



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Committee Members**

Michael Hennessey, Chairman  
Steve Jones, Vice Chairman  
Katrina Foley  
Brian Goodell  
Patrick Harper  
Gene Hernandez  
Joe Muller

Orange County Transportation Authority  
Headquarters  
Conference Room 07  
550 South Main Street  
Orange, California  
**Wednesday, July 28, 2021 at 10:30 a.m.**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Guidance for Public Access to the Board of Directors/Committee Meeting**

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the OCTA Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



**Guidance for Public Access to the Board of Directors/Committee Meeting (Continued)**

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to [ClerkOffice@octa.net](mailto:ClerkOffice@octa.net).

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **90 minutes prior to the start time of the Board and Committee meeting date.**

**Call to Order**

**Pledge of Allegiance**

Director Hernandez

**1. Public Comments**

**Special Calendar**

There are no Special Calendar matters.

**Consent Calendar (Items 2 through 10)**

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

**2. Approval of Minutes - June 23, 2021**

Approval of the minutes of the Finance and Administration Committee meeting of June 23, 2021.

**3. Approval of Minutes - July 14, 2021**

Approval of the minutes of the Finance and Administration Committee meeting of July 14, 2021.



**4. Fiscal Year 2020-21 Internal Audit Plan, Fourth Quarter Update**  
Janet Sutter

**Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan on July 27, 2020. This update is for the fourth quarter of the fiscal year.

**Recommendation**

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.

**5. Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan**  
Janet Sutter

**Overview**

At the direction of the Orange County Transportation Authority Board of Directors, the Internal Audit Department develops and implements an annual risk-based internal audit plan. Implementation of an annual internal audit plan assists management in evaluating the effectiveness and efficiency of projects, programs, and operations, while ensuring that adequate controls and safeguards are in place to protect the Orange County Transportation Authority's assets and resources.

**Recommendations**

- A. Approve the Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan.
- B. Direct the Executive Director of the Internal Audit Department to provide quarterly updates on the Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan.



**6. Orange County Transportation Authority, Proposition 1B Bond Program, Project Number P2500-0008**

Janet Sutter

### Overview

The California Department of Finance has conducted an audit of Proposition 1B funds awarded to the Orange County Transportation Authority for the Lakeview Avenue Grade Separation, Brookhurst Street Improvements, La Pata Avenue Phase 1, and Laguna Niguel to San Juan Capistrano Passing Siding projects. The audit report found that expenditures were generally in compliance with project agreements and program guidelines; however, four observations were made related to unsupported contract change order expenditures, late submission of final delivery reports, reporting of project benefits/outcomes, and oversight of administering agencies' procurement processes. The results of the audit were transmitted to the California Department of Transportation, which will be responsible for developing a corrective action plan for final disposition of these observations and related recommendations.

### Recommendation

Direct staff to work, as requested with the California Department of Transportation on appropriate disposition of the observations and recommendations identified through the audit conducted by the California Department of Finance related to Proposition 1B projects.

**7. Administrative Controls Related to Conflict of Interest Code and California Form 700 Statement of Economic Interests, Internal Audit Report No. 21-510**

Serena Ng/Janet Sutter

### Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of administrative controls related to the Conflict of Interest Code and California Form 700 Statement of Economic Interests filing process. Based on the audit, internal controls related to coordination of California Form 700 Statement of Economic Interests by designated employees are in place; however, the Internal Audit Department recommended a process be established for evaluation and identification of contractors as designated filers, and improvements be made in the identification and reporting of designated positions and notification of leaving office filing requirements.



**7. (Continued)**

**Recommendation**

Direct staff to implement three recommendations provided in Administrative Controls Related to Conflict of Interest Code and California Form 700 Statement of Economic Interests, Internal Audit Report No. 21-510.

**8. Orange County Transportation Authority Investment and Debt Programs Report - June 2021**

Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending June 30, 2021.

**Recommendation**

Receive and file as an information item.

**9. Fiscal Year 2020-21 Third Quarter Budget Status Report**

Anthony Baruch/Andrew Oftelie

**Overview**

Orange County Transportation Authority staff has implemented the fiscal year 2020-21 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the third quarter of fiscal year 2020-21.

**Recommendation**

Receive and file as an information item.



**10 Fourth Quarter Fiscal Year 2020-21 Procurement Status Report**  
Pia Veesapen/Andrew Oftelie

**Overview**

The fourth quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from April 1 through June 30, 2021, that was approved by the Board of Directors during this period. The fourth quarter procurement status report also projects future procurement activity for the first quarter as identified in the fiscal year 2021-22 budget.

**Recommendation**

Receive and file as an information item.

**Regular Calendar**

**11. Contractor Selection for the Back-Office System and Customer Service Center Operations for the 405 Express Lanes in Orange County**  
Kirk Avila

**Overview**

On June 22, 2020, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals to retain contractor services to provide the back-office system and customer service center operations for the 405 Express Lanes in Orange County. Board of Directors' approval is requested for the selection of a firm to perform the required work.

**Recommendations**

- A. Approve the selection of WSP USA Services Inc., as the firm to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2690 between the Orange County Transportation Authority and WSP USA Services Inc., in the amount of \$110,981,893, to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County, for an initial term up to eight and a half years, with one three-year, and one two-year option terms.



**Discussion Items**

**12. Chief Executive Officer's Report**

**13. Committee Members' Reports**

**14. Closed Session**

There are no Closed Session items scheduled.

**15. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, August 11, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.