, solid waste management, natural resources conservation, and energy conservation. Reviews the Environmental Impact Report of the Regional Comprehensive Plan and Guide. Provides recommendations to the Planning Committee on state and federal legislative proposals and administrative guidelines affecting environmental quality, resource conservation.

Transportation and Communications: Acts as the policy advisory committee to the Regional Council on all regional matters pertaining to the movement of goods and people on land, water, and air. Reviews and recommends to the Regional Council all major utility development plans. Addresses the location, size, or capacity, timing, and impact of facilities.

SANBAG Ad Hoc Committees

COMMITTEE	PURPOSE	MEMBERSHIP
<p>Audit Subcommittee of the General Policy Committee In November 2008, the Board approved the creation of an Audit Subcommittee of the General Policy Committee to strengthen the financial oversight function of the Board. Additional SANBAG Board Members may be appointed annually at the discretion of the Board President.</p>	<p>The responsibilities of the Audit Subcommittee shall be to:</p> <ul style="list-style-type: none"> • Provide a direct contact between the independent auditor and the Board of Directors before, during and after the annual audit. • Work with the auditor and SANBAG staff on reviewing and implementing practices and controls identified in the annual audit. 	<p>Audit Subcommittee (for FY 2012-2013 Audit) - SANBAG President – Bill Jahn, Big Bear Lake - Vice President – L. Dennis Michael, Rancho Cucamonga - Immediate Past President – Janice Rutherford, Supervisor - Presidential Appointment – Walt Stanckiewicz, Grand Terrace</p>
<p>Ad Hoc Committee on Litigation with San Bernardino County Flood Control District In January 2007, the SANBAG President was authorized to appoint an ad hoc review committee of SANBAG Board Members who do not represent local jurisdictions party to the San Bernardino County Flood Control District vs. SANBAG litigation relative to the Colonies Development. In April 2008, the role of this committee was expanded to include the Cactus Basin litigation.</p>	<p>Review and provide guidance on litigation with San Bernardino County Flood Control District regarding the Colonies Development and the Cactus Basin in Rialto.</p>	<p>Pat Morris, San Bernardino, Chair Larry McCallon, Highland Richard Riddell, Yucaipa</p>
<p>Bylaws In July 2012, the SANBAG Board President appointed this ad hoc committee to review SANBAG's bylaws and recommend changes to modernize SANBAG's governance document.</p>	<p>Review SANBAG's bylaws and make recommendations to the Board on any necessary changes.</p>	<p>Rhodes "Dusty" Rigsby, Loma Linda - Chair Mike Leonard, Hesperia Larry McCallon, Highland Pat Morris, San Bernardino</p>
<p>Budget Process In July 2012, the SANBAG Board President appointed this ad hoc committee to review SANBAG's budget preparation process and final budget document and make recommendations to help improve communication and transparency of SANBAG's budget to elected officials and the general public.</p>	<p>Review SANBAG's budget adoption process and final budget document and make recommendations on changes to improve the process and the final budget document to make them more useful and informative to Board Members and the public.</p>	<p>Ray Musser, Upland – Chair Mike Podegracz, P.E. – City Manager, City of Hesperia Sam Racadio – Council Member, City of Highland Kevin Ryan - Principal Transportation Planner, City of Fontana</p>
<p>Contracting Process In July 2012, the SANBAG Board President appointed this ad hoc committee to strengthen SANBAG's procurement policies and procedures.</p>	<p>Review SANBAG's contracting policies and procedures and make recommendations to improve them.</p>	<p>Michael Tahan, Fontana - Chair Robert Lovingood, Supervisor Julie McIntyre, Barstow Walt Stanckiewicz, Grand Terrace Alan Wapner, Ontario Dennis Yates, Chino</p>

SANBAG Ad Hoc Committees

COMMITTEE	PURPOSE	MEMBERSHIP
<p>Legislative In March 2013, the SANBAG Board President appointed this ad hoc committee. This committee will consist of the SANBAG Board Officers.</p>	<p>Review proposed legislation at the state and federal level. Provide direction to staff on positions consistent with the Board-adopted legislative platform.</p>	<p>President – Bill Jahn, City of Big Bear Lake Vice President – L. Dennis Michael, Rancho Cucamonga Immediate Past President – Janice Rutherford, Supervisor</p>
<p>Right of Way In February 2013, the SANBAG Board President appointed this ad hoc committee.</p>	<p>Review Right of Way policies and make recommendations on changes and signature authority limits.</p>	<p>Curt Emick, Apple Valley James Ramos, Supervisor Deborah Robertson, Rialto Michael Tahan, Fontana</p>
<p>Transit Review Ad Hoc Committee In July 2013, the SANBAG Board President appointed this ad hoc committee.</p>	<p>Review transit agency efficiencies and maximize transit funding.</p>	<p>Janice Rutherford, Supervisor – Chair Jim Harris, Twentynine Palms Robert Lovingood, Supervisor Ryan McEachron, Victorville L. Dennis Michael, Rancho Cucamonga Dusty Rigsby, Loma Linda Alan Wapner, Ontario</p>

SANBAG Technical Advisory Committees

COMMITTEE	PURPOSE	MEETING SCHEDULE
<p>Transportation Technical Advisory Committee (TTAC) Committee membership consists of a primary staff representative of each SANBAG member agency designated by the City Manager or County Administrative Officer.</p>	<p>SANBAG's Transportation Technical Advisory Committee was formed by SANBAG management to provide input to SANBAG staff on technical transportation-related matters and formulation of transportation-related policy recommendations to the SANBAG Board of Directors. The TTAC is not a Brown Act committee.</p>	<p>Generally meets on the first Monday of each month at 1:30 PM, at SANBAG.</p>
<p>City/County Manager's Technical Advisory Committee (CCM TAC) The committee is made up of up to two representatives of the County Administrator's Office and the city manager or administrator from each city and town in the County.</p>	<p>SANBAG's City/County Manager's Technical Advisory Committee was established in the Joint Powers Authority that established SANBAG. The primary role of the committee is to provide a forum for the chief executives of SANBAG's member agencies to become informed about and discuss issues facing SANBAG. It also provides a forum for the discussion of items of mutual concern and a way to cooperate regionally in addressing those concerns. The CCM TAC is a Brown Act Committee.</p>	<p>Meets on the first Thursday of each month at 10:00 AM, at SANBAG.</p>
<p>Public and Specialized Transportation Advisory and Coordinating Council (PASTACC) Membership consists of 13 members appointed by the SANBAG Board of Directors 6 representing Public Transit Providers 1 representing County Dept. of Public Works Agency 5 representing Social Service Providers</p>	<p>Subject to the Transportation Development Act (TDA) Section 99238 - establishes PASTACC's statutory responsibilities: (1) Review and make recommendations to SANBAG on annual Unmet Transit Needs, Federal Transit Administration and Measure I Program applications and reports. (2) Assist SANBAG in developing public outreach approach on updating the Coordinated Public Transit/Human Services Transportation Plan and disseminate information in reference to State law and recommendations as they relate to transit and specialized transit. (3) Monitor and make recommendations on Federal regulatory processes as they relate to transit and specialized transit. (4) Address any special issues of PASTACC voting and non-voting members. The PASTACC is a Brown Act committee.</p>	<p>Meets the second Tuesday every other even month at 10:00 AM, at SANBAG.</p>
<p>Planning and Development Technical Forum (PDTF) Committee membership consists of a primary staff representative of each SANBAG member agency designated by the City Manager or County Chief Executive Officer.</p>	<p>The SANBAG Planning and Development Technical Forum was formed by SANBAG management to provide an opportunity for interaction among planning and development representatives of member agencies on planning issues of multijurisdictional importance. The PDTF is not a Brown Act Committee.</p>	<p>Meets the 4th Wednesday of each month at 2:00 p.m. at the Depot (in the SCAG Office).</p>

SANBAG Technical Advisory Committees

COMMITTEE	PURPOSE	MEETING SCHEDULE
<p>Project Development Teams</p>	<p>Project Development Teams (PDTs) are assembled for all major project development activities by SANBAG staff. Teams are generally composed of technical representatives from SANBAG, member jurisdictions appropriate to the project, Caltrans, and other major stakeholder entities that have significant involvement in the project. PDTs make recommendations related to approaches to project development, evaluation of alternatives, and technical solutions. PDTs meet on a regular basis throughout the project phase to review progress and to provide technical input required for project development. The PDTs are not Brown Act Committees.</p>	<p>Varies with the PDT, at SANBAG.</p>

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

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
S RTP	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