OCTA

BOARD AGENDA

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
Board Room - Conference Room 07-08
550 South Main Street
Orange, California
Monday, May 8, 2017 at 9:00 a.m.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the 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

The 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 Board of Directors 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.

Public Comments on Agenda Items

Members of the public may address the Board of Directors regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

Public Availability of Agenda Materials

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

Call to Order

Invocation
Director Davies

Pledge of Allegiance
Director Donchak

OCTA

BOARD AGENDA

Special Calendar

Orange County Local Transportation Authority Special Calendar Matters

1. Draft Southern California Regional Rail Authority Fiscal Year 2017-18 Budget Update
Jennifer Bergener/James G. Beil

Overview

Metrolink staff will present a verbal overview of the draft Southern California Regional Rail Authority's proposed share of operating, rehabilitation, and capital expenses for Metrolink commuter rail service.

Consent Calendar (Items 2 through 14)

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

Orange County Transportation Authority Consent Calendar Matters

2. Approval of Minutes

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of April 24, 2017.

3. 2017 Chief Executive Officer's Initiatives and Action Plan - First Quarter Progress Report
Darrell Johnson

Overview

At the end of each quarter of the calendar year, the Chief Executive Officer discusses the activities and accomplishments from the 2017 Chief Executive Officer's Initiatives and Action Plan with the Board of Directors. This report summarizes the first quarter activities of calendar year 2017 (January through March). The Chief Executive Officer's Initiatives and Action Plan directly support the values, vision, mission, and goals of the Orange County Transportation Authority Strategic Plan and 2017 OCTA Board Strategic Initiatives.

3. (Continued)

Recommendation

Receive and file as an information item.

4. Investment Management Service Contracts, Internal Audit Report No. 17-504
Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department has completed an audit of Investment Management Service Contracts. Based on the audit, contract compliance and invoice review controls are generally adequate; however, several concerns were identified related to the procurement of treasury management software. Also, a recommendation was made to update agreements with investment managers.

Recommendation

Direct staff to implement two recommendations provided in Investment Management Service Contracts, Internal Audit Report No. 17-504.

5. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016
Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department has completed an audit of investments for the period July 1 through December 31, 2016. Based on the audit, the Orange County Transportation Authority complied with its debt, investment, and reporting policies and procedures.

Recommendation

Receive and file Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510, as an information item.

6. Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update
Janet Sutter

Overview

The Orange County Transportation Authority Board of Directors adopted the Fiscal Year 2016-17 Internal Audit Plan on July 25, 2016. This update is for the third quarter of the fiscal year.

Recommendation

Receive and file the third quarter update to the Orange County Transportation Authority Fiscal Year 2016-17 Internal Audit Plan as an information item.

7. Capital Programs Division - Third Quarter Fiscal Year 2016-17 Capital Action Plan Performance Metrics
James G. Beil

Overview

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

Recommendation

Receive and file as an information item.

8. Third Quarter Fiscal Year 2016-17 Procurement Status Report
Virginia Abadessa/Andrew Oftelie

Overview

The third quarter procurement status report summarizes the procurement activity for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1 through March 31, 2017, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2016-17 budget.

8. (Continued)

Recommendation

Receive and file as an information item.

9. Interstate 405 Improvement Project Financing Update
Kirk Avila/Andrew Oftelie

Overview

Over the past year, the Orange County Transportation Authority has been working with its financing team to finalize a funding plan for the Interstate 405 Improvement Project. In January 2017, Notice to Proceed No. 1 was issued to OC 405 Partners to commence the design-build work for the project. Orange County Transportation Authority representatives have been negotiating a Transportation Infrastructure Finance and Innovation Act loan for the project with the Build America Bureau Credit Programs Office. This report provides an update on recent financing activities.

Recommendations

A. Approve the use of a Letter of Credit/Line of Credit supported by Local Transportation Authority sales tax revenues in the principal amount of approximately $900 million plus interest for the funding of the Interstate 405 Improvement Project, if required.

B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-5-3099 between the Orange County Transportation Authority and Nossaman LLP, in the amount of $80,000, for additional bond counsel services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project.

C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-1-3116 between the Orange County Transportation Authority and Sperry Capital, Inc., in the amount of $80,000, for additional financial advisory services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project, and to extend the current agreement term through November 30, 2017, to allow time for the completion of the project-related financings.

10. Capital Programming Policies Update
Adriann Cardoso/Kia Mortazavi

Overview

The Orange County Transportation Authority's Capital Programming Policies provide guidance to Orange County Transportation Authority staff on the use of Measure M2, state, and federal funds. Project-specific funding commitments are recommended based on these policies. Updated funding policies are presented for review and approval.

Recommendation

Approve the updated Capital Programming Policies.

11. Amendment to the Master Plan of Arterial Highways
Carolyn Mamaradlo/Kia Mortazavi

Overview

The Orange County Transportation Authority administers the Master Plan of Arterial Highways, including the review and approval of amendments requested by local agencies. The County of Orange has requested an amendment to the Master Plan of Arterial Highways that is recommended for approval. A status update on active Master Plan of Arterial Highways amendments is also provided for Board of Directors' information.

Recommendations

A. Approve an amendment to the Master Plan of Arterial Highways for the facilities listed below. The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the cities of Irvine, Lake Forest, Orange, and the County of Orange have amended their respective general plans, and have complied with the requirements of the California Environmental Quality Act.

<u>County of Orange</u>

- Reclassify Santiago Canyon Road from east of the State Route 241 northbound off-ramp, to Live Oak Canyon Road, from a primary (four-lane, divided) arterial to a collector (two-lane, undivided) arterial,

11. (Continued)

- Delete the proposed Jeffrey Road extension between State Route 241 and Santiago Canyon Road, and

- Delete the proposed Black Star Canyon Road between Santiago Canyon Road and the Orange/Riverside County line.

  If the originally proposed Master Plan of Arterial Highways amendment is modified as a result of the California Environmental Quality Act and/or general plan amendments processes, the modified Master Plan of Arterial Highways amendment shall be returned to the Orange County Transportation Authority's Board of Directors for consideration.

B. Direct the Executive Director of Planning, or his designee, to file a Notice of Exemption from the California Environmental Quality Act in support of the amendment to the Master Plan of Arterial Highways.

C. Receive and file a status report on the active Master Plan of Arterial Highways amendments.

Orange County Transit District Consent Calendar Matters

12. Agreement for Bus Parking Wheel Stops and Fence Repair at the Anaheim Bus Base
George Olivo/James G. Beil

Overview

The Orange County Transportation Authority's Board of Directors approved bus parking wheel stops and fence repair at the Anaheim Bus Base as part of the Orange County Transportation Authority's Fiscal Year 2016-17 Budget. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1553 between the Orange County Transportation Authority and Creative Home, doing business as CHI Construction, the lowest responsive, responsible bidder, in the amount of $67,425, for bus parking wheel stops and fence repair at the Anaheim Bus Base.

13. Agreement for Hydrogen Gas Detection Upgrades and Ventilation System Modification at the Santa Ana Bus Base
George Olivo/James G. Beil

Overview

The Orange County Transportation Authority's Board of Directors approved hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base as part of the Orange County Transportation Authority's Fiscal Year 2016-17 Budget. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1529 between the Orange County Transportation Authority and Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of $80,405, for hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base.

Orange County Local Transportation Authority Consent Calendar Matters

14. Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark
May Hout/Kia Mortazavi

Overview

Measure M2 requires all local agencies in Orange County to annually satisfy eligibility requirements in order to receive Measure M2 net revenues. Fiscal year 2015-16 expenditure reports and resolutions have been submitted by the local agencies, and reviewed and approved by the Taxpayer Oversight Committee. Recommendations are presented to the Board of Directors for eligibility determination. The Measure M2 Ordinance includes eligibility requirements that local agencies must satisfy in order to receive Measure M2 net revenues, which include a periodic adjustment to the maintenance of effort benchmark. The Board of Directors approved the maintenance of effort benchmark adjustments on April 10, 2017. A correction to the City of San Juan Capistrano's maintenance of effort benchmark is also being presented to the Board of Directors for approval.

14. (Continued)

Recommendations

A. Approve fiscal year 2015-16 expenditure reports and find 35 local agencies eligible to receive Measure M2 revenues for fiscal year 2016-17.

B. Approve the City of San Juan Capistrano's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

15. Interstate 5/El Toro Road Interchange Improvement Project Environmental Phase Update
Niall Barrett/James G. Beil

Overview

On November 22, 2016, the Orange County Transportation Authority entered into a cooperative agreement with the California Department of Transportation to perform environmental phase services for preparation of the project report and environmental document for the Interstate 5/El Toro Road Interchange Improvement Project. Federal authorization for funding has been provided, and the California Department of Transportation is ready to begin environmental phase services.

Recommendation

Receive and file as an information item.

Discussion Items

16. Interstate 405 Improvement Project Update
Jeff Mills/James G. Beil

Overview

Staff will provide an update on the Interstate 405 Improvement Project.

17. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

18. Chief Executive Officer's Report

19. Directors' Reports

20. Closed Session

There are no Closed Session items scheduled.

21. Orange County Transportation Authority Fiscal Year 2017-18 Budget Workshop
Victor Velasquez/Andrew Oftelie

Overview

Review the Fiscal Year 2017-18 Budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors' meeting on May 8, 2017.

22. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, May 22, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.

METROLINK.

Draft Southern California Regional Rail Authority Fiscal Year 2017-18 Budget Update

Key Budget Points

Revenues:

- Projected total of $100.3 million. A decrease of $1.5 million or 1.5 percent from the fiscal year (FY) 2016-17 adopted budget.

Expenditures:

- Projected total of $241.5 million. A decrease of $2.3 million or 0.9 percent from the FY 2016-17 adopted budget.

Operating Subsidy:

- Projected total of $141.2 million. A decrease of $0.8 million or 0.6 percent from the FY 2016-17 adopted budget.

FY 2017-18 Projected Revenues

($000)			
FY 2016-17 Adopted Budget	**$**	**101.8**	
FY 2017-18 Preliminary Budget	**$**	**100.3**	
Projected Year Over Year Change in Revenue	**$**	**(1.5)**	-1.5%

Operating Budget	**FY 2017-18 Budget**	
REVENUE CATEGORIES:		
Farebox	$	0.3
Dispatch Services	$	(0.5)
Maintenance-of-Way (MOW)	$	(1.3)
	$	**(1.5)**

Numbers may not foot or cross foot due to rounding

FY 2017-18 Projected Expenditures

($000)			
FY 2016-17 Adopted Budget	**$**	**243.8**	
FY 2017-18 Preliminary Budget	**$**	**241.5**	
Year Over Year Change in Expenditures	**$**	**(2.3)**	0.9%

Operating Budget	**FY 2017-18 Budget**	
CHANGE DRIVERS:		
Material Issues from Inventory for Rolling Stock Repairs	$	(2.7)
Fuel	$	(3.1)
Big Five Train Operations	$	3.7
Big Five MOW	$	2.0
Wabtec License - Positive Train Control	$	2.0
Insurance Deductible (Oxnard incident)	$	1.0
BNSF Decrease	$	(6.1)
Position Reduction	$	(0.3)
2 percent cost of living adjustment/3 percent Merit Pool	$	1.2
	$	**(2.3)**

Numbers may not foot or cross foot due to rounding

Revenue Allocation by Member Agency

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Revenues						
Gross Farebox	$ 84,859	$ 41,861	$ 22,381	$ 7,743	$ 10,470	$ 2,404
Dispatching	2,125	1,130	684	6	55	250
Other Operating	12	6	3	1	2	-
MOW	13,350	8,052	2,531	667	1,556	544
Total Revenues	**$ 100,346**	**$ 51,050**	**$ 25,599**	**$ 8,417**	**$ 12,083**	**$ 3,198**
FY 2016-17 Budget	**$ 101,825**	**$ 51,822**	**$ 25,528**	**$ 8,434**	**$ 12,665**	**$ 3,377**
Over/(Under) Prior Year	**$ (1,479)**	**$ (772)**	**$ 71**	**$ (17)**	**$ (582)**	**$ (179)**
Percentage Change	**(1.5%)**	**(1.5%)**	**0.3%**	**(0.2%)**	**(4.6%)**	**(5.3%)**

(Metro) Los Angeles County Metropolitan Transportation Authority
(OCTA) Orange County Transportation Authority
(RCTC) Riverside County Transportation Commission
(SANBAG) San Bernardino Associated Governments
(VCTC) Ventura County Transportation Commission

Expense Allocation by Member Agency

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations and Services	$142,337	$71,707	$33,262	$15,836	$15,386	$6,144
MOW	41,554	22,015	8,437	3,196	5,452	2,455
Administration and Services	39,992	19,121	7,263	5,692	4,141	3,775
Insurance	17,663	9,418	4,290	1,342	2,026	586
Total Expenses, incl. MOW	**$241,545**	**$122,261**	**$53,253**	**$26,066**	**$27,005**	**$12,960**
FY 2016-17 Budget	**$243,815**	**$123,820**	**$53,822**	**$25,779**	**$27,506**	**$12,888**
Over/(Under) Prior Year	**$ (2,270)**	**$ (1,559)**	**$ (569)**	**$ 287**	**$ (501)**	**$ 72**
Percentage Change	**(0.9%)**	**(1.3%)**	**(1.1%)**	**1.1%**	**(1.8%)**	**0.6%**

Subsidy by Member Agency

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Revenues	$ 100,346	$ 51,050	$ 25,599	$ 8,417	$ 12,082	$ 3,199
Expenses, including MOW	241,545	122,261	53,253	26,066	27,005	12,960
Member Agency FY 2017-18 Subsidy	**$ 141,199**	**$ 71,211**	**$ 27,654**	**$ 17,649**	**$ 14,923**	**$ 9,761**
FY 2016-17 Budget	**$ 141,989**	**$ 71,998**	**$ 28,294**	**$ 17,345**	**$ 14,841**	**$ 9,511**
Over/(Under) Prior Year	**$ (790)**	**$ (787)**	**$ (640)**	**$ 305**	**$ 82**	**$ 251**
Percentage Change	**(0.6%)**	**(1.1%)**	**(2.3%)**	**1.8%**	**0.6%**	**2.6%**

METROLINK.

Expense Allocation by Member Agency

Comparison w/o BNSF lease costs in FY 2016-17

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations and Services	$142,337	$71,707	$33,262	$15,836	$15,386	$6,144
MOW	41,554	22,015	8,437	3,196	5,452	2,455
Administration and Services	39,992	19,121	7,263	5,692	4,141	3,775
Insurance	17,663	9,418	4,290	1,342	2,026	586
Total Expenses, incl. MOW	**$241,545**	**$122,261**	**$53,253**	**$26,066**	**$27,005**	**$12,960**
FY 2016-17 Budget as Adopted	**$243,815**	**$123,820**	**$53,822**	**$25,779**	**$27,506**	**$12,888**
FY 2016-17 Budget w/o BNSF	**$237,760**	**$120,533**	**$52,556**	**$25,202**	**$26,826**	**$12,644**
Over/(Under) Prior Year as Adopted	**$ (2,270)**	**$ (1,559)**	**$ (569)**	**$ 287**	**$ (501)**	**$ 72**
Percentage Change	**(0.9%)**	**(1.3%)**	**(1.1%)**	**1.1%**	**(1.8%)**	**0.6%**
Over/(Under) Prior Year w/o BNSF	**$ 3,785**	**$ 1,728**	**$ 697**	**$ 864**	**$ 179**	**$ 316**
Percentage Change	**1.6%**	**1.4%**	**1.3%**	**3.4%**	**0.7%**	**2.5%**

METROLINK.

Subsidy by Member Agency

Comparison w/o BNSF lease costs in FY 2016-17

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Revenues	$ 100,346	$ 51,050	$ 25,599	$ 8,417	$ 12,082	$ 3,199
Expenses, including MOW	241,545	122,261	53,253	26,066	27,005	12,960
Member Agency FY 2017-18 Subsidy	$ 141,199	$ 71,211	$ 27,654	$ 17,649	$ 14,923	$ 9,761
FY 2016-17 Budget as Adopted	$ 141,989	$ 71,998	$ 28,294	$ 17,345	$ 14,841	$ 9,511
FY 2016-17 Budget w/o BNSF	$ 135,934	$ 68,711	$ 27,028	$ 16,768	$ 14,161	$ 9,267
Over/(Under) Prior Year As Adopted	$ (790)	$ (787)	$ (640)	$ 305	$ 82	$ 251
Percentage Change	(0.6%)	(1.1%)	(2.3%)	1.8%	0.6%	2.6%
Over/(Under) Prior Year w/o BNSF	5,265	2,500	626	881	762	494
Percentage Change	3.9%	3.6%	2.3%	5.3%	5.4%	5.3%

Expense Allocation by Member Agency
with addition of Rail 2 Rail

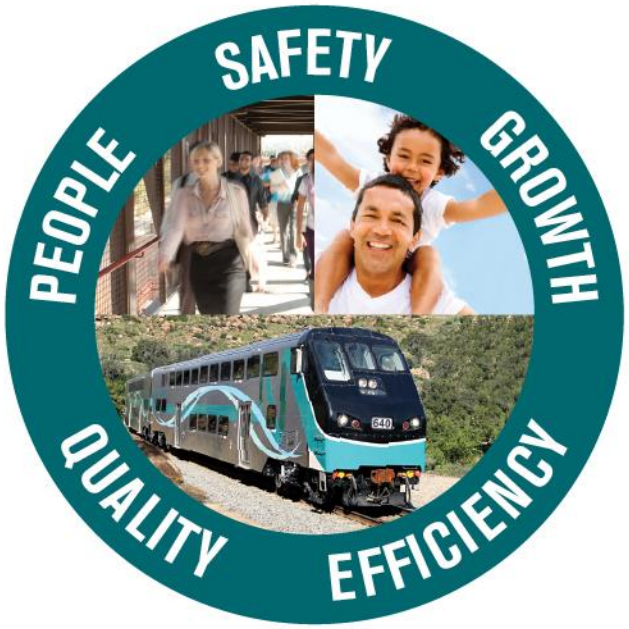
($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations and Services	$143,115	$71,958	$33,749	$15,836	$15,386	$6,184
MOW	41,554	22,015	8,437	3,196	5,452	2,455
Administration and Services	39,992	19,121	7,263	5,692	4,141	3,775
Insurance	17,663	9,418	4,290	1,342	2,026	586
Total Expenses, incl. MOW	**$242,323**	**$122,512**	**$53,740**	**$26,066**	**$27,005**	**$13,000**
FY 2016-17 Budget	**$243,815**	**$123,820**	**$53,822**	**$25,779**	**$27,506**	**$12,888**
Over/(Under) Prior Year	**$ (1,492)**	**$ (1,308)**	**$ (82)**	**$ 287**	**$ (501)**	**$ 112**
Percentage Change	**(0.6%)**	**(1.1%)**	**(0.2%)**	**1.1%**	**(1.8%)**	**0.9%**

Subsidy by Member Agency
with addition of Rail 2 Rail

($000s)

	Total FY 2017-18	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Revenues	$ 100,346	$ 51,050	$ 25,599	$ 8,417	$ 12,082	$ 3,199
Expenses, including MOW	242,323	122,512	53,740	26,066	27,005	13,000
Member Agency FY 2017-18 Subsidy	$ 141,977	$ 71,462	$ 28,141	$ 17,649	$ 14,923	$ 9,801
FY 2016-17 Budget	$ 141,989	$ 71,998	$ 28,294	$ 17,345	$ 14,841	$ 9,511
Over/(Under) Prior Year	$ (12)	$ (536)	$ (153)	$ 305	$ 82	$ 251
Percentage Change	(0.0%)	(0.7%)	(0.5%)	1.8%	0.6%	2.6%



The Metrolink Mission Statement

To provide an outstanding passenger experience on every ride with safe, clean, dependable and on-time operations.

Minutes of the
Orange County Transportation Authority
Orange County Transit District
Orange County Local Transportation Authority
Orange County Service Authority for Freeway Emergencies
Board of Directors Meeting

Call to Order

The April 24, 2017 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Hennessey at 9:03 a.m. at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

Roll Call

Following the Invocation and Pledge of Allegiance, the Clerk of the Board noted a quorum was present, with the following Directors in attendance:

Directors Present: Michael Hennessey, Chairman
Lisa A. Bartlett, Vice Chair
Laurie Davies
Barbara Delgleize
Steve Jones
Mark A. Murphy
Richard Murphy
Shawn Nelson
Miguel Pulido
Tim Shaw
Todd Spitzer
Michelle Steel
Tom Tait
Gregory T. Winterbottom
Ryan Chamberlain, Governor's Ex-Officio Member

Directors Absent: Andrew Do
Lori Donchak
Al Murray

Also Present: Darrell Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Olga Prado, Assistant Clerk of the Board
Sahara Meisenheimer, Deputy Clerk of the Board
James Donich, General Counsel
Members of the Press and the General Public

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for April 2017

Darrell Johnson, Chief Executive Officer (CEO), presented the Orange County Transportation Authority Resolutions of Appreciation Nos. 2017-017, 2017-018, and 2017-019 to Lorenzo Bravo, Coach Operator; Johnny Nguyen, Maintenance; and Mary K. Burton, Administration, as Employees of the Month for April 2017.

Consent Calendar (Items 2 through 14)

Chairman Hennessey stated that matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

2. Approval of Minutes

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of April 10, 2017.

3. Approval of Board Member Travel

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to approve the travel to Washington, D.C., for Chairman Michael Hennessey the week of May 1, 2017 for the Orange County Transportation Authority's (OCTA) Washington advocacy trip focusing on the OCTA transportation and legislative priorities for the 1st Session of the 115th Congress.

4. First Quarter 2017 Debt and Investment Report

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to receive and file the Quarterly Debt and Investment Report prepared by the Treasurer as an information item.

5. Grant Award for the 2017 and 2018 Orange County Fair Express Service

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to authorize the Chief Executive Officer or designee to accept the grant award and execute grant-related agreements with the Mobile Source Air Pollution Reduction Review Committee to support the Orange County Fair Express Service.

6. State Legislative Status Report

Director Spitzer pulled this item and asked for an explanation on Assembly Bill (AB) 344. Lance Larson, Executive Director of External Affairs, responded that the opposed position is due to toll customers gaming the system and costs to OCTA.

Kristen Essner, Manager of Government Relations, responded that under AB 344 the administrative penalty phase would be implemented after an investigation is completed. In addition, she stated that the toll customer could potentially go through a four step process before paying the penalty. Ms. Essner also stated that OCTA would be opposed to allowing a third neutral party to review the facts before OCTA imposes a penalty.

Director Spitzer recommended an amendment to Recommendation A to allow an administrative agency review and oppose unless amended. Director Spitzer also asked OCTA to work with the author of the bill, in order to balance the interests of the toll customer and OCTA. A discussion ensued that OCTA could support an administrative review.

Vice Chair Bartlett commented that the Transportation Corridor Agencies and other toll agencies took a strong opposed position to AB 344. Vice Chair Bartlett highlighted that the author's original intent was for customers that could not afford to pay the penalty and to address the Department of Motor Vehicles hold during the review process.

Director Spitzer also referenced Senate Bill (SB) 264 and asked what is inconsistent with OCTA's commitment for excess toll revenues in the Interstate 405 (I-405) Improvement Project corridor.

Darrell Johnson, CEO, responded that it is not inconsistent, highlighted the Board of Director's (Board) direction to develop an approach for the excess toll revenues, which later this year, would come forth to the Board. Mr. Johnson also stated that AB 194 required a comprehensive plan be presented to the Board no later than five years of anticipated net excess toll revenues being available. A discussion ensued that OCTA has communicated to Senator Nguyen and her staff about SB 264.

6. (Continued)

Director Chamberlain stated that SB 264 is inconsistent with the executed toll operating agreement between the California Department of Transportation (Caltrans) and OCTA, as well as highlighted prior discussions to have a partnership between Caltrans and OCTA and balance local and regional needs. A discussion ensued.

A motion was made by Vice Chair Bartlett, seconded by Director Pulido, and declared passed by those present, to:

A. Adopt an OPPOSE position on AB 344 (Melendez, R-Lake Elsinore), which revises the payment process for disputed toll payments.

B. Adopt an OPPOSE position on SB 150 (Allen, D-Santa Monica), which revises the process to reduce regional greenhouse gas emissions from transportation and land use, prioritizing reduction of vehicle miles travelled and the funding of projects that reduce such and achieve other co-benefits.

C. Adopt an OPPOSE position on SB 264 (Nguyen, R-Garden Grove), which restricts how excess toll revenues from the Interstate 405 Improvement Project can be spent.

Directors M. Murphy, Spitzer, and Tait voted in opposition.

A discussion ensued about taking a separate vote on Recommendations A, B, and C. Vice Chair Bartlett pulled back the original motion, seconded by Director Pulido, to take separate votes on each recommendation.

A motion was made by Vice Chair Bartlett, seconded by Director Pulido, and declared passed by those present, to adopt an OPPOSE position on AB 344 (Melendez, R-Lake Elsinore), which revises the payment process for disputed toll payments. Directors M. Murphy, Spitzer, and Tait voted in opposition.

A motion was made by Vice Chair Bartlett, seconded by Director Pulido, and declared passed by those present, to adopt an OPPOSE position on SB 150 (Allen, D-Santa Monica), which revises the process to reduce regional greenhouse gas emissions from transportation and land use, prioritizing reduction of vehicle miles travelled and the funding of projects that reduce such and achieve other co-benefits.

A motion was made by Vice Chair Bartlett, seconded by Director Pulido, and declared passed by those present, to adopt an OPPOSE position on SB 264 (Nguyen, R-Garden Grove), which restricts how excess toll revenues from the Interstate 405 Improvement Project can be spent. Directors R. Murphy and Director Spitzer abstained.

7. Federal Legislative Status Report

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to receive and file as an informational item.

8. Three-Year Agreement with the Center for Demographic Research at California State University, Fullerton from Fiscal Year 2017-18 to Fiscal Year 2019-20

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute a three-year agreement through fiscal year 2019-20, in an amount not to exceed $282,006, with the Center for Demographic Research at California State University, Fullerton.

Orange County Transit District Consent Calendar Matters

9. Authority to Acquire Former Pacific Electric Railroad Right-of-Way in the City of Garden Grove to Preserve and Protect for Future Transit Use

Director Nelson pulled this item and asked if there are portions of the Pacific Electric railroad right-of-way (PEROW) that OCTA has not acquired.

Joe Gallardo, Manager of Real Property, responded that there are other parcels owned by private property owners and that OCTA has an easement for a transit project on those properties.

A discussion ensued that OCTA has resolved its property rights that limits OCTA having the ability to either construct above or below the property surface.

A discussion ensued about the right to construct above the property, potential of Los Angeles' (LA) light rail system connecting to the PEROW, and OCTA owns the four miles of railroad right-of-way for the OC Streetcar corridor.

Director Pulido requested that staff keep the Board posted on the balance of the PEROW and monitor the LA light rail system ending at the Orange County line.

Darrell Johnson, CEO, stated that going forward, staff will provide an update to the appropriate committee on the PEROW ownership. Mr. Johnson also stated that with the passage of LA's Measure M, LA plans to accelerate its light rail system, which will terminate close to the cities of Cerritos and Artesia, and the Board will receive an update about LA's light rail system plans.

9. (Continued)

A motion was made by Director Nelson, seconded by Director Pulido, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute necessary agreements to acquire 5.2 acres of former Pacific Electric railroad right-of-way located in the City of Garden Grove, in the amount of $1,500,000, exclusive of title and escrow fees.

Chairman Hennessey abstained, and Director Winterbottom was not present to vote on this item.

10. June 2017 Bus Service Change Program

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to receive and file as an information item.

11. Award of Agreement for Engine Installation Kits

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to:

A. Approve the selection of Complete Coach Works as the firm to provide the engine installation kits.

B. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-7-1507 between the Orange County Transportation Authority and Complete Coach Works, in the amount of $3,091,616, for engine installation kits.

Orange County Local Transportation Authority Consent Calendar Matters

12. Amended and Restated Cooperative Agreement with the City of Santa Ana for the Santa Ana Regional Transportation Center and the OC Streetcar

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amended and Restated Cooperative Agreement No. C-94-859, between the Orange County Transportation Authority and the City of Santa Ana, for the operations and maintenance of the commuter/intercity rail station and the OC Streetcar facilities at the Santa Ana Regional Transportation Center.

Director Tait voted in opposition.

13. Agreement for Public Awareness Campaign Services for the OC Streetcar Project

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to:

A. Approve the selection of Katz and Associates as the firm to provide community outreach services for the pre-construction and construction phases of the OC Streetcar project.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-6-1526 between the Orange County Transportation Authority and Katz and Associates, in the amount of $1,151,712, to provide community outreach services for a public awareness campaign for the OC Streetcar project for a four-year initial term with a one-year option term.

Director Tait voted in opposition.

14. Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings

A motion was made by Director Davies, seconded by Director Delgleize, and declared passed by those present, to receive and file as an information item.

Regular Calendar

There were no Regular Calendar matters.

Discussion Items

15. Public Comments

There were no public comments received.

16. Chief Executive Officer's Report

Mr. Johnson, CEO, reported that:

- On today's consent calendar, under Item 14, the Board approved the results of the Taxpayer Oversight Committee's (TOC) annual Measure M public hearing. In addition, this is the 26th year in a row that the TOC found OCTA in compliance with the promises made in Measure M2.

16. (Continued)

- On Thursday, April 27th, he will be in Washington, D.C., to present on update on the I-405 Improvement Project at the Blueprint 2025 Leadership Forum. In addition, he stated that Secretary Chao, cabinet leaders, key Congressional leaders, and leadership from the White House of Office of American Innovation are to be in attendance, and the goal is to highlight the needs of the I-405 Improvement Project.

17. Directors' Reports

Director Spitzer reported that flashing light signs are being installed on Santiago Canyon Road to address the safety issues.

Vice Chair Bartlett thanked staff for coordinating the Laguna Beach Summer Breeze program referenced in Consent Calendar Item 10 (on today's Board agenda). She stated that the service was successful last year and it is a great way to park and shuttle (to key destinations) in Laguna Beach.

Vice Chair Bartlett reported that last Friday, she attended the California Transportation Commission Technical Advisory Committee, along with Kia Mortazavi, Executive Director of Planning, and highlighted the discussions about the roadway charge pilot program.

Director Pulido asked what (OCTA's) "Base 4" meant, and requested a list to explain the Base numbers. In addition, Director Pulido asked about the Project V shuttle service that will operate on Pacific Coast Highway starting Memorial Day weekend.

Beth McCormick, General Manager of Transit, responded to the "Base 4" question. In addition, Darrell Johnson, CEO, responded that the cities of San Clemente, Dana Point, and Laguna Beach have either a new or expanded Project V weekend shuttle service, and most will go into service during the Memorial Day weekend.

Chairman Hennessey reported that last Friday, he, along with Directors Jones and Tait, traveled on the Harbor Boulevard bus route in order to experience OCTA's bus service. Chairman Hennessey also complimented coach operators Calvin Colman and Edna Hernandez for their good customer service.

Director Tait reported that the travel on the OCTA bus was a great experience. He also stated that the buses were clean, well maintained, and the coach operators were courteous and respectful to the passengers. Director Tait also reported that Chairman Hennessey, Director Jones, as well as himself where very impressed by the bus service.

18. Closed Session

A Closed Session was held as follows:

Pursuant to Government Code Section 54956.9(a) – Conference with Legal Counsel – Existing Litigation. William Bryan v. Orange County Transportation Authority, et al. OCSC Case No. 30-2014-00763385.

There was no report out on the above Closed Session item.

19. Orange County Transportation Authority Paratransit Services Overview

Chairman Hennessey opened with comments, and public comments were heard from:

1. Marshall Pieczentkowski introduced his wife Sue and stated that at the February 13th Board meeting, he provided comments about the negative impacts OCTA's paratransit cuts have on their significantly disabled son.

   Mr. Pieczentkowski stated that his son for 16 years used ACCESS service roundtrip from his board and care location in Laguna Niguel to the RIO facility in San Clemente. He also stated that since the October 2016 service change, his son cannot consistently receive the services provided at the RIO facility for his overall well-being.

   Mr. Pieczentkowski also stated that the Same Day Taxi service is not always reliable to transport his son to the new ACCESS pickup point, and he gave examples of the issues. Mr. Pleczentkowski provided recommendations on how OCTA can provide service for his son to use for travel to the RIO facility.

   Darrell Johnson, CEO, responded that staff is aware of the complaints and is working with Mr. Pieczentkowski. In addition, Mr. Johnson stated that staff will discuss today the reason why the changes have occurred.

2. Sri Panchalam and Andrew Berk are attorneys from Disability Rights in California. Ms. Panchalam stated that in January 2017, a letter was written to the Board about five of its clients' issues following OCTA's October 2016 paratransit cuts.

   Ms. Panchalam also stated that the clients are Orange County residents with complex disabilities that use the ACCESS service to the RIO facility in San Clemente. She commented that the letter requested a meeting with the Board, which was ignored, and she asked that the Board meet with them to discuss the issues and explore possible solutions.

19. (Continued)

Darrell Johnson, CEO, opened with comments that the status of OCTA's paratransit service is being presented in a workshop format by staff. Mr. Johnson stated that OCTA has been working on reinventing the transit system to better match the service with demand, efficiency, and long-term financially sustainable.

Beth McCormick, General Manager of Transit, presented the following:

- About the Americans with Disabilities Act (ADA);
- OCTA Paratransit Services;
- Service Requirements Per ADA;
- October 2016 Bus Routes and ACCESS Service Area;
- ACCESS Customer - Frequency of Travel;
- Regional Center of Orange County – Largest Single ACCESS Consumer;
- ACCESS Plus Service Characteristics;
- Same Day Taxi Service Characteristics;
- Special Agency Service Overview; and
- Comparison Against ADA Criteria.

A discussion ensued regarding:

- OCTA has always provided door-to-door service, and in 2015, the regulations where clarified by the Federal Transit Administration that OCTA could no longer charge a premium for the door-to-door service.

- The Same Day Taxi service was implemented to assist customers outside of the service areas. In addition, OCTA is providing a free transfer between the Same Day Taxi and ACCESS services.

Andy Oftelie, Executive Director of Finance and Administration, presented the following:

- Paratransit Ridership (ACCESS Buses/Taxis + Same Day Taxi);
- Combined Paratransit Fleet – Bus and Taxi;
- Vehicles and Ridership;
- Comparison of Service Types; and
- Comparison of Operation Costs.

A discussion ensued that shorter trips are less costly, and staff will return with options on how to control costs.

19. (Continued)

Kurt Brotcke, Director of Strategic Planning, presented the following:

- Increasing Demand;
- Cumulative Growth in Passenger Miles; and
- Future Projections.

Darrell Johnson, CEO, presented the "Summary" and "Next Steps."

A discussion ensued regarding:

- If there is a new special agency that had consumers that needed ACCESS service, OCTA would review how to provide ACCESS trips at a lower cost.
- Review new technology and type of vehicles that could be used to provide ACCESS service.
- Transportation Network Carrier (TNC) concerns about public safety, lack of oversight, and not having specialized vehicles for the ADA requirements.
- Concerns if federal funding could be used for the TNCs.

Director Davies requested a review of the "Same Day Taxi" program's reliability.

20. Adjournment

Prior to the adjournment of the meeting, Director Nelson inquired about the status of the contract protest (heard at the April 10th Board of Directors meeting).

James Donich, General Counsel, responded that at the May 8th Board meeting, a Closed Session item will be agendized to discuss the contract protest, and the contract protest will be heard in closed and open sessions on May 8th.

The meeting was adjourned at 10:50 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, May 8, 2017**, at Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

_____
Laurena Weinert
Clerk of the Board

_____
Michael Hennessey
OCTA Chairman

OCTA

May 8, 2017

To: Members of the Board of Directors

From: Darrell Johnson, Chief Executive Officer

Subject: 2017 Chief Executive Officer's Initiatives and Action Plan – First Quarter Progress Report

On February 13, 2017, the Board of Directors (Board) approved the 2017 Chief Executive Officer's (CEO's) Initiatives and Action Plan (Action Plan), which support the 2017 Board Strategic Initiatives (Attachment A). An overview of the CEO Initiatives is provided as Attachment B and the Action Plan is provided as Attachment C. The Action Plan consists of ten initiatives, implemented through 59 projects/programs, and monitored through 89 milestones. This report provides a summary of the first quarter (Q1) milestones from January 1, 2017 until March 31, 2017.

Q1 Status

In Q1, 13 milestones were scheduled for completion. As of the end of Q1, ten of 13 milestones have been completed. The Q1 highlights include the Federal Transit Administration's (FTA) approval of the OC Streetcar Project to enter the engineering phase, the launch of the new 53Xpress limited-stop bus service, the full implementation of the employee pension reform plan, and the launch of the third Leadership Development Academy (LDA). The three milestones not completed in Q1 are summarized in Attachment C. Reasons are related to dependency on coordination with outside agencies or internal schedule adjustments.

Listed below are some of the Q1, 2017 CEO Action Plan accomplishments.

- Interstate 405 (I-405) Improvement Project Update: In November 2016, the Board awarded a design-build contract to a joint venture team, OC 405 Partners, for the I-405 Improvement Project (Project). In January 2017, the design build contract was executed by the Orange County Transportation Authority's (OCTA) CEO and the Notice to Proceed No. 1 for design was issued. In addition, staff is progressing right-of-way acquisition activities, and working with officials from the United States Department of Transportation to complete the necessary Transportation Infrastructure Finance and Innovation Act loan application requirements for the Project.

- OC Streetcar: In January 2017, the FTA issued a letter approving the OC Streetcar Project to enter the engineering phase. The engineering phase is the final phase before OCTA seeks a full funding grant agreement with the FTA. The OC Streetcar will operate along a four-mile route in the cities of Garden Grove and Santa Ana.

- OC Bus 360: The OC Bus 360 Plan (Plan) is a comprehensive action plan to improve and provide efficient transit services. As part of the Plan, in February 2017, the new OC Bus limited-stop 53Xpress service was launched. The new service runs along Route 53, provides fewer stops, and improves travel time for long distance commuters.

- Mobile Ticketing and On-Demand Service: In February 2017, staff from OCTA's new Office of Innovation began working with Moovel Transit to utilize OCTA's existing mobile ticketing application to incorporate new technology that would help bus customers discover alternative ride options. This effort is part of OCTA's ongoing strategy to augment bus service with local ride services by utilizing new and existing technology.

- Employee Pension Reform Plan: In April 2013, the Board approved a phased pension reform plan implementing the California Public Employees' Pension Reform Act. The plan requires all administrative employees hired prior to January 1, 2013, to pay 25 percent of the employee contribution for participation in the Orange County Employees Retirement System beginning January 1, 2014.

  Commencing January 1st of each year thereafter until 2017, the contributions would increase until employees were paying 100 percent of their employee share by January 1, 2017. During the first pay period in January 2017, the plan was fully implemented with all administrative employees paying 100 percent of their employee contribution.

- Active Transportation Plan: In January 2017, a consultant contract was awarded to develop the first countywide Active Transportation Plan. The plan will consolidate local and regional bikeway master planning efforts, and will identify and prioritize potential pedestrian improvements countywide. The plan is expected to be published in late 2018.

- LDA: In January 2017, OCTA launched the third cohort of the LDA, OCTA's senior professional development program. The program is designed to grow and support the next generation of leaders by providing developmental opportunities in the critical leadership core competencies.

In addition, below are a few Q1, 2017 accomplishments not included in the CEO Action Plan.

- Angels Express Service: In March 2017, the Angels Express train service returned for the baseball season, offering fans a convenient and attractive travel option. In addition to promoting the train service, OCTA, in partnership with Metrolink and the Angels, will provide special incentives to maximize ridership. Funding for the Angels Express train service is provided by the Mobile Source Air Pollution Reduction Review Committee.

- Hydrogen Fuel Cell Bus: In February 2017, OCTA, in partnership with the Center for Transportation and the Environment, received more than $13 million to purchase ten zero-emissions hydrogen fuel cell buses, and for the construction and maintenance of necessary infrastructure. Funding is made possible through the California Air Resources Board and in part by South Coast Air Quality Management District. The new buses are expected to be in service by late 2018.

- 91 Express Lanes Extension: In March 2017, after three years of construction, Riverside County Transportation Commission extended the 91 Express Lanes from Orange County to Interstate 15 in Riverside County. The roughly $1.4 billion widening project added two new express lanes on the west and eastbound sides of the freeway, as well as one additional general purpose lane on both sides of State Route 91 (SR-91). The extension seamlessly connects Orange County express lane travelers to Riverside County's express lanes and enhances travel for general SR-91 users.

I am pleased with the progress that the agency has made this quarter and look forward to completing the balance of the 2017 CEO's Action Plan this coming year. Please contact me at (714) 560-5343 with any questions or suggestions.

DJ:mpg
Attachments

ATTACHMENT A

OCTA

2017 BOARD STRATEGIC INITIATIVES

Break Ground on I-405 and Seek Opportunities to Accelerate the SR-55 Project

Continue OC Bus 360° Implementation

Advance the OC Streetcar Project

Integrate Technology Solutions

Ensure Fiscal Sustainability

ATTACHMENT B

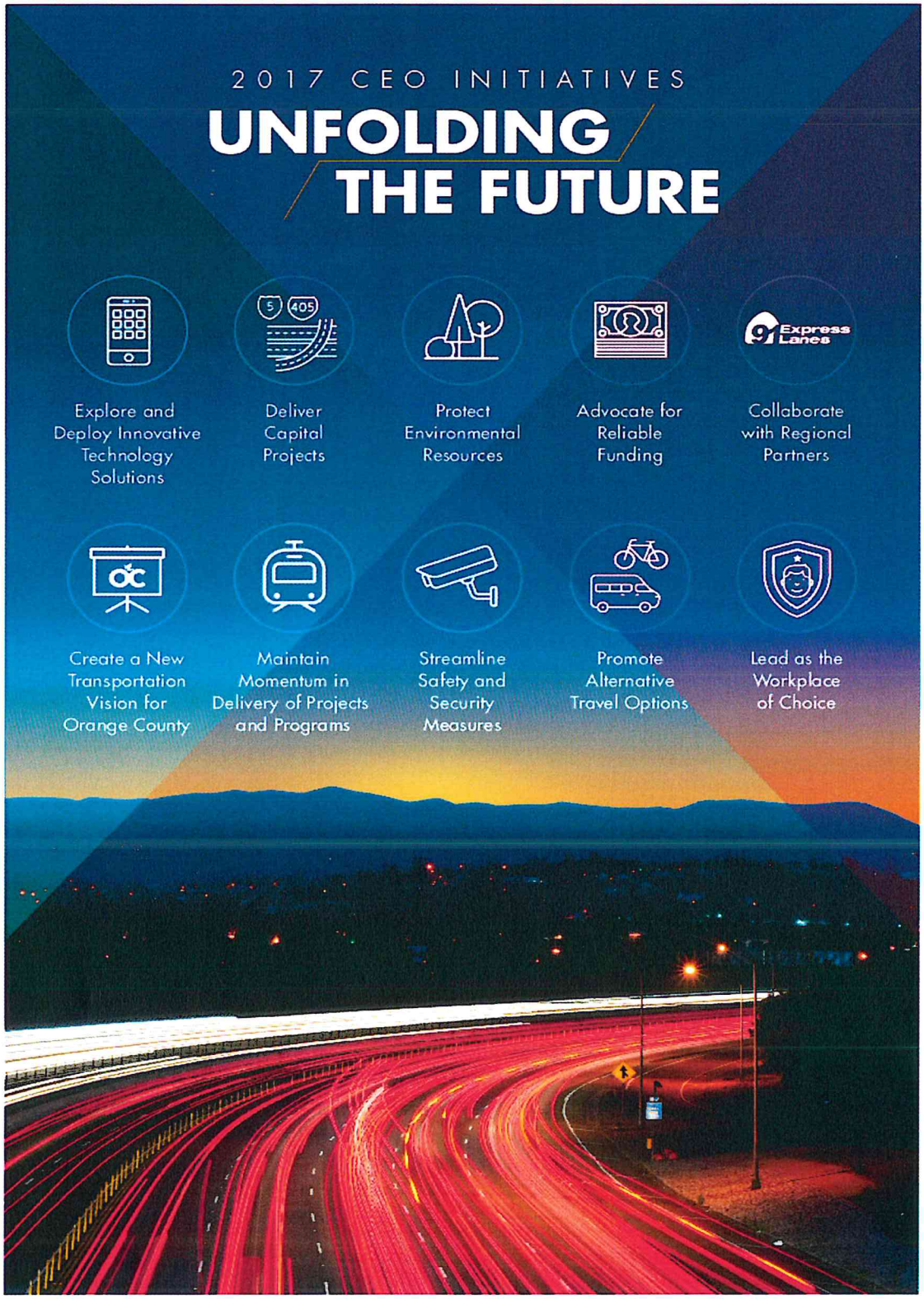
2017 CEO INITIATIVES

UNFOLDING THE FUTURE

- Explore and Deploy Innovative Technology Solutions
- Deliver Capital Projects
- Protect Environmental Resources
- Advocate for Reliable Funding
- Collaborate with Regional Partners
- Create a New Transportation Vision for Orange County
- Maintain Momentum in Delivery of Projects and Programs
- Streamline Safety and Security Measures
- Promote Alternative Travel Options
- Lead as the Workplace of Choice

ATTACHMENT C

2017 CEO Initiatives and Action Plan – First Quarter Progress Report



2017 CEO INITIATIVES AND ACTION PLAN REVIEW

10 CEO INITIATIVES

1. EXPLORE AND DEPLOY INNOVATIVE TECHNOLOGY SOLUTIONS
2. DELIVER CAPITAL PROJECTS
3. PROTECT ENVIRONMENTAL RESOURCES
4. ADVOCATE FOR RELIABLE FUNDING
5. COLLABORATE WITH REGIONAL PARTNERS
6. CREATE NEW TRANSPORTATION VISION FOR ORANGE COUNTY
7. MAINTAIN MOMENTUM IN DELIVER OF PROJECTS AND PROGRAMS
8. STREAMLINE BUSINESS PROCESSES & ENHANCE SAFETY AND SECURITY
9. PROMOTE ALTERNATIVE TRAVEL OPTIONS
10. LEAD AS A WORKPLACE OF CHOICE

89 MILESTONES SORTED BY QUARTER

QUARTER	# OF MILESTONES
Q1	13
Q2	33
Q3	15
Q4	20
Q1-Q4	8

89 MILESTONES SORTED BY DIVISION

DIVISION	# OF MILESTONES
CAPITAL	16
EXTERNAL AFFAIRS	5
EXECUTIVE OFFICE	3
FINANCE & ADMINISTRATION	22
GOVERNMENT RELATIONS	4
HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT	9
PLANNING	19
TRANSIT	11

2017 Milestones by Quarter

Milestone Thresholds:

On Track		2017 Summary
Completed		89 Total
At Risk		
Carryover		
Timetable Adjusted		
Board Chair Initiatives Supported		

Q1 Milestones

Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
1. Same-Day Taxi Mobile Application	Implement Same-Day Taxi mobile application pilot project in Q1. Note: Launched March 29, 2017.	TRN				
2. I-405 Improvement Project (Design-Build)	Issue NTP #1 (for design) to Design-Build Team in Q1. Note: CEO executed design-build contract issued #1 NTP January 31, 2017.					
3. Orange Metrolink Station, Parking Structure	Award construction contract in Q1 Note: Construction award is being protested.	CAP-R				
4. I-405 Improvement Project (Design-Build)	Present for Board approval the I-405 Plan of Finance in Q1. Note: BOD received update on February 27, 2017.	F&A				
5. OCERS Employee Contributions	All OCTA employees pay 100 percent of employee contribution in Q1. Note: First pay period of January 2017, administrative employees, hired prior to January 1, 2013, began paying 100 percent of employee contributions.	F&A				

Q1 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
6. OC Bus 360* Transportation Network Company Pilot Program	Evaluate the viability of transportation network companies as a last mile transportation option and/or alternative to ACCESS by implementing a pilot program utilizing transportation network companies in Q1. Note: BOD discussed On-Demand and Mobile Ticketing services on February 27, 2017.	F&A				
7. OC Streetcar Project	Present to Board OC Streetcar Operations and Maintenance Strategies in Q1. Note: Presented to BOD February 13, 2017, staff returned to BOD w/operations and maintenance organization plan March 27, 2017 (approved).	CAP-R				
8. OC Streetcar Project	Obtain FTA approval for engineering phase in Q1. Note: FTA letter of approval received January 11, 2017.	CAP-R				
9. Active Transportation	Board approval of ATP Cycle 3 recommendations in Q1. Note: BOD approved on January 9, 2017.	PLN				
10. Active Transportation	Board approval of consultant for countywide active transportation plan in Q1. Note: BOD approved January 9, 2017.	PLN				
11. Employee Engagement Survey	Provide Employee Engagement Survey and present results to ESC in Q1. Note: Employees currently taking survey-results in Q2.	HROD				
12. LDA	Prepare and launch third LDA in Q1 (started late 2016). Note: Third LDA introduced to BOD February 27, 2017.	HROD				
13. ACCESS Workshop	Present to the Board information on the ACCESS program and future challenges in Q1. Note: Workshop scheduled for April 24, 2017.	TRN				

Q2 Milestones						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
1. IS System Upgrades	Upgraded IFAS Software, go live in Q2.	F&A				
2. IS System Upgrades	Upgraded HASTAS Software, go live in Q2.	F&A				
3. OCTA Unsolicited Proposal Policy	Present to Board revised OCTA Unsolicited Proposal Policy in Q2.	F&A				
4. I-5 Widening from Pico to San Juan Creek Road	Complete construction of the I-5 widening between Vista Hermosa and PCH. Open to traffic between Vista Hermosa and PCH in Q2.	CAP				
5. I-405 Improvement Project (Design-Build)	Issue NTP #2 (for construction) to Design-Build Team in Q2.	CAP				
6. I-405 Improvement Project (Design-Build)	Negotiate the final TIFIA and innovation act program terms and conditions with the US DOT for the I-405 Improvement Project in Q2.	F&A				
7. 405 Express Lanes	Release the RFP for the In-Lane Tolling and Traffic Management Systems for the SR-91 and I-405 in Q2.	F&A				
8. 17th Street Grade Separation Project	Complete preliminary engineering and environmental phase in Q2.	CAP-R				

Q2 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
9. Bus Purchase	Complete acceptance of 157 New Flyer 40' bus order in Q2.	TRN				
10. Contracted Services Report	Report to Board on performance of contracted transit services in Q2.	TRN				
11. M2 Environmental Programs	Finalize the endowment manager's contract and begin making endowment deposits in Q2.	F&A				
12. FY 2017 - 18 Budget Adoption	Board of adoption of the OCTA FY 2017-18 Budget in Q2	F&A				
13. LTF	Present options for TDA recovery in Q2.	GR				

14. 91 Express Lanes	Present for Board approval the SR-91 Implementation Plan in Q2.	PLN				
15. SR-241/91 Connector	Present to the Board the potential next steps for OCTA's role and participation with TCA on SR-291/91 Connector.	F&A				
16. SR-241/91 Connector	Present the SR-241/91 Traffic and Revenue Study to the Board in Q2.	F&A				
17. OC Bus 360* Day Pass Promotion	Present to Board the findings (statistics) from the Transit Day Pass Promotion in Q2. Note: Presented to BOD March 27, 2017.	EA				
18. LRTP	Kickoff the process for updating the LRTP. Inform CEO of actions by Q2.	PLN				
19. MPAH	Board approval of the updated MPAH guidelines for complete streets in Q2.	PLN				
20. SR-55 Widening from I-405 to I-5	Report on the preferred alternative for the SR-55 Widening Project to the Board in Q2.	CAP				
21. OC Streetcar Project	Complete 90 percent Design in Q2.	CAP-R				
22. OC Streetcar Project	Obtain Federal Transit Administration acceptance of OC Streetcar Safety Management Plan in Q2.	HROD				
Q2 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
23. Continuity of Operations Plans	Complete revision of the OCTA Continuity of Operations Plan and present to ESC in Q2.	EXEC				
24. Emergency Plans	Present updated emergency action plans to ESC in Q2.	EXEC				
25. OCTA Maintenance Facilities	Complete Transit Center Modernization Study and develop recommendations in Q2.	TRN				
26. Vanpool	Board award of vanpool provider contracts in Q2.	EA				
27. PSR Revision.	Board approval of revised PSR in Q2.	HROD				

28. CBA	Board approval of TCU agreement in Q2	HROD				
29. Succession Planning	Complete the update of the OCTA Succession Plan in Q2.	HROD				
30. M2 Environmental Programs	Revise guidelines and issue call for projects for the M2 Environmental Cleanup Allocation Program Tier 1 Call for Projects in Q2.	PLN				
31. Streets and Roads	Award up to $32 million for streets projects through the M2 Regional Capacity Program in Q2.	PLN				
32. Streets and Roads	Award up to $8 million for the Regional Traffic Signal Synchronization Program to provide intersection improvements in Q2.	PLN				
33. San Juan Capistrano Passing Siding Project	Board release of construction RFP in Q2.	CAP				
Q3 Milestones						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
1. IS System Upgrades	Upgraded Ellipse Software, go live in Q3.	F&A				
2. IS System Upgrades	Upgraded Lawson Software, go live in Q3.	F&A				
3. OC Streetcar Project	Execute the federal New Starts Capital Investment Grant Program full funding grant agreement in Q3.	CAP-R				
4. Lakeview Avenue Grade Separation Project	Open to traffic in Q3, including the ribbon cutting event.	CAP				
5. Bus Purchase	Complete acceptance of 132 ACCESS buses in Q3.	TRN				
6. M2 Environmental Programs	Seek EOC input and release resource management plans for two of the remaining preserves by Q3	PLN				
7. M2 Environmental Programs	Freeway Mitigation Program – Finalize resource management plans for five of seven properties – EOC Q3.	PLN				

8. Hydrogen Fueling Station	Complete final design for new hydrogen fueling station at the Santa Ana Base in Q3.	TRN				
9. Beach Boulevard Corridor Transit Signal Priority Study	CEO approval of the updated Bus Rapid Transit Beach Boulevard Corridor Transit signal priority in Q3.	PLN				
10. OC Streetcar Project	Award Public Awareness Outreach Consultant contract in Q3. Note: BOD approved release of RFP on January 9, 2017.	EA				
11. Transit System Vulnerability Assessment	Complete Transit System Vulnerability Assessment and presented to ESC in Q3.	EXEC				
Q3 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
12. Active Transportation	Board approval of consultant for the bicycle and pedestrian safety study in Q3.	PLN				
13. CBA	Board approval of Coach Operators agreement in Q3.	HROD				
14. Health Care Benefit Contract	Board approval of the Health Care Benefit Contract in Q3.	HROD				
15. Maintenance Practices Assessment	Complete review of current maintenance practices and report to ESC in Q3	TRN				
Q4 Milestones						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
1. 405 Express Lanes	Release the RFP for the back-office system, customer service and traffic operations Staffing in Q4.	F&A				
2. I-5 Widening from SR-55 to SR-57	Board award of the Construction Management Contract in Q4.	CAP				
3. Near Zero NOx (Nitrous-Oxide) Emission Engines	Complete engine repower on 98 New Flyer buses by Q4.	TRN				

4. CAFR	Present to Board the FY 2016-17 CAFR, which includes audited financial statements earning an unmodified audit opinion, in Q4.	F&A				
5. STIP	Board approval of projects for the 2018 STIP in Q4	PLN				
6. OC Streetcar Project	Award contract for the manufacturing and delivery of streetcar vehicles in Q4 Note: BOD approved release of RFP on January 9, 2017.	CAP-R				
Q4 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
7. 91 Express Lanes	Report to Board on OCTA's current credit rating against outstanding debt in Q4.	F&A				
8. Fullerton Transportation Center Study	Update the Board on the Fullerton Transportation Study in Q4.	PLN				
9. Harbor Boulevard Transit Corridor Study	Present to the Board the Harbor Boulevard Transit Corridor Study in Q4.	PLN				
10. Transit Master Plan	Delivery of draft Transit Master Plan to the Board in Q4.	PLN				
11. OC Streetcar Project	Release the invitation for bids for the construction contractor in Q4.	CAP-R				
12. Legislative Platforms	Board approval of 2018 State and Federal Platforms in Q4.	GR				
13. Facility Security Camera System	Complete upgrade of camera security system at all OCTA facilities by Q4 and present to ESC.	F&A				
14. CBA	Board approval of Maintenance agreement in Q4.	HROD				
15. OCTA Administration Building	Complete the reconfiguration of the first floor of the 600 Building by Q4.	F&A				
16. M2 Environmental Cleanup Program	Allocate M2 Environmental Cleanup Program Tier 1 Water Quality Grant Funding in Q4.	PLN				

17. SR-55 Widening from I-405 to I-5	Award Design/Engineering contract for the SR-55 Widening Project in Q4.	CAP				
18. Mobility Management Program	Development of a Mobility Management Plan and implementation of a travel training program by Q4.	TRN				
19. CBP	Board approval of the revised CBP in Q4.	F&A				
Q4 Milestones Continued						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
20. Paratransit Growth Management	Determine future prospects of ACCESS paratransit services and report to ESC in Q4.	TRN				
Q1 through Q4 Milestones						
Project/Program	Milestone	Division	Q1	Q2	Q3	Q4
1. Phase II, Mobile Ticketing System for Fixed-Route Buses	Complete Phase II installation of mobile readers on active fleet vehicles. Q1-Q4	F&A				
2. Bus Fare Recommendations	Implement fare policy recommendations based on approved 2016 fare policy plan, Q1-Q4.	F&A				
3. 91 Express Lanes	Report actions to be taken to ensure continuity of express lanes operations during the opening of the express lanes in Riverside, RCTC to the Board, Q1-Q4.	EA				
4. OC Bus 360* Bi-annual Progress Report	Report to Board OC 360 service metrics in Q2 & Q4.	PLN				
5. Federal Legislative Reports	Provide monthly updates on the 2017 Federal Legislative Initiatives. Note: BOD received an update January 23, 2017.	GR				
6. State Legislative Reports	Provide monthly updates on the 2017 State Legislative Initiatives. Note: BOD received update January 23, 2017.	GR				
7. Project V Community-Based Circulators	Present to Board the Project V project updates in Q2 & Q4.	PLN				
8. Special Event Services	Promote special event services in Q1-Q4.	EA				

ACRONYMS

BOD - Board of Directors	LTF – Local Transportation Funding
Board – Board of Directors	M2 - Measure M2
CAFR – Comprehensive Annual Financial Report	MPAH – Master Plan of Arterial Highways
CAP – Capital Programs	NTP – Notice to Proceed
CAP-R – Capital Programs Rail	OC – Orange County
CBA - Collective Bargaining Agreement	OCERS – Orange County Employees Retirement System
CBP – Comprehensive Business Plan	OCTA - Orange County Transportation Authority
CEO – Chief Executive Officer	PCH – Pacific Coast Highway
COOP – Continuity of Operations Plan	PLN - Planning
CPUC – California Public Utilities Commission	PSR – Personnel Salary and Resolution
CTC - California Transportation Commission	Q1 - First Quarter
EA – External Affairs	Q2 - Second Quarter
EOC – Environmental Oversight Committee	Q3 - Third Quarter
ESC - Executive Steering Committee	Q4 - Fourth Quarter
EXEC – Executive Office	RCTC - Riverside County Transportation Commission
Feb – February	RFP - Request For Proposals
F&A - Finance and Administration Committee	SR-241 – State Route 241
FTA - Federal Transit Administration	SR-55 - State Route 55
FY - Fiscal Year	SR-57 - State Route 57
GR - Government Relations	SR-91 - State Route 91
HROD - Human Resources & Organizational Development	STIP – State Transportation Investment Plan
I-5 - Interstate 5	TDA - Transportation Development Act
I-405 - Interstate 405	TCA - Transportation Corridor Agencies
IS – Information Systems	TCU – Transportation Communication Union
Jan - January	TIFIA - Transportation Infrastructure Finance Act
L&C - Legislative & Communications	TRN - Transit
LDA - Leadership Development Academy	USDOT – United States Department of Transportation
LRTP - Long Range Transportation Plan	

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Investment Management Service Contracts, Internal Audit Report No. 17-504

Finance and Administration Committee Meeting of April 26, 2017

Present: Directors Do, Hennessey, Jones, R. Murphy, Pulido, and Steel
Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Direct staff to implement two recommendations provided in Investment Management Service Contracts, Internal Audit Report No. 17-504.

OCTA

April 26, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit

Subject: Investment Management Service Contracts, Internal Audit Report No. 17-504

Overview

The Internal Audit Department has completed an audit of Investment Management Service Contracts. Based on the audit, contract compliance and invoice review controls are generally adequate; however, several concerns were identified related to the procurement of treasury management software. Also, a recommendation was made to update agreements with investment managers.

Recommendation

Direct staff to implement two recommendations provided in Investment Management Service Contracts, Internal Audit Report No. 17-504.

Background

The Treasury/Public Finance Department (Treasury) is responsible for management of the Orange County Transportation Authority's (OCTA's) investment portfolio. On December 31, 2016, the investment portfolio's book value was approximately $1.48 billion.

In April 2012, Treasury staff entered into an agreement with Clearwater Analytics, a web-based investment portfolio accounting and reporting tool for the purpose of automating the process of monitoring, reconciling, and reporting of the investment portfolio.

OCTA procurement policy and procedures (policies), approved by the Board of Directors (Board), include procurement approval thresholds, guidelines for issuance of requests for proposal (RFP), criteria for evaluating proposals, and rules for the conduct of procurement activities. Among these is a requirement to obtain Board approval for any contract exceeding $250,000, or any amendment

exceeding 15 percent of contract value, or $250,000, whichever is less. Guidelines require Contracts Administration and Materials Management (CAMM) administrators to include a cost and price form for bidders to complete as part of their proposal. Changes to the scope of work after issuance of an RFP are typically addressed as addendums to the RFP. Policies state that all contact with proposers during the solicitation, evaluation, negotiation, and award phases must be limited only to CAMM staff. Finally, CAMM generally uses standard contract templates that have been reviewed with legal counsel and risk management to ensure inclusion of appropriate clauses and insurance coverage requirements.

Discussion

The procurement process used to acquire treasury management software in 2011, did not comply with all policies. Further, staff issued the original contract and the first amendment to the contract just under the thresholds that would require Board approval. In addition, the Internal Audit Department (Internal Audit) noted several irregularities related to the initial procurement.

Specifically, the original procurement solicited proposals for a six-month term, with a budget of $70,000. Staff eventually issued a five-year, $250,000 contract to one of the proposing firms without amending or reissuing the RFP. Also, the selected firm submitted a proposal that was not in the format dictated by the RFP. Rather than finding the proposal non-responsive, staff developed an estimate of the annual cost for purposes of price comparison. A corresponding calculation and methodology used to arrive at the price estimate was not documented; however, it resulted in the selected firm receiving the highest score under the cost criterion. Finally, documentation on file reflects that the project manager engaged in direct negotiations with the selected firm.

During these direct negotiations, the project manager negotiated a lower contract cost over a five-year term in exchange for allowing the firm to use the OCTA logo for marketing purposes and to allow a case study to be completed within the first year of the contract. Currently, the vendor website includes a testimonial by the project manager.

Documentation on file reflects staff's estimate of the five-year total cost of the contract to be $296,000, with notes outlining a four-year contract for $250,000, and a one-year amendment of 15 percent; however, the contract was ultimately issued for $250,000 for five years. In March 2016, the fourth year of the contract, staff issued an amendment to increase the contract value by 15 percent. This amendment proved to be insufficient, and two months later a second amendment was requested to increase the total maximum obligation to $409,500. The second amendment was presented to the Board for approval, as required.

Internal Audit recommended management ensure compliance with procedures and adequate documentation be prepared and maintained to support methodologies for cost estimates and decisions made regarding acceptance of proposal deviations and reasons for changes to RFP scope that do not result in an amended or reissued RFP. In addition, Internal Audit noted that the value of cost estimates should translate to contract value. Finally, Internal Audit recommended management consider developing a policy with guidelines for the use of OCTA's logo by vendors, staff-provided testimonials, or staff participation in vendor case studies for marketing purposes. Management agreed and indicated that requirements will be re-enforced with staff, and justification for decisions, along with the method for calculating final pricing, will be documented and on file. Management also agreed to consider developing a policy with guidelines for the use of OCTA's logo by vendors, staff-provided testimonials, or staff participation in studies for marketing purposes.

In addition, Internal Audit found that evergreen contracts with State Street Global Advisors, Western Asset Management Company, and J.P. Morgan do not include standard provisions such as insurance requirements, a right to audit clause, and identification of key personnel. Internal Audit recommended management review and update the agreements to include appropriate and applicable contract clauses. Management agreed and indicated that the agreements will be updated.

Summary

Internal Audit has completed an audit of Investment Management Service Contracts.

Attachment

A. Investment Management Service Contracts, Internal Audit Report No. 17-504

Prepared by:

Gabriel Tang
Principal Internal Auditor
714-560-5746

Approved by:

Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Investment Management Service Contracts

Internal Audit Report No. 17-504

April 12, 2017

Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Andrew Oftelie, Executive Director, Finance and Administration
Kirk Avila, Treasurer
Virginia Abadessa, Director
Rodney Johnson, Deputy Treasurer

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Investment Management Service Contracts
April 12, 2017

Table of Contents

Conclusion 1
Background 1
Objectives, Scope, and Methodology 2
Audit Comments, Recommendations, and Management Responses 3
Irregularities Identified in the Procurement of Treasury Management Software 3
Investment Manager Agreements should be Updated 5

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Investment Management Service Contracts
April 12, 2017

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of Investment Management Service Contracts. Based on the audit, contract compliance and invoice review controls are generally adequate; however, Internal Audit identified several concerns related to the procurement of treasury management software. Also, a recommendation was made to update agreements with investment managers.

Background

The Treasury/Public Finance Department (Treasury) is responsible for management of the Orange County Transportation Authority's (OCTA's) investment portfolio. On December 31, 2016, the investment portfolio's book value was approximately $1.48 billion.

OCTA has agreements with four investment managers, JP Morgan, State Street Global Advisors, Payden & Rygel, and Western Asset Management Company, for administration of the short-term investment portfolio.

In April 2012, Treasury staff entered into an agreement with Clearwater Analytics (Clearwater), a web-based investment portfolio accounting and reporting tool for the purpose of automating the process of monitoring, reconciling, and reporting of the investment portfolio.

In addition, Treasury holds agreements with Sperry Capital for analysis, consultation, and support for financial and investment matters and with Nossaman, Guthner, Knox & Elliot, LLP for bond counsel services.

OCTA procurement policies and procedures, approved by the Board of Directors (Board), include procurement approval thresholds, guidelines for issuance of Requests for Proposal (RFP), criteria for evaluating proposals, and rules for the conduct of procurement activities. Among these is a requirement to obtain Board approval for any contract exceeding $250,000, or any amendment exceeding 15 percent of the contract value, or $250,000, whichever is less. Guidelines require Contracts Administration and Materials Management (CAMM) administrators to include a cost and price form for bidders to complete as part of their proposal. Changes to the scope of work after issuance of an RFP are typically addressed as addendums to the RFP. CAMM policies state that all contact with proposers during the solicitation, evaluation, negotiation, and award phases be limited only to CAMM staff. Finally, CAMM generally uses standard contract templates that have been reviewed with legal counsel and risk management to ensure inclusion of appropriate clauses and insurance coverage requirements.

Objectives, Scope, and Methodology

The objectives were to assess contract compliance, procurement, and invoice review controls of investment related service contracts.

The scope included review of Agreement No. C-1-3116 with Sperry Capital, Agreement No. C-5-3099 with Nossaman, Guthner, Knox & Elliott, Agreement No. C-1-2926 with Clearwater, Agreement No. C-9-0518 with J.P.Morgan Investment Management Inc., Agreement No. C-9-9302 with Western Asset Management Company, Agreement No. C-7-0145 with State Street Global Advisors, and Agreement No. C-7-0146 with Payden & Rygel. Invoices between July 1, 2014 and December 31, 2016, were tested, except for those of Sperry Capital and Clearwater, as those invoices are reviewed during the semi-annual review of investments. Also, procurements and/or amendments to all contracts since 2011 were reviewed for compliance with policies and procedures.

The methodology included testing for compliance with key contract terms, invoice review policies and procedures, CAMM procurement and amendment procedures.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Comments, Recommendations, and Management Responses

Irregularities Identified in the Procurement of Treasury Management Software

The procurement process used to acquire treasury management software in 2011, did not comply with all OCTA procurement policies and procedures. Further, staff issued the original contract and the first amendment to the contract just under the thresholds that would require Board approval. In addition, Internal Audit noted several irregularities related to the initial procurement.

An RFP was issued in August 2011, requesting firm fixed price bids from qualified firms to provide treasury management software. There was no evidence on file that an Independent Cost Estimate (ICE) was prepared by the project manager as required by OCTA policy and procedures. Further, while the advertised scope of the project was $70,000 for six months, a five year contract for $250,000 was ultimately negotiated and issued. This change to the scope of work could have had an impact on the level of competition had the RFP been amended and/or reissued. The final contract was not executed until eight months after the RFP, in April 2012. Documentation on file suggests that the delay was the result of the project manager encountering difficulties obtaining concurrence from upper management for a longer term contract.

The cost and price form included with the RFP required firms to bid firm fixed prices for individual tasks. On the proposal due date, three bids were received. One was later withdrawn and the remaining two bids were evaluated. One bid reflected a firm fixed price proposal of $70,000, and a second bid proposed a .01 percent fee on portfolio market balances.

While the second proposal was not provided in the format dictated by the RFP, staff did not deem it non-responsive. Instead, staff estimated the cost of the proposal to be $62,771. A corresponding calculation and methodology used to arrive at this amount was not documented; however, it resulted in the selected firm receiving the highest score under the cost criterion.

OCTA policy states that, “All contacts with …consultants that relate to a particular procurement that is in the solicitation, evaluation, negotiations, or award phase must be conducted by CAMM staff.” However, documentation on file reflects direct negotiation occurred between the project manager and the selected firm. The project manager negotiated a lower rate against portfolio market balances over a five year term in exchange for allowing the firm to use the OCTA logo for marketing purposes and to allow a case study to be completed within the first year of the contract. Currently, the vendor website includes a testimonial by OCTA staff. There is no policy governing the use of OCTA’s logo, staff-provided testimonials, or staff participation in vendor case studies for marketing purposes.

A cost estimate of $296,000 was prepared based on the negotiated lower rates and a five-year term, however, the contract was issued for $250,000. A note on the cost estimate outlines a four-year contract for $250,000, and a one-year amendment of 15 percent, terms that would not require Board approval. Ultimately, the contract was issued for $250,000 for five years, through March 2017. In March 2016, the fourth year of the contract, staff issued an amendment to increase the contract value by 15 percent for a total maximum obligation of $287,500. This amendment proved to be insufficient and two months later, the project manager requested a second amendment to increase the total maximum obligation to $409,500. The second amendment was taken to the Board for approval, as required. The accompanying staff report stated that the increase was necessary "…due to continued growth in the size of the OCTA investment portfolio".

Recommendation 1:

Management should ensure compliance with OCTA's procurement policies and procedures that require an ICE be prepared and submitted with the requisition and project managers be prevented from conducting direct negotiations with proposing firms.

When a proposal is submitted outside the format dictated by the RFP, decisions to accept the deviation should be documented, along with the calculations and methodologies used when cost estimates are prepared by staff for purposes of comparing price proposals. Documentation on file should describe and justify the reasons for changes to the RFP's period of performance where an amended RFP or a new procurement is not undertaken. The value of the cost estimate on file should translate to the value of the contract issued.

Management should consider developing a policy with guidelines for the use of OCTA's logo by vendors, staff-provided testimonials, or staff participation in vendor case studies for marketing purposes.

Management Response:

CAMM agrees to enforce the requirement that an ICE is to be provided by the project manager at the time that the procurement is initiated. This is the current policy and one that staff is aware of. Unfortunately, this contract file did not include an ICE, which is extremely unusual. CAMM management will re-enforce this requirement with the staff during staff meetings and other training exercises. Likewise, CAMM will remind staff that project managers should not be conducting direct negotiations without CAMM staff being present. Negotiations are to be a joint effort of the contract administrator and project manager.

RFP's are issued to solicit an approach, action plan, or technique to solve a problem or need that is described in the RFP's scope of work. At times, a proposal is submitted that offers a different methodology or pricing model than what was originally envisioned when the scope of work and RFP were developed. It is the role of the evaluation committee to

review this different approach/pricing model and determine if it has merit and benefit to OCTA, even if it differs from the method identified in the scope of work. If this different approach or pricing model is the one recommended for award by the evaluation committee, it is the contract administrator's duty to document the rationale for this decision. While the contract administrator always prepares a procurement memo that outlines the rationale for the recommendation, it will be important that the contract administrator clearly indicates when a recommendation deviates from the original scope of work and/or RFP and why the proposal was being recommended. CAMM management will ensure that staff understands this requirement and include this justification in the procurement memo. CAMM management will enforce the need for documentation to be included in the file which demonstrates the method for calculating the final pricing as well as how the pricing criteria was scored. Additionally, contracts will be issued consistent with the cost estimate on file. Documentation will be required in the contract file if a contract is issued in an amount that varies greatly from the cost estimate.

Lastly, management agrees to consider developing a policy with guidelines for the use of OCTA's logo by vendors, staff-provided testimonials, or staff participation in vendor case studies for marketing purposes.

Investment Manager Agreements should be Updated

The State Street Global Advisors, Western Asset Management Company, and J.P. Morgan agreements are evergreen contracts that were initially executed in 1997, 2007, and 2008, respectively. The agreements do not contain standard provisions such as insurance requirements, a right to audit clause, and identification of key personnel.

Recommendation 2:

Internal Audit recommends that management review and update the agreements to include appropriate and applicable contract clauses.

Management Response:

CAMM agrees to work with Treasury to review the current investment manager agreements and update them to include applicable clauses.

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016

Finance and Administration Committee Meeting of April 26, 2017

Present: Directors Do, Hennessey, Jones, R. Murphy, Pulido, and Steel
Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510, as an information item.

OCTA

April 26, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit

Subject: Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016

Overview

The Internal Audit Department has completed an audit of investments for the period July 1 through December 31, 2016. Based on the audit, the Orange County Transportation Authority complied with its debt, investment, and reporting policies and procedures.

Recommendation

Receive and file Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510, as an information item.

Background

The Treasury Department is responsible for the management of the Orange County Transportation Authority's (OCTA) investment portfolio. On December 31, 2016, the portfolio's book value was approximately $1.48 billion. The portfolio consists of three managed portfolios: liquid assets for OCTA's daily operations, a bond proceeds portfolio to meet Measure M2 transportation program needs, and the short-term portfolio for future budgeted expenditures. External investment managers administer the short-term portfolio, and OCTA's Treasurer manages the liquid assets portfolio.

The Investment Policy (Policy) sets forth guidelines for all OCTA investments to ensure conformance with the California Government Code. The Policy outlines permitted investments, as well as diversification guidelines. The diversification limits ensure the portfolio is not unduly concentrated in securities of one type,

industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Discussion

OCTA's investment activities are reviewed on a semi-annual basis by the Internal Audit Department. The objective of the audit was to determine if OCTA was in compliance with its debt, investment, and reporting policies and procedures for the period July 1 through December 31, 2016.

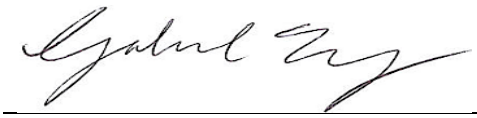
Summary

Based on the audit, OCTA complied with its debt, investment, and reporting policies and procedures.

Attachment

A. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510

Prepared by:



Gabriel Tang
Principal Internal Auditor
714-560-5746

Approved by:

Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

OCTA

Investments: Compliance, Controls, and Reporting
July 1 through December 31, 2016

Internal Audit Report No. 17-510

April 6, 2017

Performed by: Janet Sutter, CIA, Executive Director
Ricco Bonelli, CIA, Principal Internal Auditor
Gabriel Tang, CPA, Principal Internal Auditor

Distributed to: Andrew Oftelie, Executive Director, Finance and Administration
Kirk Avila, Vicki Austin, Rodney Johnson

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Investments: Compliance, Controls, and Reporting
July 1 through December 31, 2016
April 6, 2017

Contents

Conclusion 1
Background 1
Objectives, Scope and Methodology 2

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Investments: Compliance, Controls, and Reporting
July 1 through December 31, 2016
April 6, 2017

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of investments for the period July 1 through December 31, 2016. Based on the audit, the Orange County Transportation Authority (OCTA) complied with its debt, investment, and reporting policies and procedures.

Background

Portfolio Management

The Treasury Department (Treasury) is responsible for the management of OCTA's investment portfolio (portfolio). On December 31, 2016, the investment portfolio's book value was approximately $1.48 billion. The portfolio consists of three managed portfolios: liquid assets for OCTA's daily operations, a bond proceeds portfolio to meet Measure M2 transportation program needs, and a short term portfolio for future budgeted expenditures. External investment managers administer the short-term portfolio, and OCTA's Treasurer manages the liquid assets portfolio. OCTA also has investments in debt service reserve funds for various outstanding debt obligations. OCTA's Accounting Department (Accounting) is responsible for recording all debt and investment transactions and for reconciling all bank and custodial accounts monthly.

Investment Policy

The Investment Policy (Policy) sets forth guidelines for all OCTA investments to ensure conformance with the California Government Code (CGC). The Policy outlines permitted investments as well as diversification guidelines. The diversification limits ensure the portfolio is not unduly concentrated in securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

OCTA has provided the investment managers with a copy of the Policy and requires investment managers to invest their portfolios in accordance with the provisions of the Policy.

Objectives, Scope and Methodology

The primary objective was to determine if OCTA complied with its debt, investment, and reporting policies and procedures.

Audit objectives included determining if:

- Internal controls over OCTA's investment activities were adequately designed;
- OCTA was in compliance with the CGC;
- Investment transactions were adequately supported; and
- OCTA was in compliance with investment requirements of debt issuances.

The scope included investment transactions and investment-related controls for the period July 1 through December 31, 2016.

The methodology consisted of reviewing the most current Investment Policy and Debt and Investment Management Manual, reviewing any personnel changes and corresponding updates to bank authorization signature cards, reviewing a judgmental sample of daily cash worksheets prepared by Accounting and Treasury staff, reviewing a judgmental sample of repo-sweeps, verifying a judgmental sample of wire transfers to source documents, reviewing judgmental samples of securities for Treasury software and computer data testing, and reviewing the quarterly debt and investment reports provided to OCTA's Board of Directors for accuracy. For daily cash report testing, repo-sweep testing, and wire transfer testing, Internal Audit judgmentally selected one transaction per month during the scope period. For Treasury software and computer data testing, Internal Audit haphazardly selected five securities per trustee per quarter, resulting in a sample of 40 securities, and traced the securities from the statements to the Clearwater Daily Holding Reports. For quarterly report transaction testing, Internal Audit haphazardly selected 40 investments per quarter for coverage over different types of securities. Since the samples are non-statistical, any conclusions are limited to the sample items tested. The methodology also included testing the Deputy Treasurer's monitoring of the investment managers' compliance with the Policy, including obtaining acknowledgement of receipt of OCTA's Policy, and obtaining written descriptions of the compliance and control environment of the investment managers.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update

Finance and Administration Committee Meeting of April 26, 2017

Present: Directors Do, Hennessey, Jones, R. Murphy, Pulido, and Steel
Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file the third quarter update to the Orange County Transportation Authority Fiscal Year 2016-17 Internal Audit Plan as an information item.

OCTA

April 26, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Fiscal Year 2016-17 Internal Audit Plan on July 25, 2016. This update is for the third quarter of the fiscal year.

Recommendation

Receive and file the third quarter update to the Orange County Transportation Authority Fiscal Year 2016-17 Internal Audit Plan as an information item.

Background

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial and compliance audits, conducting operational and contract compliance reviews, investigations, pre-award price reviews, and Buy America reviews. Audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Discussion

The OCTA Fiscal Year (FY) 2016-17 Internal Audit Plan (Plan) (Attachment A) reflects the status of each audit project. At quarter end, several projects are in process.

During the third quarter of the FY, Internal Audit issued an audit of Payment Card Industry Data Security Standard (PCI-DSS) compliance. Based on the

audit, OCTA is not fully compliant with standards and reporting requirements of the PCI DSS or related payment card issuer standards. Internal Audit recommended management evaluate the necessary resources and controls to ensure full compliance with PCI DSS and develop a proposal to achieve compliance and/or provide a reasonable approach moving forward. Management agreed and outlined actions for undertaking an assessment and evaluation of steps necessary to become fully compliant. Internal Audit also recommended management implement procedures to ensure that quarterly network scans are performed and remediation efforts are identified and addressed accordingly. Management agreed to perform quarterly scans and implement remediation actions based on risk and cost.

Internal Audit also issued the audit of budget development, monitoring, and reporting. Based on the audit, controls were found to be generally adequate; however, recommendations were made to enhance and expand written procedures, to improve controls over salary grade changes, to adhere to the Position Control Policy, and to improve estimates and explanations included with the Sole Source List. Management agreed and proposed appropriate corrective actions.

An audit of OCTA policies and procedures was completed and found that, while policies and procedures are approved as required, enhanced controls are needed to ensure timely update and communication of new and revised policies and procedures, as well as improved tracking of policies and procedures. Management agreed and proposed actions to address the recommendations.

Internal Audit also completed work on an audit of Coach Operator Health Insurance Benefits and provided coordination of an audit by the Department of Finance, on behalf of the California Department of Transportation, of Proposition 1B funds utilized on five grade separation projects and the Oso Parkway Widening Project.

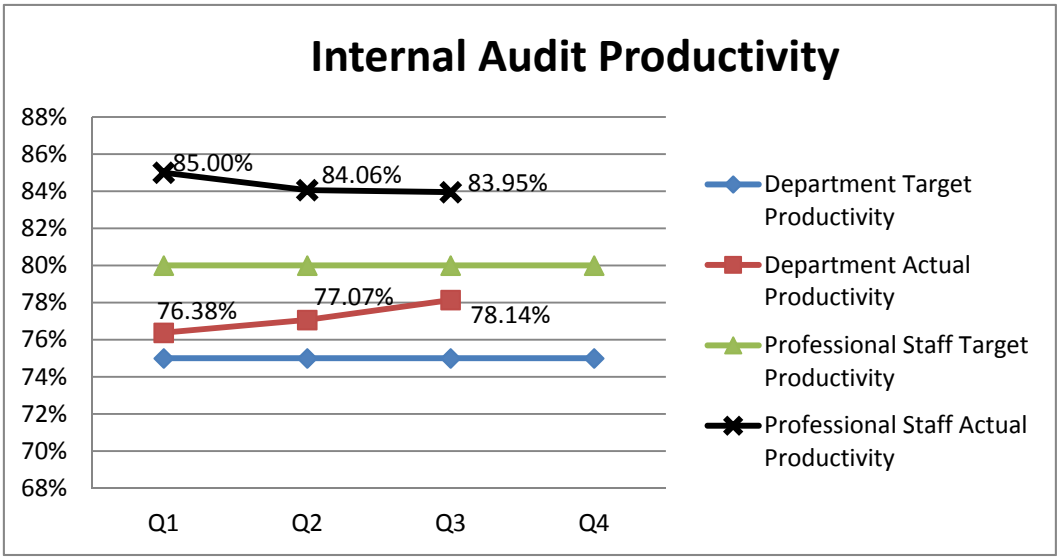
Also during the quarter, OCTA's independent financial statement auditor, Vavrinek, Trine, Day & Company, LLP (VTD) issued results of the annual Measure M Agreed-Upon Procedures (AUP) reviews. AUP were applied to the County of Orange in relation to the Senior Non-Emergency Medical Transportation Program, the cities of Fountain Valley, Fullerton, Laguna Niguel, Laguna Woods, Lake Forest, Newport Beach, Placentia, San Juan Capistrano, and Yorba Linda in relation to Local Fair Share funding, and the cities of Fullerton, Mission Viejo, Newport Beach, and Yorba Linda in relation to Senior Mobility Program Funding. Observations were made relating to the classification of Maintenance of Effort and Local Fair Share expenditures,

errors in reporting of amounts on required activity reports and annual expenditure reports, failure to allocate interest income, senior mobility program trips, inclusion of projects in city Capital Improvement Program plans, and service contractor procurement. OCTA staff will perform follow-up with the County of Orange and applicable cities to confirm that the observations have been addressed.

Internal Audit Productivity

Internal Audit measures the productivity of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry, measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for both the professional staff and for the department as a whole. Because the executive director regularly participates in non-audit management activities such as planning and committee meetings, the department-wide target is set at 75 percent. The target for internal audit professional staff, not including the executive director, is 80 percent.

For the quarter ended March 31, 2017, Internal Audit achieved productivity of 78 percent, and the professional staff achieved productivity of 84 percent.



Price Reviews

At the request of the Contracts Administration and Materials Management (CAMM) Department, and consistent with OCTA procurement policy, Internal Audit conducts reviews of single bid procurements to ensure that CAMM handled the procurement in a fair and competitive manner. Internal Audit also reviews prices proposed by architectural and engineering firms, and sole

source contractors to ensure that the prices are fair and reasonable. Internal Audit makes recommendations to adjust proposed rates where they exceed the rates per review. When the value of recommended adjustments can be estimated, Internal Audit tracks and reports the potential savings, as noted below. During the quarter ended March 31, 2017, Internal Audit conducted ten pre-award agreed-upon procedures reviews and recommended price adjustments, as indicated below:

Quarter	Price Reviews Recommended Adjustments
1	$ 662,136
2	197,557
3	328,792
4	
Total	$ 1,188,485

Fraud Hotline

During the quarter ended March 31, 2017, Internal Audit received nine reports through OCTA's Fraud Hotline, www.ethicspoint.com. Four were referred to management for follow-up, one was referred to legal counsel for investigation, and one was referred to the County of Orange. Two more reports involved criminal activity not related to OCTA and the reporters were advised to contact local police. One report was investigated by Internal Audit and was not substantiated; however, process improvement recommendations were made in connection with the review.

Internal Audit is committed to responding to all hotline complaints within eight business days. During the quarter ended March 31, 2017, Internal Audit made initial contact within two business days.

Monitoring Activities – Metrolink Audit Results

Metrolink audit staff have indicated that a peer review has been scheduled for the week of April 17, 2017, and that results will be available in May 2017. Internal Audit will continue to monitor and report on these efforts.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan as Attachment B. Internal Audit includes findings and recommendations generated internally, as well as those provided by regulatory auditors and OCTA's independent financial statement auditors.

During the quarter ended March 31, 2017, Internal Audit performed follow-up and removed one outstanding recommendation related to the Comprehensive Transportation Funding Program Audits. Follow-up of three more recommendations is underway as of the quarter end. Ten recommendations were added to the listing as a result of audits issued during the quarter.

Summary

Internal Audit will continue to implement the Plan, report on performance metrics, follow-up on outstanding audit recommendations, and report progress on a quarterly basis.

Attachments

A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update
B. Outstanding Audit Findings and Recommendations (Audit Reports Issued Through March 31, 2017)

Prepared by:

Janet Sutter
Executive Director, Internal Audit
714-560-5591

Orange County Transportation Authority
Internal Audit Department
FY 2016-17 Internal Audit Plan
Third Quarter Update

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Status (Date Issued)	External Auditor
Mandatory External Independent Audits								
Annual Financial Audits and Agreed-Upon Procedures Reviews	FY17-001 through FY17-004	Coordinate and report on annual financial and agreed-upon procedures reviews for fiscal year 2016-17.	Financial	375	360	15	Complete	
External Regulatory Audits	FY17-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60	25	36		
Internal Audit Department Projects								
Risk Assessment and Annual Audit Plan	FY17-100	Annual preparation of the audit plan, quarterly updates to the audit plan and periodic assessment of risk throughout the year.	Audit Plan and Updates	180	60	120		
Quality Assurance and Self-Assessment	FY17-101	Update of Internal Audit Policies & Procedures. Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with Government Auditing Standards.	Quality Assurance	180	97	83		
Fraud Hotline Activities	FY17-102	Administrative duties related to the Fraud Hotline and investigations of reports of fraud, waste, or abuse.	Fraud Hotline	250	297	(47)	18 Reports Received	
Automated Workpaper Solution	FY17-103	Purchase, training, and implementation and updates to automated workpaper solution.	Workpaper System	280	127	154	Complete	
On-Call Audit Services	FY16-105	Prepare scopes of work and establish bench of independent audit firms to provide assistance with (1) performance audits and (2) application of agreed-upon procedures relating to price reviews and Buy America compliance reviews.	On-Call Audit Services	160	63	97	In Process	
Internal Audits								
Security and Emergency Preparedness								
Transit Police Services Contract	FY17-512	Review oversight controls and contract compliance with agreement for provision of Transit Police services.	Compliance	240		240		
Human Resources and Organizational Development								
Benefits: Health Insurance Plans and Health Savings Accounts	FY17-506	Review controls in place to ensure proper enrollment, accounting, and compliance with laws, regulations, policies, and procedures.	Operational	320	94	226	In Process	
Coach Operator Health Insurance Benefits	FY16-805	Review and test compliance with collective bargaining agreement for the coach operators as it relates to provision of health insurance benefits.	Compliance	300	349	(49)	Complete 3-22-17	
Storm Water Pollution Prevention Plan	FY17-505	Review oversight controls, policies, and procedures to ensure compliance with Enviornmental Protection Agency regulations.	Compliance	80	94	(14)	In Process	

ATTACHMENT A

Orange County Transportation Authority
Internal Audit Department
FY 2016-17 Internal Audit Plan
Third Quarter Update

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Status (Date Issued)	External Auditor
Capital Programs								
Project Controls	FY16-507	Assess and test operating controls of the project controls function within the Capital Projects Division.	Compliance	40	170	(130)	Issued 9-14-16	
Project K: Right-of-Way Acquisition Activities	FY17-5XX	Assess and test controls to ensure compliance with Real Property Department Policies and Procedures for acquisition of property rights related to the Interstate 405 Project K.	Compliance	225		225		
Planning								
Competitive Transportation Funding Program Projects	FY16-511	Review selected projects for compliance with Measure M Ordinance, policies, and procedures.	Compliance	60	77	(17)	Issued 10-12-16	
Transit Operations								
Fleetwatch Fluid Management System	FY17-5XX	Assess adequacy of system controls and data reporting related to dispensing of fuel.	Operational	240		240		
Contracted Fixed Route Operations	FY17-508	Assess adequacy of oversight controls and contract compliance with key provisions of the agreement with First Transit.	Compliance	325	112	213	In Process	
Finance and Accounting								
Treasury	FY17-501, FY17-510	Semi-annual review of investments compliance, controls, and reporting.	Compliance	210	241	(31)	Issued 10-3-16	
Grant Closeouts	FY16-512, FY17-511	As-needed financial and compliance audits of grants at closeout to ensure propriety of expenditures.	Compliance	40	38	2	Issued 9-14-16	
Budget Development and Monitoring	FY16-509	Review and test controls in place over the preparation, monitoring, and reporting related to the annual OCTA budget.	Operational	325	335	(10)	Issued 2-15-17	
OCTA Policies and Procedures	FY17-507	Review controls in place to ensure proper development, update, and communication of OCTA policies and procedures.	Operational	185	262	(77)	Issued 3-9-17	
Investment Management Service Contracts	FY17-504	Review procurement of, contract compliance, and invoice controls related to investment management service contracts.	Compliance	185	258	(73)	In Process	
Information Systems								
Payment Card Industry/Data Security Standard (PCI/DSS) Compliance	FY17-502	Review of OCTA's compliance with PCI/DSS, including review and evaluation of annual self-assessment to ensure protection of credit card data.	Compliance	225	445	(220)	In Process	

Orange County Transportation Authority
Internal Audit Department
FY 2016-17 Internal Audit Plan
Third Quarter Update

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Status (Date Issued)	External Auditor
Contract Administration and Materials Management								
Price Reviews	PR17-XXX	Cost and price analyses as requested by OCTA's Contract Administration and Materials Management Department.	Price Review	1,000	702	298	17 Reports Issued	
Buy America	FY16-513, FY17-503	Pre-award and post-delivery reviews to ensure vendors and OCTA are in compliance with federal Buy America requirements.	Compliance	250	97	153	1 Report Issued 9-14-16	
External Affairs								
Customer Relations	FY16-508	Review in-house Customer Relations operation.	Operational	80	195	(115)	Issued 9-14-16	
Public Outreach - West County Connectors Project	FY17-509	Review of oversight controls and contract compliance related to agreement for public outreach.	Compliance	180	145	35	In Process	
Unscheduled Reviews and Special Requests								
Unscheduled Reviews and Special Requests	FY17-800	Time allowed for unplanned audits, coordination of external agency audits, and requests from the Board of Directors and management.	Varies	260	13	247		
Monitoring Activities								
Measure M Taxpayers Oversight Committee	FY17-601	Coordination of audit activities on behalf of the Audit Subcommittee of the Measure M Taxpayers Oversight Committee.	Administrative Support	100	23	77		
Metrolink Audit Activities	FY17-602	Obtain and review audit results of Metrolink activities	Non-Audit Service	60	55	5		
Bus Base Inspections	FY17-603	At the request of Transit Division, participate on annual bus base inspections.	Non-Audit Service	32	51	(19)	Complete	
Follow-up Reviews								
Follow-up Reviews and Reporting	FY15-7XX, FY17-7XX, FY16-802	Follow-up on outstanding audit recommendations.	Follow-up	300	394	(94)		
			Total Audit Project Planned Hours (A)	**6,747**	**5,176**	**1,571**		

Orange County Transportation Authority
Internal Audit Department
FY 2016-17 Internal Audit Plan
Third Quarter Update

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Status (Date Issued)	External Auditor
Internal Audit Administration								
Board of Directors and Committee Meetings				260	114	147		
Executive Steering and Agenda Setting Meetings				180	126	55		
Internal Audit Staff Meetings				150	50	100		
Other Administration				1,500	1,159	341		
			Total Hours (B)	**8,837**	**6,624**	**2,213**		
			Department Target Efficiency	75%				
			Target Efficiency - Professional Staff	80%				

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
10/3/2014	N/A	Finance and Administration (F&A) and Transit	Performance Audit of the Orange County Transportation Authority's (OCTA) Continuity Plan	Auditors recommended that management update the Business Impact Analysis (BIA) and the Continuity of Operations Plan (Plan) to address the 13 weaknesses noted.	Jun-17	Management responded that efforts are underway to update certain portions of the BIA and the Plan. Also, at the direction of the F&A Committee Chairman, staff has agreed to specifically address each issue and planned corrective actions with the Security Working Group of the Board of Directors (Board). Update September 2015: Management has taken actions to adequately address seven of the thirteen weaknesses noted in the audit. The remaining six are expected to be corrected upon completion of the Threat and Hazard Identification and Risk Assessment project and the comprehensive revision of the BIA. The Internal Audit Department (Internal Audit) will follow-up on the remaining issues in one year. Update September 2016: Internal Audit requested update; management indicated that documents will not be completed until May 2017.	Bonelli	Initiate next update in June 2017
10/15/2015	N/A	Human Resources and Operational Development (HROD)	Investigation and Limited Scope Review of Administration of the Deferred Compensation Plan and the Plan Revenue Reimbursement Account	Internal Audit recommends management formalize and document the plan governance structure and committee structure. Committee configuration should be reviewed and consideration given to appointing a member to represent employee groups participating in the plan. Committee members should be appointed and policies should be approved by OCTA.	Jun-17	The Investment Policy (IP) Statement will be formally approved and made available to participants electronically. Management will also post the quarterly meeting minutes, the quarterly reports, and the Account Policy. The committee composition will be included in the IP Statement, with consideration given to expanding the committee. These tasks will be completed by the end of calendar year 2015. Update May 2016: Managment has not fully implemented all recommendations. Additional recommendations were provided to encourage management to research and implement best practices with regard to the Committtee charter, the IP Statement, and Committee composition. Update December 2016: Management has partially implemented this recommendation; however, an updated IP statement and revisions to the Personnel and Salary Resolution (P&SR) are not yet complete.	Sutter	Initiate next update June 2017

ATTACHMENT B

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
10/15/2015	N/A	HROD	Investigation and Limited Scope Review of Administration of the Deferred Compensation Plan and the Plan Revenue Reimbursement Account	Internal Audit recommends management: 1. Ensure committee members annually reaffirm the IP Statement. 2. Provide training and require committee members to monitor fees charged to the plan and its participants and, when applicable, attempt to negotiate fees to a reasonable level. 3. Exercise oversight of Benefit Funding Services Group (BFSG) to ensure all deliverables required by the agreement are provided. 4. Review invoices for compliance with the agreement terms and obtain proper approval before submitting to Nationwide Retirement Solutions (NRS) for payment.	Jun-17	1. The IP Statement will be annually reaffirmed by the committee. 2. BFSG will provide training to committee members on an annual basis and committee members will review annual reports provided by BFSG and will work with the Contracts Administration and Materials Management Department to negotiate fees if they are deemed unreasonable. 3. Management will ensure that OCTA receives all deliverables specified in the contract. Management will ensure that required annual fee reports are provided by BFSG. 4. BFSG will be required to include the appropriate certification language on all future invoices. All future BFSG invoices will be properly reviewed for compliance with the agreement terms and two authorized parties will approve the invoices before submitting to NRS for payment. Update May 2016: Management has taken some actions; however, additional recommendations were provided in order for management to properly address weaknesses. Update December 2016: Management has partially addressed recommendations; however a revised IP statement is pending and committee member training has not yet occurred.	Sutter	Initiate next update June 2017
1/19/2016	N/A	Transit	City of Santa Ana, Senior Mobility Program (SMP)	Internal Audit recommends management: 1. Develop program guidelines, including definition of allowable trip types, requirements for revenue reporting, acceptable allocation of costs, and retention of supporting documentation. 2. Amend cooperative agreements to include detailed information on program requirements. 3. Provide training to cities and exercise oversight to ensure compliance with the Ordinance, cooperative agreements, and program guidelines.	Feb-17	Management will review the current agreement language and scopes of work for each SMP and revise to address the collection and recording of program fees/revenue. In addition, the SMP monthly report template will be revised to specifically document fares/revenue received, the source of city contributions, and documentation to identify how revenues collected are used to support the program. During the annual visit, staff will review the process used to collect and report fares/revenues received. Update August 2016: Management has addressed parts 1 and 2 of the recommendation. Since the new monitoring/site visits will not begin until September 2016, part 3 will remain open.	Ng	In Process

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
2/29/2016	FY15-515	Capital Programs	Oversight Controls, Contract Compliance, and Billings Related to the Bristol Street Widening Project	Internal Audit recommends management request the City of Santa Ana (City) strengthen controls over timekeeping and periodically review supporting documentation to ensure accuracy of labor charges to the project. Management should also consider disallowing sub-consultant markups through update of contract language in cooperative agreements.	Jul-17	The gas tax agreement will be amended to require City to certify that their quarterly reconciliation report of actual expenses versus monthly payment requests, including labor hours charged, are true and correct. Staff will review a sample of supporting documents to verify actual expenses and that labor hours billed are supported by time sheets on file. The gas tax agreement will be amended to specifically disallow sub-consultant markups. Update September 2016: The amendment has not been executed due to City's disagreement with certain terms. After the amendment is executed, staff will review a sample of supporting documentation from quarterly reconciliation reports. Update January 2017: Amendment No. 6 was executed to require that the quarterly reconciliation reports include supporting documentation, as well as certification that City has deducted all sub-consultant markup costs. Since staff will begin periodically reviewing a sample of supporting documentation to verify labor and other costs charged now that the amendment is executed, Internal Audit will return in six months to assess staff's review of costs charged.	Ng	Initiate next update in July 2017

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
2/29/2016	FY15-515	Capital Programs	Oversight Controls, Contract Compliance, and Billings Related to the Bristol Street Widening Project	Internal Audit recommends that management design and implement a cost review process that includes review of a sample of City costs charged to the gas tax agreement. Internal Audit also recommends management instruct the City to correct its quarterly reconciliation reports and implement procedures to reconcile City reports with OCTA records.	Jul-17	Staff will periodically sample supporting documentation for costs charged to verify the charges are project-related, supported, and reasonable. Also, the City will be instructed to correct quarterly reconciliation reports based on these audit findings and staff will reconcile each quarterly report with records of payments made under the gas tax agreement. Update September 2016: After the amendment is executed, staff will review a sample of supporting documentation from the City's quarterly reconciliation reports. As of follow-up review, the City made an attempt to adjust its quarterly reconciliation report but did not implement the adjustment fully and correctly; therefore, Internal Audit will keep the recommendation open and ask management to provide suggestions to the City on how to correct its quarterly reconciliation reports. Update January 2017: The City has corrected the overstatement of funding received in the Revised 2nd Quarter 2016 Report. Since staff will begin periodically reviewing a sample of supporting documentation to verify costs charged now that Amendment 6 is executed, Internal Audit will return in six months to assess staff's review of costs charged.	Ng	Initiate next update in July 2017
4/4/2016	FY15-513	F&A, Capital Programs	Accounts Payable (AP)	Internal Audit recommends management provide training to ensure consistent enforcement of policies and procedures by AP staff and advise department staff responsible for the exceptions of OCTA's policies and procedures.	Jun-17	The AP supervisor meets bi-weekly with staff and has included training on AP procedures and responsibilities and has/will communicate to departments responsible for the related exceptions as to OCTA's Policies and Procedures. Update January 2017: During the course of the follow-up review, Internal Audit identified additional instances of violations of the Payment Request Policy and the Payment Authorization Policy. Four recommendations were made to F&A and Capital Programs related to the use of Payment Requests for payments against contracts for goods/services not authorized by the contract at the time the expenses were incurred.	Bonelli	Initiate next update June 2017

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
8/31/2016	FY16-508	External Affairs	Customer Relations	Management should implement a quality control review process to ensure the accuracy of monthly reports.	Feb-17	Customer Relations will implement a quality control review process to ensure accuracy. In addition, Customer Relations is already working with Information Systems Department staff to automate reports through the dashboard, which will reduce the incidence of human error and increase accuracy.	Dunning	In Process
8/31/2016	FY16-508	External Affairs	Customer Relations	Internal Audit recommends that management establish criteria and procedures for performing documented reconciliations and periodic, independent verifications of bus pass inventories maintained by Customer Relations and Marketing staff.	Feb-17	Customer Relations has updated the policies and procedures for performing documented reconciliations and independent verifications of bus pass inventories. An independent verification has begun and will be performed quarterly.	Dunning	In Process
10/31/2016	N/A	F&A	Fiscal Year 2015-16 Management Letter	Vavrinek, Trine, Day & Co. LLP auditors made four recommendations related to enhancements to information systems security.	Jan-18	Management responded that recommendations would be evaluated and implemented as appropriate.	Tang	
1/4/2017	FY17-502	F&A	Payment Card Industry/Data Security Standard (PCI-DSS) Compliance	Management should evaluate resources and controls to ensure full compliance and develop a proposal to achieve compliance and/or provide a reasonable approach moving forward. Management should implement oversight controls to assess the accuracy, timeliness, and sufficiency of Cofiroute USA's (Cofiroute) PCI DSS compliance information.	Jul-17	Management take the following actions: (1) engage a third party PCI Security Assessor to perform Self-Assesment Questionnaires (SAQ) going forward; (2) assess the remediation items identified in the SAQ and address items that fall into existing security improvement efforts; (3) perform a yearly assessment of Cofiroute's PCI DSS compliance information; (4) undergo a review to determine if OCTA should take the steps necessary to become fully PCI compliant; (5) continue to allocate and prioritize resources to cybersecurity risks while addressing PCI compliance concerns.		

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
1/4/2017	FY17-502	F&A	PCI-DSS Compliance	Management should implement procedures to ensure that quarterly network scans are performed and remediation efforts are identified and addressed accordingly. Management should also implement procedures for oversight and monitoring of Cofiroute's activities and incorporate their system scan results into submissions to American Express.	Jul-17	Management agrees with Internal Audit's recommendation and will implement procedures to ensure quarterly network scans are performed. Management will also identify items to be remediated and implement them based on risk and cost. Management will allocate resources to perform periodic assessments of Cofiroute's PCI DSS compliance information.		
2/15/2017	FY16-509	F&A	Budget Development, Monitoring, and Reporting	Procedures should be developed and documented for the budget development and transfer processes. Management should also ensure project variances exceeding the threshold are investigated in accordance with the budget to actual reporting procedures, or alternatively clarify the investigation requirements in such procedures	Aug-17	Management agrees with the recommendation and will re-evaluate and document all salary and benefit budget assumptions at a lower level of detail. Also, management will ensure project variances exceeding the threshold continue to be investigated in accordance with the budget to actual reporting procedures, and will clarify investigation requirements in such procedures.	Ng	
2/15/2017	FY16-509	F&A	Budget Development, Monitoring, and Reporting	Management should implement procedures to ensure that changes to salary grade levels are based on reasonable and consistent methodologies and that documentation is maintained. Changes should also be communicated to management prior to seeking Board approval.	Aug-17	HR management will ensure that P&SR changes are communicated to management prior to seeking Board approval. During the budget process, salary grade level changes to the P&SR will be presented to the Executive Steering Committee prior to Board approval. Current documentation methods for classification salary grade changes will be reviewed to determine the best practice for documenting these actions. HR is in the process of obtaining a compensation and market salary data system. This system will be utilized to enhance data collection, consistency, and documentation.	Ng	

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
2/15/2017	FY16-509	F&A	Budget Development, Monitoring, and Reporting	Management should clarify the Position Control Policy (Policy) with regard to Board approved positions, develop procedures to ensure that the total number of employees does not exceed the Board-approved number, and obtain Chief Executive Officer (CEO)-approval for dual-filled positions. Management should also develop controls to ensure compliance with the	Aug-17	The Policy will be reviewed and revised to clarify the approval process by the OCTA Board. Current procedures will be reviewed to determine if further action is required to ensure the total number of employees do not exceed the Board approved number. In addition, recruitments that will result in a dual-fill will require the authorization of the CEO.	Ng	
3/8/2017	N/A	Planning, Transit	Measure M Agreed-Upon Procedures Reports	Staff should monitor implementation of auditor recommendations included in the Measure M Agreed-Upon Procedures Reports	Sep-17	Note: Multiple recommendations were made to the County of Orange (County) and several cities related to the Local Fair Share, Senior Mobility Program, and Senior Non-Emergency Medical Transportation Program. The County and city management responses are included with the reports and follow-up with the County and applicable cities will be performed by OCTA staff.	Sutter	
3/9/2017	FY17-507	F&A	OCTA Policies & Procedures	Management should update procedures to include a communications plan to ensure that employees expected to comply with policies are properly notified. Communication should occur, as appropriate, for both new and revised policies	Sep-17	Management agrees with the recommendation and has taken steps to ensure communication is made to all employees when new policies are created or existing policies are updated.	Dunning	
3/9/2017	FY17-508	F&A	OCTA Policies & Procedures	Management should implement procedures to notify division management of expiring policies. Follow-up should be performed to ensure policies are reviewed and updated in a timely manner.	Sep-17	Management agrees with the recommendation and will take steps to ensure that policies are updated on the mandated two year cycle.	Dunning	

OUTSTANDING AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through March 31, 2017)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Auditor	Notes
3/9/2017	FY17-509	F&A	OCTA Policies & Procedures	Management should implement controls to help ensure the accuracy and completeness of the master list of policies and procedures.	Sep-17	Management agrees with the recommendation and will implement procedurs to ensure that the master list of policies and procedures is maintained with accuracy and completeness.	Dunning	

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Capital Programs Division - Third Quarter Fiscal Year 2016-17 Capital Action Plan Performance Metrics

Executive Committee Meeting of May1, 2017

Present: Chairman Hennessey and Directors Do, Donchak, Murray, Nelson, and Shaw
Absent: Vice Chair Bartlett

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.

OCTA

May 1, 2017

To: Executive Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Capital Programs Division - Third Quarter Fiscal Year 2016-17 Capital Action Plan Performance Metrics

Overview

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) Capital Programs Division is responsible for project development and delivery of highway, grade separation, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery commitments reflect defined project scope, costs, and schedules. Project delivery commitments shown in the Capital Action Plan (CAP) are key strategies and objectives to achieve the Strategic Plan goals for Mobility and Stewardship.

This report provides an update on the CAP performance metrics, which are the fiscal year (FY) snapshot of the planned CAP project delivery milestones in the budgeted FY. The Capital Programs Division also provides Metrolink commuter rail ridership, revenue, and on-time performance reports and metrics as part of rail program updates.

Discussion

The Capital Programs Division objective is to deliver projects on schedule and within the approved project budget. Key projects' cost and schedule commitments are captured in the CAP, which is regularly updated with new projects and project status (Attachment A). The CAP is categorized into four key groupings of projects; freeway projects, grade separation projects, rail and station projects, and key facility projects. Simple milestones are used as performance indicators of progress in project delivery. The CAP performance metrics provide a FY snapshot of the milestones targeted for delivery in the budgeted FY, and provide both transparency and measurement of annual capital project delivery performance.

The CAP project cost represents the total cost of the project across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. The established baseline cost is shown in comparison to either the actual or forecast cost. The baseline costs may be shown as to-be-determined (TBD) if project scoping studies or other project scoping documents have not been approved, and may be updated as project delivery progresses and milestones are achieved. Actual or forecast costs represent the estimated total project cost across all project delivery phases. Measure M2 (M2) projects are identified with the corresponding project letter and the M2 logo. The CAP update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project delivery schedules into eight key milestones used as a metric to track progress.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.

Advertise for Construction	The date a construction contract is advertised for bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.

Project schedules reflect the approved milestone dates in comparison to the forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with the agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Actual dates will be updated when milestones are achieved, and forecast dates will be updated to reflect project delivery status.

Key Findings

CAP third quarter FY 2016-17 milestones achieved include:

Freeway and OC Bridges Railroad Grade Separation Projects

- Final design of the southbound Interstate 405 auxiliary lane between University Drive and State Route 133 was completed. The design phase is funded through the State Transportation Improvement Program (STIP). Funding for construction has not yet been identified.

- Two milestones were completed on the State Route 91 post-widening replacement planting project between State Route 57 (SR-57) and Interstate 5 (I-5) as the contract was both advertised for construction and awarded by the California Department of Transportation (Caltrans).

The following CAP milestones missed the planned delivery through the third quarter of FY 2016-17.

- The begin environmental milestone for the I-5 El Toro Interchange reconstruction project has not been achieved. OCTA committed federal funding to pay Caltrans to prepare the draft project report, environmental studies, and draft environmental documentation, and Caltrans informed OCTA that work will not begin until all federal funding approvals are in place, which is anticipated in April 2017. Caltrans will present an overview of the project alternatives and planned schedule to complete the environmental clearance to the OCTA Regional Planning and Highways Committee on May 1, 2017, and to the OCTA Board of Directors (Board) on May 8, 2017.

- The complete environmental milestone for the Anaheim Canyon Metrolink Station expansion project was not achieved in the third quarter. However, the California Environmental Quality Act clearance for the project was obtained on January 12, 2017, and National Environmental Policy Act clearance is expected in April 2017. On April 10, 2017, the Board approved the release of a request for proposals to procure a consultant to complete final design of the project.

- Four milestones, the complete design, construction ready, advertise construction, and award contract milestones for the SR-57 post-widening replacement planting between Orangethorpe Avenue and Lambert Road have not been achieved. The project continues to be delayed as the design consultant addresses design product quality issues and extensive Caltrans comments. OCTA and Caltrans are working with the consultant to address the design quality issues and complete the design in the fourth quarter. The construction ready, advertise construction, and award contract milestones will not be achieved this FY and are being rescheduled to FY 2017-18.

- The complete design milestone for construction of the second high-occupancy vehicle (HOV) lane on I-5 between State Route 55 (SR-55) and SR-57 was not completed pending resolution of availability of STIP construction funding, which was delayed by the California Transportation Commission (CTC) from FY 2017-18 to FY 2018-19. Final design is planned to be complete in June 2017. Finalization of the Caltrans construction cooperative agreement required to complete the contract packaging, advertisement for bids, award, and administration of the construction contract is dependent on availability of the $36.3 million construction phase STIP funding, and is impacting the project construction delivery schedule on a month-to-month basis.

- Three milestones, the construction ready, advertise construction, and award contract milestones for the SR-57 post-widening replacement planting between Katella Avenue and Lincoln Avenue have not been achieved. Resolution of Caltrans' final review comments are being incorporated into the plans, specifications, and estimates, and the project is anticipated to be construction ready in the fourth quarter. Advertisement and award of the contract are being rescheduled to FY 2017-18.

- The award contract milestone for construction of the Orange Metrolink Station parking expansion project has not been achieved. The initial construction advertisement and bidding process was cancelled due to failure of bidders to meet Disadvantaged Business Enterprise goals, and to clarify specifications for the design and Federal Buy America requirements. The project was re-advertised, and bids were opened on January 12, 2017. Bid protests were received from several bidders, and the Board will consider the contract award to the lowest responsive responsible bidder on May 8, 2017.

- The construction completion milestone for the I-5 widening from Avenida Vista Hermosa to Pacific Coast Highway, one of three segments of widening in San Clemente, was missed. A higher number of non-activity rain days were experienced, and the contractor is performing repairs to a damaged fiber optic communication line. Construction completion is anticipated in May 2017.

- The construction completion milestone for the Fullerton Transportation Center elevator upgrades, administered by the City of Fullerton, was missed. The contractor experienced delays due to an elevator subcontractor substitution and BNSF Rail work windows. Construction completion is now anticipated in January 2018.

Recap of Third Quarter FY 2016-17 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2016-17 reflected 33 planned project delivery milestones to accomplish, 27 of which were planned through the third quarter. The CAP and performance metrics have been updated to reflect both milestones achieved and missed through the third quarter of FY 2016-17 (Attachment B). Fourteen of the planned 27 milestones through the third quarter, and one fourth quarter milestone, have been completed (55.6 percent).

Seven of the 13 milestones missed through the third quarter are delays in landscape design consultant completion and associated approvals from Caltrans on landscape replacement planting projects.

Risks and Look Ahead Project Concerns

Schedule delay and cost risks are a high potential on the I-5 widening project between State Route 73 and El Toro Road, which is being delivered in three logical construction segments. As previously reported, the 2016 STIP adopted by the CTC delayed availability of funding for construction of the southerly most segment, which includes the Avery Parkway interchange, from FY 2018-19 to FY 2020-21. All three segments have interrelated construction schedules for traffic staging, and any significant delay to one of the segments will impact the construction schedule of the remaining two segments. Staff is currently maintaining the interrelated delivery schedules for all three segments, and ROW appraisals are underway to prepare offers for the needed acquisitions to construct the projects. The first of the three segments is scheduled to advertise for construction bids in mid-2018. The continued delay in STIP funding for construction of the southerly segment will result in delays to construction schedules for all three segments. These construction schedule delays will result in significant cost increases due to escalation and additional timeframes required for temporary construction easements.

Similarly, STIP funding for construction of the second HOV lane on I-5 between SR-55 and SR-57 was delayed by the CTC from FY 2017-18 to FY 2018-19. Final design will be complete in the fourth quarter and is planned to be submitted to Caltrans for final contract packaging prior to construction advertisement. The construction funding delay is delaying the project schedule on a month-to-month basis.

On April 6, 2017, the State Legislature passed SB 1 (Beall, D-San Jose), which includes stabilization of the STIP Regional Transportation Improvement Program over a ten-year period. OCTA immediately sent a letter to the CTC (Attachment C) requesting action to amend the STIP and return these two programmed I-5 projects to its previously-approved programming FY. The restoration of project funding will eliminate risk of schedule delays and cost increases.

The award contract milestone for the SR-57 post-widening replacement planting between Katella Avenue and Lincoln Avenue will not be completed in the current FY as planned due to delays in Caltrans safety reviews of the final design, as discussed previously in this report. The planned advertise contract milestone this FY is now delayed into August 2017, next FY.

The construction cost for the SR-57 post-widening replacement planting between Orangethorpe Avenue and Lambert Road is likely to increase as the final design work is completed. Caltrans has added significant scope to this landscape project, including additional roadside maintenance vehicle turnouts, relocations of recently constructed guardrails, and numerous other unanticipated

items. Staff will assess the cost and funding as the final design is completed and the engineer's estimate is finalized.

Summary

Continued capital project delivery progress has been achieved and reflected in the CAP. The planned FY 2016-17 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

A. Capital Action Plan, Status Through March 2017
B. Capital Programs Division, Fiscal Year 2016-17 Performance Metrics Status Through March 2017
C. Letter from Darrell Johnson, Chief Executive Officer, Orange County Transportation Authority, to Susan Bransen, Executive Director, California Transportation Commission, Dated April 10, 2017

Prepared by:

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

ATTACHMENT A

Capital Action Plan

Status Through March 2017

Updated: April 13, 2017

Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast: Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Freeway Projects:									
I-5, Pico to Vista Hermosa	$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	$89.6	**Jun-09**	**Oct-11**	**Jun-11**	**Oct-13**	**May-14**	**Sep-14**	**Dec-14**	Aug-18
I-5, Vista Hermosa to Pacific Coast Highway	$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	$71.1	**Jun-09**	**Oct-11**	**Jun-11**	**May-13**	**Aug-13**	**Feb-14**	**Jun-14**	May-17
I-5, Pacific Coast Highway to San Juan Creek Road	$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C Cost/Schedule Risk	$71.0	**Jun-09**	**Oct-11**	**Jun-11**	**Jan-13**	**Apr-13**	**Aug-13**	**Dec-13**	Apr-18
I-5, I-5/Ortega Interchange	$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	$80.3	**Sep-05**	**Jun-09**	**Jan-09**	**Dec-11**	**Apr-12**	**Jun-12**	**Aug-12**	**Jan-16**
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	**Jan-14**	**Oct-14**	**Feb-15**	**Aug-15**	**Sep-15**	**Sep-16**
I-5, SR-73 to Oso Parkway	$151.9	Sep-11	Jun-14	TBD	Jan-18	May-18	Aug-18	Dec-18	Apr-22
Project C & D Cost/Schedule Risk	$151.9	**Oct-11**	**May-14**	**Mar-15**	Jan-18	Oct-18	Feb-19	May-19	Sep-22
I-5, Oso Parkway to Alicia Parkway	$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Mar-22
Project C & D Cost/Schedule Risk	$196.2	**Oct-11**	**May-14**	**Nov-14**	Dec-17	Jun-18	Aug-18	Nov-18	Aug-22
I-5, Alicia Parkway to El Toro Road	$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Sep-22
Project C Cost/Schedule Risk	$133.6	**Oct-11**	**May-14**	**Mar-15**	Sep-18	Feb-19	Apr-19	Jul-19	Dec-22
I-5, I-5/El Toro Road Interchange	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Project D	TBD	May-17	Apr-20	TBD	TBD	TBD	TBD	TBD	TBD
I-5, I-405 to SR-55	TBD	May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD
Project B	TBD	**May-14**	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD
I-5, SR-55 to SR-57	$37.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Feb-20
Project A Cost/Schedule Risk	$37.1	**Jun-11**	**Apr-15**	**Jun-15**	Jul-17	Nov-17	Dec-17	Apr-18	Jun-20
SR-55, I-405 to I-5	TBD	Feb-11	Nov-13	TBD	TBD	TBD	TBD	TBD	TBD
Project F Cost/Schedule Risk	$375.9	**May-11**	Sep-17	Jan-18	Apr-20	Nov-20	Feb-21	May-21	Jun-25
SR-55, I-5 to SR-91	TBD	Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD
Project F	TBD	**Dec-16**	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD
Project G	TBD	**Apr-16**	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14
Project G	$40.5	**Apr-08**	**Nov-09**	**Aug-08**	**Dec-10**	**Apr-11**	**Jul-11**	**Oct-11**	**Apr-15**
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project G Cost/Schedule Risk	N/A	N/A	N/A	**May-09**	**Jul-10**	Jun-17	Aug-17	Oct-17	Nov-18

Capital Action Plan

Status Through March 2017

Updated: April 13, 2017

Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast: Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	$80.2	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14
Project G	$52.4	**Aug-05**	**Dec-07**	**Feb-08**	**Jul-09**	**Dec-09**	**May-10**	**Oct-10**	**Nov-14**
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	$79.3	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14
Project G	$54.8	**Aug-05**	**Dec-07**	**Feb-08**	**Jul-09**	**Mar-10**	**May-10**	**Oct-10**	**May-14**
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project G **Cost/Schedule Risk**	N/A	N/A	N/A	**Oct-14**	Jun-17	Aug-17	Oct-17	Dec-17	Jan-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Cost/Schedule Risk	TBD	Aug-18	Jul-21	TBD	TBD	TBD	TBD	TBD	TBD
SR-91 Westbound (WB), I-5 to SR-57	$78.1	Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16
Project H	$59.6	**Jul-07**	**Jun-10**	**Mar-10**	**Apr-12**	**Aug-12**	**Oct-12**	**Jan-13**	**Jun-16**
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	N/A	**Nov-14**	**Aug-16**	**Dec-16**	**Feb-17**	**Mar-17**	May-18
SR-91, SR-57 to SR-55	TBD	Jan-15	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD
Project I **Cost/Schedule Risk**	TBD	**Jan-15**	May-19	TBD	TBD	TBD	TBD	TBD	TBD
SR-91 (WB), Tustin Interchange to SR-55	$49.9	Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Jul-16
Project I	$43.8	**Jul-08**	**May-11**	**Jun-11**	**Feb-13**	**Apr-13**	**Jun-13**	**Oct-13**	**Jul-16**
SR-91, SR-55 to SR-241	$128.4	Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Dec-12
Project J	$79.6	**Jul-07**	**Apr-09**	**Apr-09**	**Aug-10**	**Dec-10**	**Feb-11**	**May-11**	**Mar-13**
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	N/A	**May-12**	**Feb-13**	**Apr-13**	**Jul-13**	**Oct-13**	**Feb-15**
SR-91 Eastbound, SR-241 to SR-71	$104.5	Mar-05	Dec-07	Jul-07	Dec-08	Mar-09	May-09	Jul-09	Nov-10
Project J	$57.8	**Mar-05**	**Dec-07**	**Jul-07**	**Dec-08**	**May-09**	**Jun-09**	**Aug-09**	**Jan-11**
91 Express Lanes to SR-241 Toll Connector	TBD	N/A	N/A	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	**Nov-13**	Dec-17	TBD	TBD	TBD	TBD	TBD	TBD
I-405, I-5 to SR-55	TBD	Dec-14	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD
Project L	TBD	**Dec-14**	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD
I-405, SR-55 to I-605 (Design-Build)	$1,900.0	Mar-09	Mar-13	Mar-14	Nov-15	Feb-16	Mar-16	Nov-16	Apr-23
Project K	$1,900.0	**Mar-09**	**May-15**	**Mar-14**	**Nov-15**	**Feb-16**	**Mar-16**	**Nov-16**	May-23
I-405/SR-22 HOV Connector	$195.9	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Aug-10	Aug-14
	$120.4	N/A	N/A	**Sep-07**	**Jun-09**	**Sep-09**	**Feb-10**	**Jun-10**	**Mar-15**
I-405/I-605 HOV Connector	$260.4	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Oct-10	Jan-15
	$172.6	N/A	N/A	**Sep-07**	**Sep-09**	**Feb-10**	**May-10**	**Oct-10**	**Mar-15**
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	**Jun-08**	**May-09**	**Feb-16**	**May-16**	**Jul-16**	Jan-18

Capital Action Plan

Status Through March 2017

Updated: April 13, 2017

Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast: Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	TBD	Aug-16	Nov-18	TBD	TBD	TBD	TBD	TBD	TBD
Project M	TBD	**Aug-16**	Nov-18	TBD	TBD	TBD	TBD	TBD	TBD
Grade Separation Projects:									
Sand Canyon Avenue Railroad Grade Separation	$55.6	N/A	Sep-03	Jan-04	Jul-10	Jul-10	Oct-10	Feb-11	May-14
Project R	$61.7	N/A	**Sep-03**	**Jan-04**	**Jul-10**	**Jul-10**	**Oct-10**	**Feb-11**	**Jan-16**
Raymond Avenue Railroad Grade Separation	$77.2	Feb-09	Nov-09	Mar-10	Aug-12	Nov-12	Feb-13	May-13	Aug-18
Project O **Cost/Schedule Risk**	$124.8	**Feb-09**	**Nov-09**	**Mar-10**	**Dec-12**	**Jul-13**	**Oct-13**	**Feb-14**	Aug-18
State College Boulevard Railroad Grade Separation (Fullerton)	$73.6	Dec-08	Jan-11	Jul-06	Aug-12	Nov-12	Feb-13	May-13	May-18
Project O **Cost/Schedule Risk**	$97.0	**Dec-08**	**Apr-11**	**Jul-06**	**Feb-13**	**May-13**	**Sep-13**	**Feb-14**	May-18
Placentia Avenue Railroad Grade Separation	$78.2	Jan-01	May-01	Jan-09	Mar-10	May-10	Mar-11	Jun-11	Nov-14
Project O	$64.4	**Jan-01**	**May-01**	**Jan-09**	**Jun-10**	**Jan-11**	**Mar-11**	**Jul-11**	**Dec-14**
Kraemer Boulevard Railroad Grade Separation	$70.4	Jan-01	Sep-09	Jan-09	Jul-10	Jul-10	Apr-11	Aug-11	Oct-14
Project O	$63.5	**Jan-01**	**Sep-09**	**Feb-09**	**Jul-10**	**Jan-11**	**Jun-11**	**Sep-11**	**Dec-14**
Orangethorpe Avenue Railroad Grade Separation	$117.4	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Feb-12	May-12	Sep-16
Project O	$108.6	**Jan-01**	**Sep-09**	**Feb-09**	**Oct-11**	**Apr-12**	**Sep-12**	**Jan-13**	**Oct-16**
Tustin Avenue/Rose Drive Railroad Grade Separation	$103.0	Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16
Project O	$98.3	**Jan-01**	**Sep-09**	**Feb-09**	**Jul-11**	**Jun-12**	**Oct-12**	**Feb-13**	**Oct-16**
Lakeview Avenue Railroad Grade Separation	$70.2	Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Mar-17
Project O	$107.4	**Jan-01**	**Sep-09**	**Feb-09**	**Jan-13**	**Apr-13**	**Sep-13**	**Nov-13**	Jul-17
17th Street Railroad Grade Separation	TBD	Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD
Project R	TBD	**Oct-14**	Jun-17	TBD	TBD	TBD	TBD	TBD	TBD
Rail and Station Projects:									
Rail-Highway Grade Crossing Safety Enhancement	$94.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
Project R	$90.4	**Jan-08**	**Oct-08**	**Jan-08**	**Sep-08**	**Sep-08**	**Sep-08**	**Aug-09**	**Dec-11**
San Clemente Beach Trail Safety Enhancements	$6.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14
Project R	$5.0	**Sep-10**	**Jul-11**	**Feb-12**	**Jun-12**	**Jun-12**	**Oct-12**	**May-13**	**Mar-14**
San Juan Capistrano Passing Siding	$25.3	Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Jan-19
	$30.8	**Aug-11**	**Mar-14**	**Mar-15**	Nov-17	Nov-17	Feb-18	Jun-18	Jul-20
OC Streetcar	$309.0	Aug-09	Mar-12	Feb-16	Sep-17	Nov-17	Nov-17	Mar-18	Apr-20
Project S	$309.0	**Aug-09**	**Mar-15**	**Feb-16**	Sep-17	Oct-17	Oct-17	Apr-18	Jul-20
Placentia Metrolink Station and Parking Structure	$34.8	Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	TBD
Project R **Cost/Schedule Risk**	$34.8	**Jan-03**	**May-07**	**Oct-08**	**Feb-11**	Sep-17	Oct-17	Feb-18	Oct-19
Anaheim Canyon Station	$27.9	Jan-16	Dec-16	TBD	TBD	TBD	TBD	TBD	TBD
	$27.9	**Jan-16**	Apr-17	Feb-18	Apr-19	Apr-19	Jun-19	Sep-19	Dec-20

Capital Action Plan

Status Through March 2017

Updated: April 13, 2017

Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast: Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Orange Station Parking Expansion	$33.2	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Jun-18
Cost/Schedule Risk	$33.2	**Dec-09**	May-16	**Nov-10**	**Apr-16**	**Jul-16**	**Jul-16**	Apr-17	Nov-18
Fullerton Transportation Center - Elevator Upgrades	$3.5	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Mar-17
Cost/Schedule Risk	$4.0	N/A	N/A	**Jan-12**	**Dec-13**	**Dec-13**	**Aug-14**	**Apr-15**	Jan-18
Laguna Niguel/Mission Viejo Station ADA Ramps	$3.5	Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Apr-17
	$4.9	**Jul-13**	**Feb-14**	**Jul-13**	**Jul-15**	**Jul-15**	**Jul-15**	**Oct-15**	Jul-17
Anaheim Regional Transportation Intermodal Center	$227.4	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
Project R & T	$230.4	**Apr-09**	**Feb-12**	**Jun-09**	**May-12**	**May-12**	**May-12**	**Sep-12**	**Dec-14**

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved
Green = Forecast milestone meets or exceeds plan
Yellow = Forecast milestone is one to three months later than plan
Red = Forecast milestone is over three months later than plan

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental: The date environmental clearance and project approval is achieved.
Begin Design: The date final design work begins, or the date when a design-build contract begins.
Complete Design: The date final design work is 100 percent complete and approved.
Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.
Advertise for Construction: The date a construction contract is both funded and advertised for bids.
Award Contract: The date the construction contract is awarded.
Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

I-5 - Santa Ana Freeway (Interstate 5)
SR-73 - San Joaquin Freeway (State Route 73)
SR-55 - Costa Mesa Freeway (State Route 55)
SR-57 - Orange Freeway (State Route 57)
SR-91 - Riverside Freeway (State Route 91)
SR-71 - Corona Expressway (State Route 71)
SR-22 - Garden Grove Freeway (State Route 22)
I-405 - San Diego Freeway (Interstate 405)
SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
I-605 - San Gabriel River Freeway (Interstate 605)
ADA - Americans with Disabilities Act

ATTACHMENT B

Capital Programs Division
Fiscal Year 2016-17 Performance Metrics Status Through March 2017

Begin Environmental

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
I-605, I-605/ Katella Avenue Interchange	X	✓							
I-5, I-5/El Toro Road Interchange			X						
SR-55, I-5 to SR-91			X	✓					
Total Forecast/Actual	1	1	2	1	0	0	0	0	3

Complete Environmental

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
Anaheim Canyon Metrolink Station			X						
17th Street Railroad Grade Separation							X		
Total Forecast/Actual	0	0	1	0	0	0	1	0	2

Begin Design

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
No "Begin Design" milestones scheduled for FY 2016-17									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Design

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
SR-91 (Westbound), I-5 to SR-57 Landscape	X	✓							
SR-57 (Northbound), Orangethorpe Avenue to Lambert Road Landscape			X						
I-5, SR-55 to SR-57					X				
I-5, Oso Parkway to Alicia Parkway							X		
I-405 Southbound, SR-133 to University Drive						✓	X		
San Juan Capistrano Passing Siding							X		
Total Forecast/Actual	1	1	1	0	1	1	3	0	6

Construction Ready

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
Orange Metrolink Station Parking Expansion	X	✓							
SR-57 (Northbound), Katella Avenue to Lincoln Avenue Landscape			X						
SR-57 (Northbound), Orangethorpe Avenue to Lambert Road Landscape			X						
SR-91 (Westbound), I-5 to SR-57 Landscape			X	✓					
I-405 Southbound, SR-133 to University Drive							X		
San Juan Capistrano Passing Siding							X		
Total Forecast/Actual	1	1	3	1	0	0	2	0	6

Capital Programs Division
Fiscal Year 2016-17 Performance Metrics Status Through March 2017

Advertise Construction

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
Orange Metrolink Station Parking Expansion	X	✔							
SR-91 (Westbound), I-5 to SR-57 Landscape			X			✔			
SR-57 (Northbound), Katella Avenue to Lincoln Avenue Landscape					X				
SR-57 (Northbound), Orangethorpe Avenue to Lambert Road Landscape					X				
Total Forecast/Actual	1	1	1	0	2	1	0	0	4

Award Contract

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
I-405/SR-22/I-605 HOV Connector Landscape	X	✔							
I-405, SR-55 to I-605 (Design-Build)			X	✔					
Orange Metrolink Station Parking Expansion			X						
SR-91 (Westbound), I-5 to SR-57 Landscape					X	✔			
SR-57 (Northbound), Katella Avenue to Lincoln Avenue Landscape					X				
SR-57 (Northbound), Orangethorpe Avenue to Lambert Road Landscape					X				
Total Forecast/Actual	1	1	2	1	3	1	0	0	6

Complete Construction

Project Description	FY 17 Qtr 1 Fcst	FY 17 Qtr 1 Actual	FY 17 Qtr 2 Fcst	FY 17 Qtr 2 Actual	FY 17 Qtr 3 Fcst	FY 17 Qtr 3 Actual	FY 17 Qtr 4 Fcst	FY 17 Qtr 4 Actual	FY 17 Fcst
SR-91 (Westbound), Tustin Interchange to SR-55	X	✔							
Orangethorpe Avenue Railroad Grade Separation	X			✔					
Tustin Avenue/Rose Drive Railroad Grade Separation	X			✔					
I-5/Ortega Highway Interchange Landscape		✔	X						
I-5, Vista Hermosa to Pacific Coast Highway					X				
Fullerton Transportation Center - Elevator Upgrades					X				
Total Forecast/Actual	3	2	1	2	2	0	0	0	6

Totals	8	7	11	5	8	3	6	0	33

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental: The date environmental clearance and project approval is achieved.
Begin Design: The date final design work begins or the date when a design-build contract begins.
Complete Design: The date final design work is 100 percent complete and approved.
Construction Ready: The date contract bid documents are ready for advertisement, right-of-way certified, all agreements executed, and contract constraints are cleared.
Advertise for Construction: The date a construction contract is both funded and advertised for bids.
Award Contract: The date the construction contract is awarded.
Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

I-5 - Santa Ana Freeway (Interstate 5)
SR-22 - Garden Grove Freeway (State Route 22)
SR-55 - Costa Mesa Freeway (State Route 55)
SR-57 - Orange Freeway (State Route 57)
SR-91 - Riverside Freeway (State Route 91)
SR-133 - Laguna Freeway (State Route 133)
I-605 - San Gabriel River Freeway (Interstate 605)
I-405 - San Diego Freeway (Interstate 405)
HOV - high-occupancey vehicle

X = milestone forecast in quarter
✔ = milestone accomplished in quarter

ATTACHMENT C

OCTA

BOARD OF DIRECTORS

Michael Hennessey
Chairman

Lisa A. Bartlett
Vice Chair

Laurie Davies
Director

Barbara Delgleize
Director

Andrew Do
Director

Lori Donchak
Director

Steve Jones
Director

Mark A. Murphy
Director

Richard Murphy
Director

Al Murray
Director

Shawn Nelson
Director

Miguel Pulido
Director

Tim Shaw
Director

Todd Spitzer
Director

Michelle Steel
Director

Tom Tait
Director

Gregory T. Winterbottom
Director

Ryan Chamberlain
Ex-Officio Member

CHIEF EXECUTIVE OFFICE

Darrell Johnson
Chief Executive Officer

April 10, 2017

Ms. Susan Bransen
Executive Director
California Transportation Commission
1120 N Street, Room 2221, MS-52
Sacramento, CA 95814

RE: **Request for Orange County Transportation Authority State Transportation Improvement Program Amendments**

Dear Ms. Bransen:

The Orange County Transportation Authority (OCTA) is requesting a State Transportation Improvement Program (STIP) amendment notice at the May 17-18, 2017 meeting, and the corresponding action to amend three OCTA STIP projects on June 28-29, 2017, contingent on the approval of additional STIP funds from SB 1.

OCTA is requesting a STIP amendment to return two of Orange County's projects to the previously approved programming fiscal year (FY) and the advancement of one project. The following three projects were delayed in the 2016 STIP due to the statewide shortfall of $754 million, and are listed in priority order below.

1. Interstate 5 (I-5) Widening (State Route 73 to Oso Parkway): Return $78.030 million in STIP funds from FY 2020-21 to FY 2018-19. Project plans are 95 percent complete, and the project will be ready to advertise for construction in January 2019.

2. I-5 High-Occupancy Vehicle Lanes (State Route 55 to State Route 57 [SR-57]): Return $28.949 million in STIP funds from FY 2018-19 to FY 2017-18. Project plans are 95 percent complete, and the project will be ready to advertise for construction in November 2017.

3. SR-57 Lambert Road Interchange Improvements: Advance $9 million of the original $22 million in STIP funds from FY 2019-20 to FY 2017-18. Project plans are nearly 100 percent complete, and the project will be ready to begin the right-of-way phase in March 2018.

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)

These projects have maintained their previous project delivery schedules and advancement of funds will allow the projects to proceed without delay or added escalation costs.

The associated project programming request forms are provided, which detail the project changes. If you have any questions regarding OCTA's STIP amendment request submittals, please contact Kurt Brotcke, Director, Strategic Planning, at (714) 560-5742.

Sincerely,

Darrell Johnson
Chief Executive Officer

DJ:ac
Attachments

c: Mitchell Weiss, CTC
Ryan Chamberlain, Caltrans, District 12
Bruce De Terra, Caltrans HQ
Adnan Maiah, Caltrans, District 12
Jim Beil, OCTA
Kia Mortazavi, OCTA
Adriann Cardoso, OCTA

ATTACHMENT

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised August 2013) *General Instructions*

☐ New Project ☑ Amendment (Existing Project) **Date:** 5/17/17

District	EA	Project ID	PPNO	MPO ID	TCRP No.
12	0K021		2655		

County	Route/Corridor	PM Bk	PM Ahd	Project Sponsor/Lead Agency
ORA	I-5	12.4	14.5	Orange County Transportation Authority (OCTA)

MPO	Element
SCAG	Capital Outlay

Project Manager/Contact	Phone	E-mail Address
Hamid Torkamanha	714-560-5436	Htorkamanha@octa.net

Project Title

Interstate 5 Widening, Segment 1 (SR 73 to Oso Parkway)

Location, Project Limits, Description, Scope of Work ☐ See page 2

In Laguna Niguel, Mission Viejo and Laguna Hills from Route 73 to Oso Parkway. Add general purpose lane in each direction and reconstruct interchanges at Avery Parkway.

☐ Includes ADA Improvements ☐ Includes Bike/Ped Improvements

Component	Implementing Agency	
PA&ED	OCTA	
PS&E	OCTA	
Right of Way	Caltrans	
Construction	Caltrans	

Legislative Districts

Assembly:	68, 73	**Senate:**	36, 37
Congressional:	45, 48, 49		

Purpose and Need ☐ See page 2

Improve mainline congestion on I-5 from SR-73 to Oso Parkway and improve interchange operations. Existing daily traffic volumes range from more than 279,000 to 365,000 vehicles per day, with peak hour volumes ranging from 6,270 to 13,490 in the NB direction and from 5,940 to 11,840 in the SB direction. Under current traffic conditions, substantial congestion is experienced in the NB direction during the AM peak hour and in the SB direction during the PM peak hour.
By year 2045, daily traffic volumes within the project area range from more than 353,000 to 457,000 with peak hour volumes ranging from 7,150 to 16,070 in the NB direciton and from 7,000 to 13,810 in the SB direction.

Project Benefits ☐ See page 2

Project will increase capacity which will help reduce congestion in the Cities of Laguna Niguel, Mission Viejo, and Laguna Hills

☑ Supports Sustainable Communities Strategy (SCS) Goals ☑ Reduces Greenhouse Gas Emissions

Project Milestone			Existing	Proposed
Project Study Report Approved				
Begin Environmental (PA&ED) Phase			10/01/11	
Circulate Draft Environmental Document	Document Type	EIR	09/06/13	
Draft Project Report			09/06/13	
End Environmental Phase (PA&ED Milestone)			07/01/14	
Begin Design (PS&E) Phase			03/03/15	
End Design Phase (Ready to List for Advertisement Milestone)			04/01/18	
Begin Right of Way Phase			01/01/16	
End Right of Way Phase (Right of Way Certification Milestone)			02/01/18	
Begin Construction Phase (Contract Award Milestone)			12/01/19	
End Construction Phase (Construction Contract Acceptance Milestone)			08/01/23	
Begin Closeout Phase			09/01/23	
End Closeout Phase (Closeout Report)			09/01/25	

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	I-5	0K021	0	2655	0

Project Title: Interstate 5 Widening, Segment 1 (SR 73 to Oso Parkway)

Existing Total Project Cost

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	2,367	0	0	0	0	0	0	2,367	OCTA
PS&E	9,651	0	0	0	0	0	0	9,651	OCTA
R/W SUP (CT)	947	4,249	0	0	0	0	0	5,196	Caltrans
CON SUP (CT)	0	0	0	0	2,234	9,353	0	11,587	Caltrans
R/W	0	32,476	0	0	0	0	0	32,476	Caltrans
CON	0	0	0	0	1,750	73,394	0	75,144	Caltrans
TOTAL	12,965	36,725	0	0	3,984	82,747	0	136,421	

Proposed Total Project Cost ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	2,367	0	0	0	0	0	0	2,367
PS&E	9,651	0	0	0	0	0	0	9,651
R/W SUP (CT)	947	4,249	0	0	0	0	0	5,196
CON SUP (CT)	0	0	0	11,587	0	0	0	11,587
R/W	0	32,476	0	0	0	0	0	32,476
CON	0	0	0	75,144	0	0	0	75,144
TOTAL	12,965	36,725	0	86,731	0	0	0	136,421

Notes

Fund No. 1: RIP - National Hwy System (NH)

Program Code: 20.XX.075.600

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)								0	OCTA
PS&E								0	
R/W SUP (CT)								0	
CON SUP (CT)						4,943		4,943	
R/W								0	
CON						73,087		73,087	
TOTAL	0	0	0	0	0	78,030	0	78,030	

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)				4,943				4,943
R/W								0
CON				73,087				73,087
TOTAL	0	0	0	78,030	0	0	0	78,030

Notes

Fund No. 2: RSTP - STP Local (STPL)

Program Code: 20.30.010.810

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	1,667							1,667	
PS&E	9,101							9,101	
R/W SUP (CT)								0	
CON SUP (CT)								0	
R/W								0	
CON								0	
TOTAL	10,768	0	0	0	0	0	0	10,768	

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	1,667							1,667
PS&E	9,101							9,101
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	10,768	0	0	0	0	0	0	10,768

Notes

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	I-5	0K021	0	2655	0

Project Title: Interstate 5 Widening, Segment 1 (SR 73 to Oso Parkway)

Fund No. 3: STBG - SURFACE TRANSPORTATION BLOCK GRANT

Program Code

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)		4,249						4,249
CON SUP (CT)					2,234			2,234
R/W		9,166						9,166
CON					1,750			1,750
TOTAL	0	13,415	0	0	3,984	0	0	17,399

Funding Agency

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)		4,249						4,249
CON SUP (CT)				2,234				2,234
R/W		9,166						9,166
CON				1,750				1,750
TOTAL	0	13,415	0	3,984	0	0	0	17,399

Notes

Fund No. 4: Local Funds - Local Measure (MEA)

Program Code 20.10.400.100

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	700							700
PS&E	550							550
R/W SUP (CT)	947							947
CON SUP (CT)						4,410		4,410
R/W		23,310						23,310
CON						307		307
TOTAL	2,197	23,310	0	0	0	4,717	0	30,224

Funding Agency

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	700							700
PS&E	550							550
R/W SUP (CT)	947							947
CON SUP (CT)				4,410				4,410
R/W		23,310						23,310
CON				307				307
TOTAL	2,197	23,310	0	4,717	0	0	0	30,224

Notes

Fund No. 5:

Program Code

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0
CON SUP (CT)	0	0	0	0	0	0	0	0
R/W	0	0	0	0	0	0	0	0
CON	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0

Funding Agency

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	0	0	0	0	0	0	0	0

Notes

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Complete this page for amendments only **Date:** 05/17/17

District	County	Route	EA	PPNO	TCRP No.
12	ORA	I-5	0K021	2655	0

SECTION 1 - All Projects

Project Background

Existing 2016 STIP Project

Programming Change Requested

Advance RIP-National Highway System (NH) CON SUP for $4.943 million in FY20/21 to FY18/19
Advance RIP-National Highway System (NH) CON for $73.087 million in FY20/21 to FY18/19
Advance STBG - Surface Transportation Block Grant Funds CON SUP for $2.234 million in FY19/20 to FY18/19
Advance STBG - Surface Transportation Block Grant Funds CON for $1.750 million in FY19/20 to FY18/19
Advance Local Funds-Local Measure (MEA) CON SUP for $4.410 million in FY20/21 to FY18/19
Advance Local Funds-Local Measure (MEA) CON for $0.307 million in FY20/21 to FY18/19

Total Project Cost remains at $136.421 million

Reason for Proposed Change

Senate Bill 1 provides additional funding for the STIP and OCTA is requesting funding for this project that was delayed due to the 2016 STIP shortfall be returned to the previously approved fiscal year.

If proposed change will delay one or more components, clearly explain 1) reason the delay, 2) cost increase related to the delay, and 3) how cost increase will be funded

1). N/A
2). N/A
3). N/A

Other Significant Information

SECTION 2 - For TCRP Projects Only

☐ Alternative Project Request (Please follow Instructions at http://www.dot.ca.gov/tcrp/LETTERguidelines)
☐ Letter of No Prejudice (LONP) (Please follow Guidelines at http://www.dot.ca.gov/tcrp/docs/042706.pdf)

SECTION 3 - All Projects

Approvals

I hereby certify that the above information is complete and accurate and all approvals have been obtained for the processing of this amendment request.*

Name (Print or Type)	Signature	Title	Date
Kurt Brotcke	[signature]	Director Strategic Planning	4-7-17

Attachments

1) Concurrence from Implementing Agency and/or Regional Transportation Planning Agency
2) Project Location Map

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 05/17/17

County	CT District	PPNO	TCRP Project No.	EA
ORA	12	2655	0	0K021

Project Title: Interstate 5 Widening, Segment 1 (SR 73 to Oso Parkway)

Existing Total Project Cost									
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	2,367	0	0	0	0	0	0	2,367	OCTA
PS&E	9,651	0	0	0	0	0	0	9,651	OCTA
R/W SUP (CT)	947	4,249	0	0	0	0	0	5,196	Caltrans
CON SUP (CT)	0	0	0	0	2,234	9,353	0	11,587	Caltrans
R/W	0	32,476	0	0	0	0	0	32,476	Caltrans
CON	0	0	0	0	1,750	73,394	0	75,144	Caltrans
TOTAL	12,965	36,725	0	0	3,984	82,747	0	136,421	
Net Change									
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	11,587	-2,234	-9,353	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	75,144	-1,750	-73,394	0	0	
TOTAL	0	0	0	86,731	-3,984	-82,747	0	0	
Proposed New Result									
E&P (PA&ED)	2,367	0	0	0	0	0	0	2,367	0
PS&E	9,651	0	0	0	0	0	0	9,651	
R/W SUP (CT)	947	4,249	0	0	0	0	0	5,196	
CON SUP (CT)	0	0	0	11,587	0	0	0	11,587	
R/W	0	32,476	0	0	0	0	0	32,476	
CON	0	0	0	75,144	0	0	0	75,144	
TOTAL	12,965	36,725	0	86,731	0	0	0	136,421	

Fund No. 1:	RIP - National Hwy System (NH)								Program Code
Existing Funding									20.XX.075.600
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	OCTA
PS&E	0	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	4,943	0	4,943	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	73,087	0	73,087	
TOTAL	0	0	0	0	0	78,030	0	78,030	
Change									Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	4,943	0	-4,943	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	73,087	0	-73,087	0	0	
TOTAL	0	0	0	78,030	0	-78,030	0	0	
Proposed Funding									
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	4,943	0	0	0	4,943	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	73,087	0	0	0	73,087	
TOTAL	0	0	0	78,030	0	0	0	78,030	

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised June 16, 2015)

General Instructions

☐ New Project ☑ Amendment (Existing Project) **Date:** 5/17/17

District	EA	Project ID	PPNO	MPO ID	TCRP No.
12	0C890	1200000085	2883A		

County	Route/Corridor	PM Bk	PM Ahd	Project Sponsor/Lead Agency	
ORA	5	31.3	34.2	Caltrans	
				MPO	**Element**
				SCAG	Capital Outlay

Project Manager/Contact	Phone	E-mail Address
Steven King	714-560-5874	sking@octa.net

Project Title

I-5 HOV Lanes Improvement - SR-55 to SR-57.

Location, Project Limits, Description, Scope of Work ☐ See page 2

The project is located on I-5 between SR-55 and SR-57, within the City of Santa Ana in Orange County. The project proposes the addition of one HOV lane in each direction on a 2.9 mile stretch of I-5 through the urban core of Orange County, providing additional HOV capacity and reducing freeway congestion. In addition to the HOV lane improvements, the project proposes the removal of the southbound off-ramp and northbound on-ramp HOV structure at Main Street.

☐ Includes ADA Improvements ☐ Includes Bike/Ped Improvements

Component	Implementing Agency	
PA&ED	OCTA	
PS&E	OCTA	
Right of Way	OCTA	
Construction	Caltrans	

Legislative Districts

Assembly:	68, 69	**Senate:**	34, 37
Congressional:	45, 46		

Purpose and Need ☐ See page 2

The primary purpose of the project is to reduce the existing and projected traffic congestion in the I-5 HOV lanes, reduce the travel delay for users of these HOV lanes, and enhance the efficient movement of people and goods on this segment of I-5.The primary needs for the project are related to the existing and forecasted future congestion in the I-5 HOV lanes, the delays caused by two HOV lanes merging into one HOV lane, and the delays in the movement of people and goods on this segment of I-5.

Project Benefits ☐ See page 2

The project will improve operation, relieve congestion and improve mobility by adding a second HOV lane in each direction. The project creates a total of 550 jobs, producing $23 million in wages; Improves safety and significantly reduces congestion-related accidents

☑ Supports Sustainable Communities Strategy (SCS) Goals ☑ Reduces Greenhouse Gas Emissions

Project Milestone			Existing	Proposed
Project Study Report Approved			11/19/2010	
Begin Environmental (PA&ED) Phase			7/1/2011	
Circulate Draft Environmental Document	**Document Type**	ND/FONSI	8/6/2014	
Draft Project Report			8/5/2014	
End Environmental Phase (PA&ED Milestone)			4/27/2015	
Begin Design (PS&E) Phase			8/1/2015	
End Design Phase (Ready to List for Advertisement Milestone)			8/1/2017	
Begin Right of Way Phase			9/1/2016	
End Right of Way Phase (Right of Way Certification Milestone)			4/1/2017	
Begin Construction Phase (Contract Award Milestone)			2/1/2018	
End Construction Phase (Construction Contract Acceptance Milestone)			2/1/2020	
Begin Closeout Phase			2/1/2020	
End Closeout Phase (Closeout Report)			2/1/2021	

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	5	0C890	1200000085	2883A	0

Project Title: I-5 HOV Lanes Improvement - SR-55 to SR-57.

Existing Total Project Cost

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685	OCTA
PS&E	4,292	0	0	0	0	0	0	4,292	OCTA
R/W SUP (CT)	116	0	0	0	0	0	0	116	OCTA
CON SUP (CT)	0	0	0	4,800	0	0	0	4,800	Caltrans
R/W	116	0	0	0	0	0	0	116	OCTA
CON	0	0	0	26,049	0	0	0	26,049	Caltrans
TOTAL	6,209	0	0	30,849	0	0	0	37,058	

Proposed Total Project Cost ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685
PS&E	4,292	0	0	0	0	0	0	4,292
R/W SUP (CT)	116	0	0	0	0	0	0	116
CON SUP (CT)	0	0	4,800	0	0	0	0	4,800
R/W	116	0	0	0	0	0	0	116
CON	0	0	26,049	0	0	0	0	26,049
TOTAL	6,209	0	30,849	0	0	0	0	37,058

Notes

Fund No. 1: RIP-National Hwy System (NH)

Program Code: 20.XX.075.600

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)				2,900				2,900
R/W								0
CON				26,049				26,049
TOTAL	0	0	0	28,949	0	0	0	28,949

Funding Agency: OCTA

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)			2,900					2,900
R/W								0
CON			26,049					26,049
TOTAL	0	0	28,949	0	0	0	0	28,949

Notes

Fund No. 2: CMAQ

Program Code: 20.30.010.810

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E	2,800							2,800
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	2,800	0	0	0	0	0	0	2,800

Funding Agency:

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E	2,800							2,800
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	2,800	0	0	0	0	0	0	2,800

Notes

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	5	0C890	1200000085	2883A	0

Project Title: I-5 HOV Lanes Improvement - SR-55 to SR-57.

Fund No. 3: Local Funds - Local Measure (MEA)

Program Code: 20.10.400.100

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	1,685							1,685
PS&E	1,492							1,492
R/W SUP (CT)	116							116
CON SUP (CT)				1,900				1,900
R/W	116							116
CON								0
TOTAL	3,409	0	0	1,900	0	0	0	5,309

Funding Agency

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	1,685							1,685
PS&E	1,492							1,492
R/W SUP (CT)	116							116
CON SUP (CT)			1,900					1,900
R/W	116							116
CON								0
TOTAL	3,409	0	1,900	0	0	0	0	5,309

Notes

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Complete this page for amendments only **Date:** 05/17/17

District	County	Route	EA	PPNO	TCRP No.
12	ORA	5	0C890	2883A	0

SECTION 1 - All Projects

Project Background

Existing 2016 STIP project

Programming Change Requested

Advance RIP- National Hwy System (NH) CON SUP for $2.9 million in FY18/19 to FY17/18
Advance RIP- National Hwy System (NH) CON for $26.049 million in FY18/19 to FY17/18
Advance Local Funds - Local Measure (MEA) CON SUP for $1.9 million in FY18/19 to FY17/18

Total Project Cost remains at $37.058 million

Reason for Proposed Change

Senate Bill 1 provides additional funding for the STIP and OCTA is requesting funding for this project that was delayed due to the 2016 STIP shortfall be returned to the previously approved fiscal year.

If proposed change will delay one or more components, clearly explain 1) reason the delay, 2) cost increase related to the delay, and 3) how cost increase will be funded

1). N/A
2). N/A
3). N/A

Other Significant Information

None

SECTION 2 - For TCRP Projects Only

☐ Alternative Project Request (Please follow Instructions at http://www.dot.ca.gov/tcrp/LETTERguidelines)
☐ Letter of No Prejudice (LONP) (Please follow Guidelines at http://www.dot.ca.gov/tcrp/docs/042706.pdf)

SECTION 3 - All Projects

Approvals

I hereby certify that the above information is complete and accurate and all approvals have been obtained for the processing of

Name (Print or Type)	Signature	Title	Date
Kurt Brotcke		Director of Strategic Planning	4-7-17

Attachments

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 05/17/17

County	CT District	PPNO	TCRP Project No.	EA
ORA	12	2883A	0	0C890

Project Title: I-5 HOV Lanes Improvement - SR-55 to SR-57.

Existing Total Project Cost									
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685	OCTA
PS&E	4,292	0	0	0	0	0	0	4,292	OCTA
R/W SUP (CT)	116	0	0	0	0	0	0	116	OCTA
CON SUP (CT)	0	0	0	4,800	0	0	0	4,800	Caltrans
R/W	116	0	0	0	0	0	0	116	OCTA
CON	0	0	0	26,049	0	0	0	26,049	Caltrans
TOTAL	6,209	0	0	30,849	0	0	0	37,058	
Net Change									
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	4,800	-4,800	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	26,049	-26,049	0	0	0	0	
TOTAL	0	0	30,849	-30,849	0	0	0	0	
Proposed New Result									
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685	0
PS&E	4,292	0	0	0	0	0	0	4,292	
R/W SUP (CT)	116	0	0	0	0	0	0	116	
CON SUP (CT)	0	0	4,800	0	0	0	0	4,800	
R/W	116	0	0	0	0	0	0	116	
CON	0	0	26,049	0	0	0	0	26,049	
TOTAL	6,209	0	30,849	0	0	0	0	37,058	

Fund No. 1:	RIP-National Hwy System (NH)								Program Code
Existing Funding									20.XX.075.600
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	OCTA
PS&E	0	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	2,900	0	0	0	2,900	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	26,049	0	0	0	26,049	
TOTAL	0	0	0	28,949	0	0	0	28,949	
Change									**Notes**
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	2,900	-2,900	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	26,049	-26,049	0	0	0	0	
TOTAL	0	0	28,949	-28,949	0	0	0	0	
Proposed Funding									
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	2,900	0	0	0	0	2,900	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	26,049	0	0	0	0	26,049	
TOTAL	0	0	28,949	0	0	0	0	28,949	

Fund No. 2:	CMAQ								Program Code
				Existing Funding					20.30.010.810
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	2,800	0	0	0	0	0	0	2,800	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	2,800	0	0	0	0	0	0	2,800	
				Change					Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	0	0	
				Proposed Funding					
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	2,800	0	0	0	0	0	0	2,800	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	2,800	0	0	0	0	0	0	2,800	

Fund No. 3:	Local Funds - Local Measure (MEA)								Program Code
				Existing Funding					20.10.400.100
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685	0
PS&E	1,492	0	0	0	0	0	0	1,492	0
R/W SUP (CT)	116	0	0	0	0	0	0	116	
CON SUP (CT)	0	0	0	1,900	0	0	0	1,900	
R/W	116	0	0	0	0	0	0	116	
CON	0	0	0	0	0	0	0	0	
TOTAL	3,409	0	0	1,900	0	0	0	5,309	
				Change					Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	1,900	-1,900	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	1,900	-1,900	0	0	0	0	
				Proposed Funding					
E&P (PA&ED)	1,685	0	0	0	0	0	0	1,685	0
PS&E	1,492	0	0	0	0	0	0	1,492	
R/W SUP (CT)	116	0	0	0	0	0	0	116	
CON SUP (CT)	0	0	1,900	0	0	0	0	1,900	
R/W	116	0	0	0	0	0	0	116	
CON	0	0	0	0	0	0	0	0	
TOTAL	3,409	0	1,900	0	0	0	0	5,309	

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised August 2013)

General Instructions

☐ New Project ☑ Amendment (Existing Project) **Date:** 5/17/17

District	EA	Project ID	PPNO	MPO ID	TCRP No.
12	0C110		3834		

County	Route/Corridor	PM Bk	PM Ahd	Project Sponsor/Lead Agency	
ORA	SR-57	20.1	21.8	City of Brea	
				MPO	**Element**
				SCAG	Capital Outlay

Project Manager/Contact	Phone	E-mail Address
Raul Lising	714-671-4450	RaulL@ci.brea.ca.us

Project Title

State Route 57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvement

Location, Project Limits, Description, Scope of Work ☐ See page 2

In the City of Brea at the SR-57 & Lambert Road Interchange. Reconfiguration of northbound ramps including construction of a loop on-ramp at the south-east quadrant; realign southbound ramps and add fourth approach lane along the southbound off-ramp; widen south side of Lambert Road to provide dual exclusive eastbound right-turn lanes into the southbound on-ramp.

☐ Includes ADA Improvements ☐ Includes Bike/Ped Improvements

Component	Implementing Agency	
PA&ED	City of Brea	
PS&E	City of Brea	
Right of Way	City of Brea	
Construction	City of Brea	

Legislative Districts

Assembly:	55	**Senate:**	29
Congressional:	39		

Purpose and Need ☐ See page 2

The SR-57 & Lambert Road interchange is presently characterized by poor operational performance during peak traffic periods and operational performance will further deteriorate with increase in anticipated future traffic volumes. Purpose of this project is to provide additional capacity and improve overall operational performance of the interchange. The proposed alternates should help mitigate the current congestion and better accommodate anticipated future traffic increases, thereby minimizing delays and potential safety hazards.

Project Benefits ☐ See page 2

Proposed improvements will relieve current congestion and better accommodate anticipated future traffic increases; improve LOS and operational performance of the interchange; minimize delays and potential safety hazards for motorists using this stretch of the roadway.

☐ Supports Sustainable Communities Strategy (SCS) Goals ☐ Reduces Greenhouse Gas Emissions

Project Milestone			Existing	Proposed
Project Study Report Approved			11/15/07	11/15/07
Begin Environmental (PA&ED) Phase			10/11/11	10/11/11
Circulate Draft Environmental Document	**Document Type**	MND/FONSI	03/02/15	03/02/15
Draft Project Report			04/30/15	04/30/15
End Environmental Phase (PA&ED Milestone)			08/20/15	08/20/15
Begin Design (PS&E) Phase			08/24/15	08/24/15
End Design Phase (Ready to List for Advertisement Milestone)			07/31/18	05/31/17
Begin Right of Way Phase			08/01/19	08/16/17
End Right of Way Phase (Right of Way Certification Milestone)			06/30/20	06/30/18
Begin Construction Phase (Contract Award Milestone)			12/01/21	01/31/19
End Construction Phase (Construction Contract Acceptance Milestone)			12/30/23	09/30/21
Begin Closeout Phase			01/31/24	10/01/21
End Closeout Phase (Closeout Report)			09/01/24	07/30/22

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	SR-57	0C110	0	3834	0

Project Title: State Route 57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvement

Existing Total Project Cost

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	1,200	0	0	0	0	0	0	1,200	City of Brea
PS&E	2,700	900	0	0	0	0	0	3,600	City of Brea
R/W SUP (CT)	0	0	0	0	0	0	0	0	City of Brea
CON SUP (CT)	0	0	0	0	0	0	0	0	City of Brea
R/W	0	0	0	0	18,884	0	0	18,884	City of Brea
CON	0	0	0	0	0	40,103	0	40,103	City of Brea
TOTAL	3,900	900	0	0	18,884	40,103	0	63,787	

Proposed Total Project Cost ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	1,200	0	0	0	0	0	0	1,200
PS&E	2,700	900	0	0	0	0	0	3,600
R/W SUP (CT)	0	0	0	0	0	0	0	0
CON SUP (CT)	0	0	0	0	0	0	0	0
R/W	0	0	18,884	0	0	0	0	18,884
CON	0	0	0	40,103	0	0	0	40,103
TOTAL	3,900	900	18,884	40,103	0	0	0	63,787

Notes

Fund No. 1: RIP - National Hwy System (NH)

Program Code: 20.XX.075.600

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)								0	OCTA
PS&E								0	
R/W SUP (CT)								0	
CON SUP (CT)								0	
R/W					9,000			9,000	
CON								0	
TOTAL	0	0	0	0	9,000	0	0	9,000	

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)								0
R/W			9,000					9,000
CON								0
TOTAL	0	0	9,000	0	0	0	0	9,000

Notes

Fund No. 2: Demo - Demonstration - TEA21 (DEMOT21)

Program Code: 20.30.010.680

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	600							600	
PS&E	324							324	
R/W SUP (CT)								0	
CON SUP (CT)								0	
R/W								0	
CON								0	
TOTAL	924	0	0	0	0	0	0	924	

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	600							600
PS&E	324							324
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	924	0	0	0	0	0	0	924

Notes

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (Revised July 2013)

Date: 5/17/17

District	County	Route	EA	Project ID	PPNO	TCRP No.
12	ORA	SR-57	0C110	0	3834	0

Project Title: State Route 57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvement

Fund No. 3: Local Funds - Orange Co. Measure M2-Regional Capacity (ORAM2RC)

Program Code: 20.10.400.100

Funding Agency:

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	600							600
PS&E	327							327
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	927	0	0	0	0	0	0	927

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	600							600
PS&E	327							327
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON								0
TOTAL	927	0	0	0	0	0	0	927

Notes:

Fund No. 4: Local Funds - Local Transportation Funds (LTF)

Program Code: 20.10.400.100

Funding Agency: Brea

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E	2,049	900						2,949
R/W SUP (CT)								0
CON SUP (CT)								0
R/W					9,884			9,884
CON								0
TOTAL	2,049	900	0	0	9,884	0	0	12,833

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E	2,049	900						2,949
R/W SUP (CT)								0
CON SUP (CT)								0
R/W			9,884					9,884
CON								0
TOTAL	2,049	900	9,884	0	0	0	0	12,833

Notes:

Fund No. 5: Future - Unfunded Need

Program Code:

Funding Agency:

Existing Funding

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0
CON SUP (CT)	0	0	0	0	0	0	0	0
R/W	0	0	0	0	0	0	0	0
CON	0	0	0	0	0	40,103	0	40,103
TOTAL	0	0	0	0	0	40,103	0	40,103

Proposed Funding ($1,000s)

Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT)								0
CON SUP (CT)								0
R/W								0
CON				40,103				40,103
TOTAL	0	0	0	40,103	0	0	0	40,103

Notes: Combination of Future state funds including STIP and/or California Freight Investment Program

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Complete this page for amendments only **Date:** 05/17/17

District	County	Route	EA	PPNO	TCRP No.
12	ORA	SR-57	0C110	3834	0

SECTION 1 - All Projects

Project Background

Existing 2016 STIP Projects

Programming Change Requested

Change title to State Route 57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvement from SR-57 & Lambert Road Interchange Improvements Project

Change End Design Phase from 7/31/18 to 5/31/17
Change Begin ROW Phase from 8/1/19 to 8/16/17
Change End ROW phase from 6/30/20 to 6/30/18
Change Begin CON Phase from 12/1/21 to 1/31/19
Change End CON Phase from 12/30/23 to 9/31/21
Change Begin Closeout from 1/31/24 to 10/1/21
Change End Closeout from 9/1/24 to 7/30/22

Advance RIP-National Hwy System (NH) ROW for $9.0 million in FY19/20 to FY17/18
Advance Local Funds - Local Transportation Funds (LTF) ROW for $9.884 million in FY19/20 to FY17/18
Advance Future- Unfunded Need CON for $40.103 million in FY20/21 to FY18/19

Total Project Cost remains at $63.787 million

Reason for Proposed Change

Senate Bill 1 provides additional funding for the STIP. OCTA is requesting an advance for funding for this project that was delayed due to the 2016 STIP shortfall

If proposed change will delay one or more components, clearly explain 1) reason the delay, 2) cost increase related to the delay, and 3) how cost increase will be funded

1). N/A
2). N/A
3). N/A

Other Significant Information

SECTION 2 - For TCRP Projects Only

☐ Alternative Project Request (Please follow Instructions at http://www.dot.ca.gov/tcrp/LETTERguidelines)
☐ Letter of No Prejudice (LONP) (Please follow Guidelines at http://www.dot.ca.gov/tcrp/docs/042706.pdf)

SECTION 3 - All Projects

Approvals

I hereby certify that the above information is complete and accurate and all approvals have been obtained for the processing

Name (Print or Type)	Signature	Title	Date
Kurt Brotcke		Director Strategic Planning	4-7-17

Attachments

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 05/17/17

County	CT District	PPNO	TCRP Project No.	EA
ORA	12	3834	0	0C110

Project Title: State Route 57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvement

Existing Total Project Cost									
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Implementing Agency
E&P (PA&ED)	1,200	0	0	0	0	0	0	1,200	City of Brea
PS&E	2,700	900	0	0	0	0	0	3,600	City of Brea
R/W SUP (CT)	0	0	0	0	0	0	0	0	City of Brea
CON SUP (CT)	0	0	0	0	0	0	0	0	City of Brea
R/W	0	0	0	0	18,884	0	0	18,884	City of Brea
CON	0	0	0	0	0	40,103	0	40,103	City of Brea
TOTAL	3,900	900	0	0	18,884	40,103	0	63,787	
Net Change									
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	18,884	0	-18,884	0	0	0	
CON	0	0	0	40,103	0	-40,103	0	0	
TOTAL	0	0	18,884	40,103	-18,884	-40,103	0	0	
Proposed New Result									
E&P (PA&ED)	1,200	0	0	0	0	0	0	1,200	0
PS&E	2,700	900	0	0	0	0	0	3,600	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	18,884	0	0	0	0	18,884	
CON	0	0	0	40,103	0	0	0	40,103	
TOTAL	3,900	900	18,884	40,103	0	0	0	63,787	

Fund No. 1:	RIP - National Hwy System (NH)								Program Code
Existing Funding									20.XX.075.600
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	OCTA
PS&E	0	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	9,000	0	0	9,000	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	9,000	0	0	9,000	
Change									Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	9,000	0	-9,000	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	9,000	0	-9,000	0	0	0	
Proposed Funding									
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	9,000	0	0	0	0	9,000	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	9,000	0	0	0	0	9,000	

Fund No. 2:	Demo - Demonstration - TEA21 (DEMOT21)								Program Code
	Existing Funding								20.30.010.680
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	600	0	0	0	0	0	0	600	0
PS&E	324	0	0	0	0	0	0	324	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	924	0	0	0	0	0	0	924	
	Change								Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	0	0	
	Proposed Funding								
E&P (PA&ED)	600	0	0	0	0	0	0	600	0
PS&E	324	0	0	0	0	0	0	324	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	924	0	0	0	0	0	0	924	

Fund No. 3:	Local Funds - Orange Co. Measure M2-Regional Capacity (ORAM2RC)								Program Code
	Existing Funding								20.10.400.100
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	600	0	0	0	0	0	0	600	0
PS&E	327	0	0	0	0	0	0	327	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	927	0	0	0	0	0	0	927	
	Change								Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	0	0	
	Proposed Funding								
E&P (PA&ED)	600	0	0	0	0	0	0	600	0
PS&E	327	0	0	0	0	0	0	327	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	927	0	0	0	0	0	0	927	

Fund No. 4:	Local Funds - Local Transportation Funds (LTF)								Program Code
	Existing Funding								20.10.400.100
Component	Prior	16/17	17/18	18/19	19/20	20/21	21/22+	Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	Brea
PS&E	2,049	900	0	0	0	0	0	2,949	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	9,884	0	0	9,884	
CON	0	0	0	0	0	0	0	0	
TOTAL	2,049	900	0	0	9,884	0	0	12,833	
	Change								Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	9,884	0	-9,884	0	0	0	
CON	0	0	0	0	0	0	0	0	
TOTAL	0	0	9,884	0	-9,884	0	0	0	
	Proposed Funding								
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	2,049	900	0	0	0	0	0	2,949	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	9,884	0	0	0	0	9,884	
CON	0	0	0	0	0	0	0	0	
TOTAL	2,049	900	9,884	0	0	0	0	12,833	

Fund No. 5:	Future - Unfunded Need								Program Code
	Existing Funding								0
Component	Prior	16/17	17/18	18/19	19/20	20/21		Total	Funding Agency
E&P (PA&ED)	0	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0	0
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	0	0	40,103	0	40,103	
TOTAL	0	0	0	0	0	40,103	0	40,103	
	Change								Notes
E&P (PA&ED)	0	0	0	0	0	0	0	0	
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	40,103	0	-40,103	0	0	
TOTAL	0	0	0	40,103	0	-40,103	0	0	
	Proposed Funding								
E&P (PA&ED)	0	0	0	0	0	0	0	0	Combination of Future state funds including STIP and/or California Freight Investment Program
PS&E	0	0	0	0	0	0	0	0	
R/W SUP (CT)	0	0	0	0	0	0	0	0	
CON SUP (CT)	0	0	0	0	0	0	0	0	
R/W	0	0	0	0	0	0	0	0	
CON	0	0	0	40,103	0	0	0	40,103	
TOTAL	0	0	0	40,103	0	0	0	40,103	

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Third Quarter Fiscal Year 2016-17 Procurement Status Report

Finance and Administration Committee Meeting of April 26, 2017

Present: Directors Do, Hennessey, Jones, R. Murphy, Pulido, and Steel
Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.

OCTA

April 26, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Third Quarter Fiscal Year 2016-17 Procurement Status Report

Overview

The third quarter procurement status report summarizes the procurement activity for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1 through March 31, 2017, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2016-17 budget.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority Fiscal Year (FY) 2016-17 Budget, which identifies the goods and services that will be purchased during the FY. A quarterly procurement report has been prepared detailing the procurement activity for line items that were approved by the Board during the third quarter of FY 2016-17. The report also provides a "look-ahead" of upcoming procurement activity by Board committee. The quarterly procurement report identifies contractual activity, not dollars spent.

Discussion

During the third quarter of FY 2016-17, the Contracts Administration and Materials Management Department handled 430 different contractual documents. Of the total, 311 procurements, valued at $ 1,325,750,036, were completed; the remaining procurements will be executed during the fourth quarter of FY 2016-17.

In the third quarter, the Board took action on 22 procurements. The procurements were split between six new agreements valued at $2,173,540, four amendments valued at $1,830,076, six cooperative agreements valued at $21,655,596, one amendment to cooperative agreements valued at $431,308, one purchase order valued at $500,000, three sole sources valued at $5,622,732, and one option term valued at $2,113,600. Not all procurements are completed within the quarter in which they begin. Often, the procurements require cost and price reviews and negotiations which can lengthen the procurement process. Procurements not completed within the third quarter will be completed in the fourth quarter of FY 2016-17. Attachment A shows a list of Board-approved procurements during the third quarter.

Looking forward to the fourth quarter of FY 2016-17 (April through June, 2017), the Board committees will be asked to take action on several items such as:

- Consultant selection for on-call general auditing services;
- Award a sole source agreement with New Flyer Corporation for the purchase of ten hydrogen buses;
- Cooperative Agreement with the California Department of Transportation for the State Route 55 Improvement Project between the Interstate 405 and Interstate 5;
- Amendment to Cooperative Agreement with the County of Orange for transit police services; and
- Consultant selection for the public awareness campaign services for the OC Streetcar.

The estimated value of these upcoming procurements is $195,299,945. Attachments B through E identify procurement activity anticipated in the fourth quarter of FY 2016-17 by the committee that will review the items.

Summary

This report provides an update of the procurement activity for the third quarter of FY 2016-17, January through March 2017, as well as a look-ahead at anticipated procurement activity for the fourth quarter of FY 2016-17. Staff recommends that this report be received and filed as an information item.

Attachments

A. Board-Approved Contracts – Third Quarter FY 2016-2017
B. Regional Planning and Highways Committee – Fourth Quarter Outlook (April 1, 2017 – June 30, 2017)
C. Transit Committee – Fourth Quarter Outlook (April 1, 2017 – June 30, 2017)
D. Finance and Administration Committee - Fourth Quarter Outlook (April 1, 2017 – June 30, 2017)
E. Legislative and Communications Committee - Fourth Quarter Outlook (April 1, 2017 – June 30, 2017)

Prepared by:

Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

Approved by:

Andrew Oftelie
Executive Director,
Finance and Administration
(714) 560-5649

Board-Approved Contracts - Third Quarter FY 2016-2017

ATTACHMENT A

AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
IBI Group	6-1417	Orange County Active Transportation Plan	2/14/2017	7/31/2018	$350,000
Western Air Conditioning Company, Inc.	6-1399	Replacement of Heating and Ventilation Units at Garden Grove Bus Base Maintenance Building Shop	4/15/2017	5/31/2017	290,000
Ankura Consulting Group, LLC	6-1489	Cyber Security Assessment Services for OCTA's Industrial Control Systems and Related Networks	4/10/2017	3/31/2018	300,000
Clearwater Analytics, LLC	6-1547	Treasury Management Software System	4/1/2017	3/31/2022	588,306
Pest Options, Inc.	6-1504	Pacific Electric Right of Way Weed Abatement and Debris Removal Services	7/1/2017	6/30/2022	215,831
Kal Krishnan Consulting Services, Inc.	6-1537	Quality Assurance Management Support for the OC Streetcar Project	4/5/2017	12/31/2020	429,403
TOTAL NUMBER OF CONTRACTS					**6**
TOTAL DOLLAR VALUE					**$2,173,540**

AMENDMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Four Nines Technologies	2-2095	Amendment No. 4 for Additional Consulting Services Needed for the Open Payment Fare Collection System	3/27/2017	12/31/2017	$50,000
Riverside County Transportation Commission	3-1529	Amendment No. 2 for Inclusion of the Joint Software License, Software Maintenance and Escrow Agreements.	4/1/2017	6/30/2021	-
Riverside County Transportation Commission	3-1529	Amendment No. 3 for Maintenance and Support Services for the 91 Express Lanes Electronic Toll and Traffic Management Systems.	4/1/2017	6/30/2021	1,302,562
Michael Baker International, Inc.	3-1701	Amendment No. 5 for Additional Environmental Phase Services for the SR 91 Widening Project Between SR 57 and SR 55.	5/1/2017	7/31/2012	477,514
TOTAL NUMBER OF AMENDMENTS					**4**
TOTAL DOLLAR VALUE					**$1,830,076**

COOPERATIVE AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Southern California Regional Rail Authority	6-1615	Tail Signals, Communications and Wayside Positive Train Control Installations and Modifications for the Laguna Niguel to San Juan Capistrano Passing Siding Project	5/1/2017	12/31/2020	$5,507,000
City of Santa Ana	6-1433	Use of Public Right of Way for Construction, Operations and Maintenance of the OC Streetcar Project	3/17/2017	3/17/2067	-
Center for Transportation and the Environment (CTE)	7-1538	Purchase of Ten Hydrogen Fuel Cell Electric Buses, Construction of a Liquid Hydrogen Station and Modification of Maintenance Facilities	4/24/2017	3/31/2020	13,241,092
California Department of Transportation	7-1561	I-5 Plant Establishment Project Between Avenida Pico and San Juan Creek Road	7/1/2012	6/30/2020	1,320,000

Board-Approved Contracts - Third Quarter FY 2016-2017

City of Santa Ana	6-1516	Construction Inspection Support, Design Change Reviews and Project Coordination for the OC Streetcar Project	5/1/2017	12/20/2021	1,500,000
City of Garden Grove	7-1556	Construction Inspection Support, Design Change Reviews and Project Coordination for the OC Streetcar Project	5/1/2017	12/20/2021	87,504
TOTAL NUMBER OF CONTRACTS					**6**
TOTAL DOLLAR VALUE					**$21,655,596**

COOPERATIVE AMENDMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Riverside County Transportation Commission	5-3828	Amendment No. 2 for Reimbursement of Shared Operational Expenses	4/1/2017	6/30/2018	$431,308
TOTAL NUMBER OF CONTRACTS					**1**
TOTAL DOLLAR VALUE					**$431,308**

PURCHASE ORDERS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Marsh Risk and Insurance Services	A36602	91 Express Lanes Property Insurance	3/1/2017	3/1/2018	$500,000
TOTAL NUMBER OF CONTRACTS					**1**
TOTAL DOLLAR VALUE					**$500,000**

SOLE SOURCE

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Linde LLC	7-1577	Construction of a Liquid Hydrogen Fuel Station	4/24/2017	12/31/2018	$4,777,732
Cummins Pacific, LLC	6-1605	Warranty and Non-Warranty Cummins Engine Services	3/14/2017	4/30/2022	750,000
Xerox Corporation	A37076	Printing Costs, Equipment Repair and Maintenance of the Xerox 800 Color Press	5/1/2017	6/30/2017	95,000
TOTAL NUMBER OF SOLE SOURCE					**3**
TOTAL DOLLAR VALUE					**$5,622,732**

OPTION YEARS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Alta Resources	3-1895	Exercise First Option Term for Call Center Services	6/30/2017	6/30/2019	$2,113,600
TOTAL NUMBER OF AMENDMENTS					**1**
TOTAL DOLLAR VALUE					**$2,113,600**

REGIONAL PLANNING and HIGHWAYS COMMITTEE - Fourth Quarter Outlook (April 1, 2017 - June 30, 2017)

Committee Date	Item Description	Estimated Value	Division
April 3, 2017	Sole Source Agreement for Freeway Service Patrol Data Collection and Tracking Software Development	$250,000	Transit
	Consultant Selection for Regional Modeling -Traffic Operations On-Call Support Staffing	$400,000	Planning
	Agreement with the Center for Demographic Research at California State University at Fullerton	$282,006	Planning
May 1, 2017	No procurement actions on this agenda		
June 5, 2017	Cooperative Agreement with the California Department of Transportation for the State Route 55 Improvement Project between Interstate 405 and Interstate 5	$2,000,000	Capital Programs

ATTACHMENT B

TRANSIT COMMITTEE - Fourth Quarter Outlook (April 1, 2017 - June 30, 2017)

Committee Date	Item Description	Estimated Value	Division
April 13, 2017	Amended and Restated Cooperative Agreement with the City of Santa Ana for the Santa Ana Regional Transportation Center Station Agreement and OC Streetcar	$0	Capital Programs
	Agreement with Complete Coach Works, Inc. to purchase engine installation kits	$3,019,616	Transit
April 27, 2017	Agreement with CHI Construction for bus parking wheel stops and fence repair at the Anaheim Bus Base	$67,425	Capital Programs
	Agreement with Clean Energy, Inc. for hydrogen gas detection upgrades and ventilation system modifications at the Santa Ana Bus Base	$80,405	Capital Programs
	Amendment to Cooperative Agreement with the Regional Center of Orange County	$5,866,020 (revenue)	Transit
	Amendments to Cooperative Agreements with Adult Day Care Agencies	$10,769,128	Transit

ATTACHMENT C

TRANSIT COMMITTEE -Fourth Quarter Outlook (April 1, 2017 - June 30, 2017)

Committee Date	Item Description	Estimated Value	Division
May 11, 2017	Amendment to Agreement with MV Transportation, Inc. to exercise the option term for the provision of ACCESS Service	$140,000,000	Transit
	Consultant Selection to provide Vanpool Services	$14,400,000	Government Relations
	Sole Source Agreement with New Flyer to purchase ten hydrogen fuel cell buses	$13,338,000	Transit
	Consultant Selection for Coach Operator Uniforms	$821,852	Transit
	Amendment to Cooperative Agreement with the County of Orange for Transit Police Services	$7,600,301	Chief Executive Office
June 8, 2017	Agreement for pavement striping and markings at the Garden Grove Bus Base	$69,500	Capital Programs

FINANCE AND ADMINISTRATION COMMITTEE - Fourth Quarter Outlook (April 1, 2017 - June 30, 2017)

Committee Date	Item Description	Estimated Value	Division
April 12, 2017	Meeting cancelled		
April 26, 2017	No procurement actions on this agenda		
May 10, 2017	Consultant Selection for On-Call General Auditing Services	$450,000	Internal Audit
	Consultant Selection for Insurance Broker Services	$600,000	Human Resources and Organizational Development
May 24, 2017	No procurement actions on this agenda		
June 14, 2017	No procurement actions on this agenda		
June 28, 2017	No procurement actions on this agenda		

ATTACHMENT D

LEGISLATIVE AND COMMUNICATIONS COMMITTEE - Fourth Quarter Outlook (April 1, 2017 - June 30, 2017)

Committee Date	Item Description	Estimated Value	Division
April 20, 2017	Consultant Selection for Public Awareness Campaign Services for the OC Streetcar Project	$1,151,712	Government Relations
May 18, 2017	No procurement actions on this agenda		
June 15, 2017	No procurement actions on this agenda		

ATTACHMENT E

OCTA

May 8, 2017

To: Members of the Board of Directors

From: Darrell Johnson, Chief Executive Officer

Subject: Interstate 405 Improvement Project Financing Update

Overview

Over the past year, the Orange County Transportation Authority has been working with its financing team to finalize a funding plan for the Interstate 405 Improvement Project. In January 2017, Notice to Proceed No. 1 was issued to OC 405 Partners to commence the design-build work for the project. Orange County Transportation Authority representatives have been negotiating a Transportation Infrastructure Finance and Innovation Act loan for the project with the Build America Bureau Credit Programs Office. This report provides an update on recent financing activities.

Recommendations

A. Approve the use of a Letter of Credit/Line of Credit supported by Local Transportation Authority sales tax revenues in the principal amount of approximately $900 million plus interest for the funding of the Interstate 405 Improvement Project, if required.

B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-5-3099 between the Orange County Transportation Authority and Nossaman LLP, in the amount of $80,000, for additional bond counsel services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project.

C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-1-3116 between the Orange County Transportation Authority and Sperry Capital, Inc., in the amount of $80,000, for additional financial advisory services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project, and to extend the current agreement term through

November 30, 2017, to allow time for the completion of the project-related financings.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane from Euclid Street to I-605, consistent with Measure M2 (M2) Project K, and will add an additional lane in each direction that would combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

In May 2016, the OCTA Board of Directors (Board) approved the initial 405 Express Lanes Toll Policy and preliminary finance plan. The finance plan contained the following sources of funds to pay for the $1.9 billion in Project costs: M2 funds in the amount of $1.145 billion, federal funds of $45.648 million, state funds of $82 million, and a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan secured by 405 Express Lanes toll revenues totaling $627 million. The M2 funds were divided into cash on hand or pay-as-you-go funds and future M2 debt issuances. It was anticipated that M2 cash on hand could fund Project expenditures for a few years, while proceeds from M2 debt issuances in 2019 and 2021 would fund the remaining Project expenditures.

In November 2016, OCTA's Board awarded a design-build (DB) contract to the joint venture team, OC 405 Partners, for the Project. OC 405 Partners is a team of firms led by OHL USA, Inc. and Astaldi Construction Corporation. The contract award for Project design and construction totaled $1.217 billion, with the total Project cost equaling $1.9 billion.

On January 31, 2017, OCTA's Chief Executive Officer executed the DB contract with OC 405 Partners, and OCTA issued Notice to Proceed (NTP) No. 1 on that same date. Under the terms of the DB contract, OCTA will compensate the DB team up to $50 million in documented Project expenses during the NTP No. 1 period for mobilization, administrative, and design efforts. Subject to OCTA having closed its Project financing, OCTA will issue NTP No. 2 the later of (a) 120 days after issuance of NTP No. 1 and (b) completion of all NTP No. 1 Project deliverables and contractual requirements by OC 405 Partners. Upon issuance of NTP No. 2 (120 days after issuance of NTP No. 1 or May 31, 2017), OC 405 Partners is allowed to perform all work associated with the Project and invoice OCTA on a monthly basis. Essentially,

NTP No. 1 is a limited NTP for up to $50 million, and NTP No. 2 is a full notice to proceed for the full DB contract amount of $1.217 billion.

Over the past couple months, OCTA has been working with Standard and Poor's, Moody's Investment Service, and Kroll Bond Rating Agency to receive investment grade ratings for the TIFIA loan associated with the Project. OCTA has provided the rating agencies detailed Project information, risk mitigations, right-of-way acquisition, utility relocation, design-build selection process, toll operating agreement, and a review of the traffic and revenue study. The rating agencies are awaiting a draft-final form of the TIFIA draft loan agreement to continue with their assessment of the ratings for the Project. It will take approximately three to four weeks to receive the ratings notification after they receive the draft loan agreement. OCTA will need to provide the investment grade ratings to the Build America Bureau (Bureau) Credit Programs Office in order to close on the TIFIA loan.

Although OCTA submitted a Letter of Interest (LOI) to the Bureau requesting a TIFIA loan for the Project in February 2016, there was no significant progress made with loan negotations with the Bureau until the last week of February 2017. These negotations have focused on rate covenants, events of default and remedies, and having all of the M2 funding at the time of closing of the loan, or prior to the disbursement of the loan.

Discussion

In late 2016, OCTA received authorization from the California Transportation Commission to use $7.771 million in Transportation Corridor Improvement Funds (TCIF) for the Project. This new funding source lowered the amount needed from the M2 Program. The sources for the Project total:

Source of Funds	**Amount in Millions**
M2 Sales Tax: Pay-As-You-Go	$244.581
M2 Sales Tax: Debt Issuances (2019 and 2021)	893.000
Federal Funds	45.648
State Funds (SHOPP and TCIF)	89.771
Toll Revenues: TIFIA Loan	627.000
Total	**$1,900.000**

The $893 million listed above in M2 future debt issuances for 2019 and 2021 is an area of focus for the Bureau in recent negotiations. The Bureau has insisted that the $893 million in M2 debt issuances be committed funds at the time of closing the TIFIA loan. This approach was not included in OCTA's LOI submitted in February 2016, nor was it included in OCTA's subsequent presentations or

financial models submitted to the Bureau. The Bureau has asked due diligence questions regarding the proposed financing plans, and OCTA has always responded with the same financing schedule.

The Bureau has recommended to use short-term Bond Anticipation Notes (BANs) to bridge the timing gap. Whether OCTA issues BANs or issues the entire $893 million in M2 debt in 2017, these options will cost OCTA significantly in unanticipated debt interest costs compared to the preliminary plan of finance prepared to fund the Project. For example, it is projected that issuing all of the M2 debt in 2017 will at a minimum cost approximately $41 million in extra debt interest costs.

OCTA and its advisors have developed an alternative strategy that the Bureau has tentatively accepted, which is the issuance of a Letter of Credit or Line of Credit (LOC) for the entire amount of the M2 future debt issuances. Based upon preliminary estimates of approximately 50 basis points (0.50%), the estimated cost will be about $4.5 million per year for an LOC. This is significantly less than issuing all of the M2 debt in 2017.

On May 1, 2017, OCTA issued a request for proposals (RFP) for LOC services. The evaluation committee will evaluate the RFP responses based upon qualifications of the firms and cost. The evaluation committee is expected to make a recommendation to the Board on the firm or firms on May 22, 2017.

Under this approach, OCTA can wait until 2019 and 2021 to issue the M2 debt as included in the preliminary finance plan, or OCTA can issue the debt earlier to eliminate the potential risk of rising interest rates. Since this approach was not included in the preliminary finance plan, OCTA will need to amend the bond counsel services agreement with Nossaman LLP (Nossaman) and the financial advisory services agreement with Sperry Capital Inc. (Sperry) to include funds to support the issuance of an LOC. This includes working on the RFP for LOC banks, drafting and reviewing legal documents, providing opinions, and closing the transaction. This approach will be pursued if the Bureau insists that all committed funds be available at the closing of the TIFIA loan. Funds will be expensed from these contracts on an as needed basis.

TIFIA Next Steps

In order to close the TIFIA loan and lock in the TIFIA interest rate, the Bureau will need to get approval from their Credit Review Team for the Project. Once the Credit Review Team provides an initial approval, they will invite OCTA to submit a formal TIFIA application. After the formal TIFIA loan application is submitted, Bureau staff will prepare a final Project report, make a second

presentation to the Credit Review Team, and seek approval on the application. If approved, the Credit Review Team will make a recommendation to the Council on Credit and Finance.

The next step would be a Council on Credit and Finance recommendation to the Secretary of Transportation (Secretary). A key member of the Council on Credit and Finance has not been confirmed by the United States Senate and that position is the Deputy Secretary of Transportation who serves as the Chair of the Council.

The Secretary makes the final determination on awarding the loan. OCTA is targeting a financial close for the TIFIA loan during the end of the second quarter of 2017. Staff will bring the final terms and conditions of the loan agreement to the OCTA Board for approval.

Procurement Approach

The procurement for financial advisory services was originally handled in accordance with OCTA's Board-approved policies and procedures for professional services. On February 27, 2012, the OCTA Board approved the award of the agreement with Sperry. The original agreement was awarded on a competitive basis and includes a three-year initial term with two, one-year option terms, in the amount of $400,000. The initial term of the agreement expired on March 31, 2015. On January 26, 2015, the Board exercised the first option term in the amount of $60,000, bringing the total contract value to $460,000, and extending the term through March 31, 2016. On September 14, 2015, the Board approved an additional $870,000, for additional financial advisory services related to the Project and extended the agreement term through June 30, 2017, to allow time for the completion of the project-related financings. This increased the maximum obligation of the agreement to a total contract value of $1,330,000.

The procurement for bond counsel services was originally handled in accordance with OCTA's Board-approved policies and procedures for professional services. On April 27, 2015, OCTA executed an agreement with Nossaman to provide bond counsel services. The original agreement was awarded on a competitive basis and includes a three-year initial term with two, one-year option terms, in the amount of $215,000.

Fiscal Impact

The costs for the LOC will be included in OCTA's Fiscal Year 2017-18 Budget and will be funded through local funds.

Summary

Staff is providing the Board of Directors an update on the financing activities to date for the Interstate 405 Improvement Project.

Attachments

A. Sperry Capital Inc., Agreement No. C-1-3116 Fact Sheet
B. Nossaman LLP, Agreement No. C-5-3099 Fact Sheet

Prepared by:

Kirk Avila
Treasurer/General Manager
Treasury/Toll Roads
(714) 560-5674

Approved by:

Andrew Oftelie
Executive Director,
Finance and Administration
(714) 560-5649

ATTACHMENT A

Sperry Capital, Inc.
Agreement No. C-1-3116 Fact Sheet

1. February 27, 2012, Agreement No. C-1-3116, $400,000, approved by the Board of Directors (Board).

   - Agreement to provide general financial advisory services.

   - Initial term of the agreement is effective March 1, 2012 through March 31, 2015, with two, one-year option terms.

2. January 26, 2015, Amendment No. 1 to Agreement No. C-1-3116, $60,000, approved by the Board.

   - Amendment to exercise the first option term and extend the agreement through March 31, 2016.

3. September 14, 2015, Amendment No. 2 to Agreement No. C-1-3116, $870,000, approved by the Board.

   - To provide additional financial advisory services to support the dual express lanes on the Interstate 405 Improvement Project, from State Route 73 to Interstate 605.

   - To extend the term of the agreement to June 30, 2017, to allow for the completion of project related financings.

4. May 8, 2017, Amendment No. 3 to Agreement No. C-1-3116, $80,000, pending Board approval.

   - To provide additional financial advisory services to support the drafting, issuance, review, and closing of a Letter/Line of Credit Request for Proposal required by the Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project, from State Route 73 to Interstate 605.

   - To extend the term of the agreement to November 30, 2017, to allow for the completion of project related financings.

Total committed to Sperry Capital, Inc., Agreement No. C-1-3116: $1,410,000.

ATTACHMENT B

Nossaman LLP
Agreement No. C-5-3099 Fact Sheet

1. April 27, 2015, Agreement No. C-5-3099, $215,000, approved by Contracts Administration and Materials Management (CAMM) Department.

   - Agreement to provide bond counsel services.

   - Initial term of the agreement is effective April 27, 2015 through March 31, 2018, with two, one-year option terms.

2. June 3, 2016, Amendment No. 1 to Agreement No. C-5-3099, $0, approved by the CAMM Department.

   - To replace key personnel, Mr. Perry Israel replacing Mr. Sam Norber, for Federal and Sales Tax Services.

3. May 8, 2017, Amendment No. 2 to Agreement No. C-5-3099, $80,000, pending Board approval

   - To provide additional bond counsel services to support the review, closing and opinions needed for a Letter/Line of Credit Request for Proposal required by the Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project, from State Route 73 to Interstate 605.

Total committed to Nossaman LLP, Agreement No. C-5-3099: $295,000.

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Capital Programming Policies Update

Executive Committee Meeting of May 1, 2017

Present: Chairman Hennessey and Directors Do, Donchak, Murray, Nelson, and Shaw
Absent: Vice Chair Bartlett

Committee Vote

This item was passed by the Members present.

Director Nelson was not present to vote on this item.

Committee Recommendation

Approve the updated Capital Programming Policies.

OCTA

May 1, 2017

To: Executive Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Capital Programming Policies Update

Overview

The Orange County Transportation Authority's Capital Programming Policies provide guidance to Orange County Transportation Authority staff on the use of Measure M2, state, and federal funds. Project-specific funding commitments are recommended based on these policies. Updated funding policies are presented for review and approval.

Recommendation

Approve the updated Capital Programming Policies.

Background

The Capital Programming Policies (CPP) include programming policies for Measure M2 (M2) funding programs that fall under the M2 Ordinance and specific program guidelines. Major state and federal fund sources are also included in the CPP. Most of these state and federal programs provide funding to Orange County on a formula basis. The funding sources have specific transportation improvement goals, as defined by the enabling legislation and additional state and federal rules, which are considered in the development of current programming policies. There are 21 state and federal fund sources included in the CPP. A description of each state and federal funding program and how the Orange County Transportation Authority (OCTA) has used the funds is provided in Attachment A.

This update to the CPP includes minor changes based on the new California Freight Investment Program (CFIP) and also new opportunities to fund Metrolink operations with federal funds. The current state and federal transportation funding programs were last updated in December 2016, and updates for the Board of Directors' (Board) approval are provided below.

The new federal transportation bill, Fixing America's Surface Transportation (FAST) Act, was adopted in December 2015, and established a new formula freight fund. The National Highway Freight Program provides approximately $556.2 million in apportionments to the State of California over the five-year period of the FAST Act. The California Transportation Commission (CTC) is required by state statute to allocate these funds, and are doing so by means of the CFIP. The details of this new program are presented in Attachment A.

In April, the State of California enacted SB 1 (Beall, D-San Jose), the Road Repair and Accountability Act of 2017, which created several new funding programs to provide funding for local street and road repairs, local trade corridors, congestion reduction on major commute corridors, support to self-help counties, active transportation and planning grants, as well as providing additional funding to the State Transit Assistance Fund, Transit and Intercity Rail Capital Program, State Highway Operations Preservation Program, and stability for the State Transportation Improvement Program. Guidelines, which will identify the funding goals and eligible agencies for the new programs, have not yet been developed. Staff will return to the Board with updated policies as guidelines are developed for the individual programs within the Road Repair and Accountability Act of 2017.

Discussion

The CPP is intended to provide direction for future revenues as they become available. The overall goal is to ensure the maximum benefit from each source in relation to OCTA's programs and projects, consistent with OCTA's Strategic Plan goals, including stewardship, fiscal sustainability, and mobility. Programming requests are brought forward based on state, federal, and local funding program timelines, the achievement of design or project delivery milestones, project needs, cost savings, and other factors. The CPP guides staff programming recommendations to the Board. For example, between December 2016 and April 2017, the Board considered and acted on five staff reports that changed programming decisions for various highway, streets and roads, and transit projects. The list of staff reports with recommended and approved programming actions is provided as Attachment B.

<u>CFIP</u>

The objective of the CFIP is to fund projects that improve the efficient movement of freight on designated corridors throughout the state, and support the goals outlined in the National Highway Freight Program, the California Freight Mobility Plan, and the California Sustainable Freight Action Plan. Funds from the National Highway Freight Program will flow to agencies through the CFIP.

The CTC has designated five corridors as eligible for CFIP funding. Orange County is included in the Los Angeles/Inland Empire Corridor. Projects may be submitted by the California Department of Transportation, regional transportation agencies, port authorities, or other local agencies to the CTC for funding consideration. The corridor regions will prioritize projects for funding, and the CTC is responsible for final project selection and approval. OCTA is proposing a policy related to this program that would first seek to fund eligible M2 Program projects that meet the requirements and goals of the program, then fund other eligible Orange County projects.

Use of Federal Funds for Metrolink Operations

Over the last year, Metrolink was asked to consider whether or not federal funds could be used toward Metrolink operations in a way similar to OCTA's use of Federal Transit Administration (FTA) funds for bus preventive maintenance. Metrolink has determined that several isolated preventive maintenance contracts could be funded using either FTA Section 5307 (FTA 5307) and/or FTA Section 5337 (FTA 5337). Moving forward, Metrolink will work to federalize all eligible contracts. Staff is proposing a policy that would allow the direction of these FTA funds towards Metrolink operations. Use of the federal funds for this purpose would preserve M2 Project R funds for future operations. The policies are being updated to allow this use.

The specific proposed policy language for the CFIP, the National Highway Freight Program, FTA 5307 and FTA 5337 is provided in Attachment C. As noted above, programming requests will be brought forward based on state, federal, and local funding program timelines, achievement of design or project delivery milestones, project needs, cost savings, and other factors.

Summary

Staff is requesting the Board to approve the specific policy changes included in Attachment C. The existing CPP are provided as Attachment D. The approved state, federal, and M2 capital programming commitments are included in the Capital Funding Program for reference purposes (Attachment E).

Attachments

A. State and Federal Funding Sources – Origins, Existing Uses, and Estimates
B. List of Board of Directors Reports with Programming Actions for Programs in the Capital Programming Policies – December 2016 – April 2017
C. Proposed Changes to Capital Programming Policies by Fund Source – May 2017
D. Existing Capital Programming Policies by Fund Source – May 2017
E. Capital Funding Program Report

Prepared by:

Adriann Cardoso
Capital Programming Manager
(714) 560-5915

Approved by:

Kia Mortazavi
Executive Director, Planning
(714) 560-5741

ATTACHMENT A

State and Federal Funding Sources
Origins, Existing Uses, and Estimates

State Sources

State Transportation Improvement Program

Origins:

The State Transportation Improvement Program (STIP) is a major source of funding for transportation improvements throughout the State of California. Revenues from state and federal sources are consolidated into the STIP. The STIP is divided into two major funding categories, the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP). Seventy-five percent of the STIP is directed to the RIP, which is then sub-allocated to counties by formula. The remaining 25 percent is programmed to the IIP, which is then allocated to the California Department of Transportation (Caltrans) for projects of interregional significance.

Revenues for the STIP are derived from the price-based excise tax on gasoline. Prior to the recent enactment of the gas tax swap, state revenues were generated through sales tax on gasoline and were distributed into two funds, one which supported transit capital projects including bus replacement and acquisition, called the Public Transportation Account (PTA), and one which supported the Transportation Improvement Fund. With the passage of the gas tax swap, excise tax revenues flow into the State Highway Account (SHA), and there is no PTA revenue from this fund source supporting the STIP.

The state annually retains price-based excise tax funds in the SHA to offset truck weight fees, which are used to pay for general obligation bonds for transportation such as Proposition 1B. The amount that remains is divided, with 12 percent going directly to the cities and the counties, 44 percent going to the State Highway Operation and Protection Program (SHOPP) for the maintenance of the state highway system, and 44 percent going to the STIP for projects that are eligible for funding under Article XIX of the State Constitution. Article XIX projects include most highway projects, but only include transit capital projects that are in support of fixed-guideway. Federal revenues received by the state may also be transferred into the STIP, if the funds are not used for SHOPP projects. Federal funds do not add funding to the STIP, but are only used to offset state funds and give the state more flexibility to use state-only funds.

Uses:

The 2016 STIP will provide $122.6 million in funding from fiscal year (FY) 2016-17 through FY 2020-21. In the 2016 STIP, the Orange County Transportation Authority (OCTA) programmed $108.8 million (89 percent) to highway projects, $9.0 million (seven percent) to a local interchange project, and $4.9 million (four percent) to planning and programming activities that study projects and funding for project delivery.

Estimates:

Every two years, state and federal transportation revenues are forecasted and programmed for the subsequent five-year period. OCTA is responsible for the development and programming of the RIP portion of STIP revenues, which is submitted to the California Transportation Commission (CTC) for approval and adoption. The STIP funds have been declining. Ten years ago, in 2006, OCTA programmed $392 million. There is only $122.6 million in the 2016 STIP. Funding is entirely based on how much gasoline is sold and at what price. It is difficult to estimate annual funding from this program, but in the 2016 STIP, OCTA is programmed to receive $24 million per year over the five-year period.

Proposition 1A

Origins:

Proposition 1A is the Safe, Reliable High-Speed Passenger Train Bond Act and was approved by voters on November 4, 2008. It provides $9 billion for the construction of high-speed rail in California. In addition, it provides another $950 million for allocation to intercity, commuter, and urban rail systems for the purpose of direct connectivity and benefits to the high-speed train system. These funds are provided on a formula basis, and the Southern California Regional Rail Authority (SCRRA) will receive $123.7 million, of which approximately $26.6 million is due to train operations in Orange County. This program is administered by the CTC and requires a 1:1 match. The legislation requires all five member agencies of SCRRA to approve the programming of the Proposition 1A funds to SCRRA projects.

Uses:

SCRRA has programmed $123.7 million in Proposition 1A funds for Positive Train Control (PTC) and the Metrolink High-Speed Rail Readiness Program to refurbish or replace cars and locomotives. The state has programmed $46 million to the State College Boulevard Grade Separation Project in Anaheim. Matching funding levels need to be revised, given likely increases in project cost and reduced M2 revenues.

Estimates:

All funds are currently programmed.

State and Federal Funding Sources
Origins, Existing Uses, and Estimates

Proposition 1B

Proposition 1B is a $19.9 billion infrastructure bond (funds are distributed on a program basis).

Origins:

Proposition 1B was passed by voters in November 2006, and makes available $19.9 billion for transportation improvements throughout the state. There are 12 main programs included in the bond. OCTA has been successful in programming funds in eight of those categories, totaling $871 million.

Uses:

To date, OCTA has been successful in programming:

- $286 million through the Corridor Mobility Improvement Account for freeway projects,
- $214 million through the Trade Corridors Improvement Fund (TCIF) for the OC Bridges projects, three freeway projects, and one rail project pending CTC approval,
- $199 million in Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) for bus and rail capital improvement projects,
- $85 million in State Local Partnership Program (SLPP) for the combined transportation funding program, M2 Fair Share Grant Program, SLPP formula grant program, transit projects, and freeway projects,
- $47 million in STIP augmentation for freeway projects,
- $11 million through the Highway Railroad Crossing Safety Account fund for grade separation and grade crossing safety projects,
- $28 million in Transit System Safety, Security and Disaster Response Account (TSSSDRA) funds for transit security projects, and
- $4 million in the Traffic Light Synchronization Program for traffic light synchronization projects.

Estimates:

This Proposition 1B Program is coming to a close. There are two more years of TSSSDRA funding, at $3.5 million per year. In addition, OCTA may be able to program potential cost savings from specific programs such as the TCIF or PTMISEA programs, and will return to the Board of Directors (Board) with specific recommendations. At this time, the state is not anticipating any new calls for projects for Proposition 1B funding programs. However, savings from programmed projects may be available to be reprogrammed to projects consistent with OCTA policy direction.

State and Federal Funding Sources
Origins, Existing Uses, and Estimates

Proposition 116

Origins:

Proposition 116 Intercity Rail Program was passed by voters in 1989 and made available $3 billion for intercity and commuter/urban rail programs. OCTA has received approximately $121.3 million in Proposition 116 funds through an agreement established with the City of Irvine.

Uses:

Proposition 116 requires funds to be spent for improving and expanding rail services. OCTA is currently using the $121.3 million in Proposition 116 for transit station improvements, Metrolink improvements and expansion, rail crossing safety improvements, and grade separations as follows:

- $32.7 million for PTC,
- $30.7 million for Metrolink Service Expansion and Orange County Crossing Safety Program,
- $21.5 million for Sand Canyon Grade Separation Project,
- $10.5 million for Metrolink Fiber Optics Installation Project, pending CTC approval,
- $10.5 million for Fullerton Transportation Center Parking Structure and Elevators Project,
- $7.2 million for Tustin Rail Station Parking Expansion Project,
- $3.2 million for Control Point Crossover Project,
- $4.3 million for Laguna Niguel to San Juan Capistrano Passing Siding Project, pending CTC approval,
- $0.2 million for North Beach Safety Enhancements Project, and
- $0.5 million for San Juan Creek Bridge Replacement, pending CTC approval.

Estimates:

Future cost savings will be programmed to projects consistent with the OCTA Proposition 116 programming policy direction for use of project bid savings, approved by the Board on December 13, 2010.

Cap-and-Trade Funds

Origins:

The SB 862 (Chapter 36, Statutes of 2014) directs proceeds from the greenhouse gas (GHG) reduction fund to multiple programs designed to reduce GHG emissions by 15 percent by 2020. The GHG reduction fund is funded by auction proceeds from the

California Air Resources Board's Cap-and-Trade Program. The following four programs could provide funding for OCTA projects. In addition to GHS reduction, legislation passed in 2011, SB 535 (Chapter 830, Statutes of 2011) requires that programs funded from revenues in the GHG reduction fund result in benefits to disadvantaged communities.

- Cap-and-Trade (Formula) – Low Carbon Transit Operations Program

  The SB 862 created the Low Carbon Transit Operations Program (LCTOP) and describes program goals and eligible projects. Approved projects will support new or expanded bus or rail services, expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing GHG emissions. Further, the LCTOP will target grants so that at least 50 percent of project expenditures will benefit disadvantaged communities by agencies that include communities designated as disadvantaged.

Uses:

OCTA has programmed funds to fare reduction strategies including reduction of the summer youth pass from $40 to $20 in 2015 and 2016, and a promotional reduction of the day pass from $5 to $4 between October 9, 2016 and March 30, 2017.

Estimates:

Five percent ($100 million) was available statewide in FY 2015-16, and five percent of the annual program will be made available on an ongoing basis. $75 million of the funds were distributed based on the same formula as State Transit Assistance. The remaining $25 million was to be made available in FY 2016-17. OCTA received $1.3 million in FY 14-15 and $3.6 million in FY 2015-16. Caltrans has not released an estimate for FY 2016-17 funding yet pending cap and trade auction proceeds. In 2016, cap and trade auction proceeds which funds this program were significantly lower than anticipated.

- Cap-and-Trade (Competitive) – Transit and Intercity Rail Capital Program

  The SB 862 created the Transit and Intercity Rail Capital Program (TIRCP) and describes program goals and eligible projects. Program goals include the reduction of GHG emissions, expanded rail service to increase ridership, the integration of different rail and bus systems, and improved rail safety. Eligible projects include rail and bus capital projects, and operational improvements that result in increased ridership and reduced GHG. Further, the TIRCP will target grants so that at least 25 percent of program expenditures will benefit disadvantaged communities.

Estimates:

Ten percent ($200 million) was available statewide in FY 2015-16, and ten percent of the annual program will be made available on an ongoing basis. OCTA is eligible to compete for these funds. In 2015, OCTA received $2.3 million to purchase four clean-fueled buses for the Bravo! 560 Rapid Bus service. In August 2016, OCTA was awarded $28 million: $25.518 million for the OC Streetcar, and $2.482 million for Mobile Ticketing. In addition, the Los Angeles-San Diego-San Louis Obispo (LOSSAN) Rail Corridor Agency in partnership with the San Diego Association of Governments, North County Transit District, and OCTA, received an award of $82 million, which included $3 million for the Laguna Niguel to San Juan Capistrano Passing Siding Project.

Cap-and-Trade (Competitive) – Affordable Housing and Sustainable Communities Program

The SB 862 created the Affordable Housing and Sustainable Communities (AHSC) Program and describes program goals and eligible projects. Program goals include the reduction of GHG emissions by implementing land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and by supporting other related and coordinated public policy objectives.

The main AHSC Program will provide grants and/or loans to projects that will achieve GHG reductions through increasing accessibility of affordable housing, employment centers, and key destinations, via low-carbon transportation options (walking, biking, and transit), and resulting in fewer vehicle miles traveled (VMT). The draft guidelines have identified two project prototypes to implement this strategy: (A) transit-oriented development (TOD) project areas, or (B) integrated connectivity projects. The TOD Program requires an affordable housing component be included in the project.

Key elements of the program include:

- At least 50 percent of the funds must be used for affordable housing (grants and loans).
- Fifty percent of funds must benefit disadvantaged communities.
- The project must be in draft or approved Sustainable Communities Strategy (SCS) subject to Strategic Growth Council (SGC) guidelines.
- The SGC must coordinate with regional governments to identify and recommend projects within the region.

Eligible projects include:

- Intermodal, affordable housing projects that support infill and compact development,
- Transit capital projects and programs supporting transit ridership,
- Active Transportation Program (ATP), both infrastructure and non-infrastructure,

- TOD projects, including affordable housing and infrastructure at or near transit stations or connecting those developments to transit stations,
- Local complete streets programs,
- Acquisition of easements or other approaches/tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses (priority for those most at risk of urban or suburban sprawl or those of special environmental significance),
- Planning to support implementation of a SCS, including local plans, and
- Other projects or programs designed to reduce GHG emissions and other criteria air pollutants by reducing automobile trips and VMT within a community.

Estimates:

Twenty percent ($400 million) was available statewide in FY 2015-16, and 20 percent of the annual program will be made available on an ongoing basis. OCTA is eligible to compete for these funds, but has not been successful in prior cycles due to the limitations of the program.

ATP

Origins:

The ATP was created by SB 99 (Chapter 359, Statutes of 2013) and AB 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking. Forty percent of funds will be awarded to large metropolitan planning organizations (MPO) with populations greater than 200,000. Ten percent of funds will be awarded to small and rural regions with populations less than 200,000. Fifty percent of funds will be awarded on a statewide basis. The purpose of the ATP is to encourage increased use of active modes of transportation by achieving the following goals:

- Increase the proportion of trips accomplished by biking and walking,
- Increase safety and mobility for non-motorized users,
- Advance the active transportation efforts of regional agencies to achieve GHG reduction goals,
- Enhance public health,
- Ensure that disadvantaged communities fully share in the benefits of the program, and
- Provide a broad spectrum of projects to benefit many types of active transportation users.

ATP funds have the following requirements:

- $250,000 minimum request for infrastructure projects,
- Minimum match of 12 percent (disadvantaged community projects exempt),

- 25 percent of funds must be awarded to disadvantaged communities,
- Qualified conservation corps partnership,
- Semi-annual reporting, and
- Compliance with National Environmental Policy Act, Caltrans right-of-way (ROW) certification, and Federal Highways Administration authorization to proceed.

Federally eligible projects include:

- Infrastructure projects including planning, design, ROW, and construction.
- Non-infrastructure projects including education, enforcement, and planning activities.
- Infrastructure projects with non-infrastructure components.

Orange County applicants can submit projects for consideration and receive funds from either the statewide call or the Southern California Association of Governments (SCAG) regional project selection. Projects not funded in the statewide call are then considered for funding through the SCAG regional project selection process. Under the Fixing America's Surface Transportation (FAST) Act, the funding available to the regions is distributed on the Surface Transportation Block Grant Program (formerly RSTP) distribution formula. OCTA staff monitors the funding distribution to ensure the State and SCAG are following this distribution formula.

Estimates:

In the first call for ATP projects, Orange County agencies submitted applications for 62 projects. CTC awarded $5.7 million for nine projects in Orange County. Projects from the SCAG region not approved for statewide funding were submitted for funding through the regional project selection process. The process was developed by SCAG, in collaboration with the county transportation commissions. The OCTA Board approved weighting factors to prioritize the projects submitted from the county. The regional selection process funded an additional 17 projects for $11.2 million.

In the second call for ATP projects, Orange County agencies submitted applications for 55 projects. CTC awarded $11.5 million for three projects in Orange County. The regional selection process funded an additional 13 projects for $13.3 million.

In the third call for ATP projects, Orange County agencies submitted applications for 19 projects. CTC awarded $4.553 million from the Statewide component for the City of Santa Ana's First Street Pedestrian Improvements project. The regional selection process is resulted in $9.42 million for four Orange County projects.

<u>California Freight Investment Program</u>

Origins:

The new federal transportation bill, the Fixing America's Surface Transportation (FAST) Act, was adopted in December 2015 and established a new formula freight fund, the

National Highway Freight Program. The CTC was directed to allocate these funds and are doing so by means of the CFIP

Uses:

Projects eligible for funding under the program include, but are not limited to, the following:

- Additional capacity to address highway freight bottlenecks, highway or bridge projects to improve flow of freight on National Highway Freight Network, physical separation of passenger vehicles from commercial motor freight;
- Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10 percent of yearly apportionments);
- Intelligent Transportation Systems or other technology to improve the flow of freight, real time information systems, weigh-in-motion devices, electronic screening/credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, electronic cargo and border security technologies;
- Grade Separations;
- Geometric improvements to interchanges and ramps;
- Truck only lanes, including climbing and runaway, and parking facilities;
- Adding or widening shoulders;
- Efforts to reduce environmental impacts of freight movement; and
- Environmental/community mitigation for freight movement.

Estimates:

The CFIP will receive approximately $556.2 million of federal and state funds as follows:

- $545.2 million from the federal National Highway Freight Program over a five year period beginning with federal fiscal year (FFY) 2015-16 through FFY 2019-20. This amount is governed by the obligation authority set by Congress in its annual Federal Appropriation Act.
- $11 million of state funds appropriated in the Budget Act of 2015 as amended by Assembly Bill 133.

CTC has indicated their intent to adopt a multi-year program of projects which would provide funds from FY 2017-18 through 2019-20. In the future, additional state funding for freight programs may be directed into this program by the state legislature.

State and Federal Funding Sources
Origins, Existing Uses, and Estimates

Federal Sources

Congestion Mitigation and Air Quality

Origins:

The Congestion Mitigation and Air Quality (CMAQ) Program was established in 1991 as part of the federal Intermodal Surface Transportation Efficiency Act (ISTEA). It has since been reauthorized through the four subsequent acts (Transportation Equity Act for the 21st Century (TEA-21)), the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Moving Ahead for Progress in the 21st Century (MAP-21), and FAST.

Uses:

The CMAQ Program is carried over from MAP-21 and included in the FAST Act to provide a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas), and for former nonattainment areas that are now in compliance (maintenance areas).

Funds may be used for transportation projects likely to contribute to the attainment or maintenance of a national ambient air quality standard, with a high level of effectiveness in reducing air pollution, and be included in the MPO's current transportation plan and transportation improvement program, or the current STIP in areas without an MPO.

Some specific CMAQ-eligible activities include:

- Establishment or operation of a traffic monitoring, management, and control facility, if it contributes to attainment of an air quality standard.
- Projects that improve traffic flow, mobility, or emergency response as follows:
    - projects to improve signalization
    - construct high-occupancy vehicle (HOV) lanes
    - improve intersections, add turning lanes
    - improve transportation systems management and operations that mitigate congestion and improve air quality
    - implement intelligent transportation systems
    - real-time traffic systems
    - transit including fixed-guideway projects
    - multimodal traveler information
- Purchase of integrated, interoperable emergency communications equipment.
- Projects that shift traffic demand to nonpeak hours or other transportation modes, increase vehicle occupancy rates, or otherwise reduce demand.

- Purchase of diesel retrofits.
- Facilities serving electric or natural gas-fueled vehicles.
- Some expanded authority to use funds for transit operations.

The current OCTA commitments from the CMAQ Program are to the Bicycle Corridor Improvement Program, west Orange County HOV Connectors Project, the OC Bridges projects, the rideshare program, and fixed-guideway projects.

CMAQ funds, totaling $250.0 million for FFY 2011-12 through FFY 2016-17, are currently programmed as follows:

- $73.9 million for rail capital projects.
- $59.5 million for highway projects.
- $53.0 million for fixed-guideway projects.
- $25.6 million for rideshare/vanpool.
- $12.8 million for bus capital projects and eligible operations.
- $14.0 million for bicycle corridor improvement projects.
- $11.2 million for grade separation projects.

Estimates:

The annual estimate of CMAQ funds in FFY 2016-17 is $44 million.

Surface Transportation Block Grant (STBG) Program (formerly RSTP)

Origins:

The RSTP was established in 1991 by the ISTEA and reauthorized under TEA-21, SAFETEA-LU, and MAP-21. Under the FAST Act, RSTP was renamed the STBG acknowledging that this program has the most flexible eligibilities among all federal-aid highway programs and aligning the program's name with how Federal Highway Administration has historically administered it. STBG provides flexible funding that may be used by states and localities for projects to preserve and improve the conditions and performance on any federal-aid highway, bridge, and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects.

Uses:

Funds from this program are intended to be directed to projects and programs for a broad variety of highway, road, bridge and transit work. Under the FAST Act, STBG eligibilities are continued, with some additions and modifications. Some specific STBG eligible projects include:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways, including qualifying local access roads.

- Replacement, rehabilitation, preservation, and protection for bridges and tunnels on any public road, including construction or reconstruction necessary to accommodate other modes.
- Construction of new bridges and tunnels on a federal-aid highway.
- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including vehicles and facilities used to provide intercity passenger bus service.
- Carpool projects, fringe and corridor parking facilities and programs, including electric and natural gas vehicle charging infrastructure, bicycle transportation and pedestrian walkways, and Americans with Disabilities Act (ADA) sidewalk modifications.
- Highway and transit safety infrastructure improvements and programs, railway-highway grade crossings.
- Highway and transit research, development, technology transfer.
- Capital and operating costs for traffic monitoring, management, and control facilities and programs.
- Surface transportation planning.
- Development and establishment of management systems.
- Environmental mitigation efforts.
- Intersections with high accident rates or levels of congestion.
- Infrastructure-based intelligent transportation systems capital improvements
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- Congestion pricing projects and strategies, including electric toll collection and travel demand management strategies and programs.
- Recreational trails projects.
- Truck parking facilities.
- Workforce development, training, and education activities.

OCTA has historically directed these funds towards highway projects, arterial highway rehabilitation, grade separations, local streets and roads projects, and planning studies. More recently, funds have also been used for transit projects.

RSTP/STBG funds, totaling $302.9 million, from FY 2011-12 through FY 2016-17, are currently programmed as follows:

- $165.8 million for freeway projects.
- $ 69.1 million for grade separations.
- $ 38.7 million for bus capital projects and eligible operations.
- $ 26.5 million for local streets and roads.
- $ 2.8 million for rail projects.

Estimates:

The annual estimate for STBG funds in FFY 2016-17 is $39 million.

Federal Transit Administration Section 5307 Urbanized Area Formula

Origins:

The Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program makes federal funds available for public transportation capital, planning, and in limited instances, operating expenses. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas which depend on public transportation to improve mobility and reduce congestion. Funding is apportioned on the basis of formula, with set asides for transit security and for associated transit improvements including bikeways, pedestrian facilities, and transit security. The FTA Section 5307 funding distribution formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed-guideway revenue vehicle miles, and fixed-guideway route miles, as well as population and population density.

Uses:

OCTA primarily uses FTA Section 5307 funds for bus transit capitalized operations such as preventive maintenance, capitalized cost of contracting, and bus replacement. The set-asides for FTA Section 5307 under the FAST Act have been changed as follows:

- Paratransit operating assistance increased from ten percent to up to 20 percent.
- There is no longer a requirement to set-aside one percent for associated transit improvements (previously transit enhancements).
- The FAST Act allows use of up to 0.5 percent of FTA Section 5307 funds for Workforce Development.

OCTA also uses FTA Section 5307 funds for transit capital projects such as bus purchases or facility maintenance and rehabilitation, preventive maintenance and capital costs of contracting. OCTA has also provided commuter rail operations with either local or FTA funding that equates to the amount of funding that is provided through FTA Section 5307 based on fixed-guideway operations contribution to the funding formula.

Estimates:

Under the FAST Act, the estimate for FTA Section 5307 funding in FFY 2016-17 is approximately $57 million. Annually, approximately $7.5 million derives from and is directed to commuter rails projects.

FTA Section 5309 New Starts

Origins:

The FTA Section 5309 New Starts Competitive Program provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors. Under MAP-21, this program defines a new category of eligible projects, known as core capacity projects, which expand capacity by at least ten percent in existing fixed-guideway transit corridors that are already at or above capacity today, or are expected to be at or above capacity within five years. The program also includes provisions for streamlining aspects of the New Starts process to increase efficiency and reduce the time required to meet critical milestones. This discretionary program requires project sponsors to undergo a multi-step, multi-year process to be eligible for funding. The maximum share of New Starts funding is 60 percent and under the New Starts Program, the maximum federal share including all federal sources is 80 percent.

Uses:

Eligible uses of FTA Section 5309 include:

- New fixed-guideways or extensions to fixed-guideways (projects that operate on a separate ROW exclusively for public transportation, or that include a rail or a catenary system).
- Bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor.
- Projects that improve capacity on an existing fixed-guideway system.

Estimates:

This is a discretionary program. In 2016, OCTA is proposing New Starts funding for the OC Streetcar at $149 million or 50 percent of the current project cost estimate.

FTA Section 5310 Formula Grants for Enhanced Mobility of Seniors and Individuals with Disabilities

Origins:

The FTA Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities makes federal funds available to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and ADA complementary paratransit services.

Uses:

At least 55 percent of program funds must be used on capital projects that are:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.

The remaining 45 percent may be used for:

- Public transportation projects that exceed the requirements of the ADA.
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
- Alternatives to public transportation that assist seniors and individuals with disabilities.

Operating assistance is available under this program. OCTA uses these funds for enhanced paratransit service.

Estimates:

Under the FAST Act, the FTA Section 5310 funds are apportioned to urban areas by formula based on an urban area's population share of seniors and individuals with disabilities. The amount of FTA Section 5310 Program funds allocated to Orange County was $2.0 million in FFY 2014-15 and FFY 2015-16, and 2.1 million in FFY 2016-17.

<u>FTA Section 5337 State of Good Repair Program</u>

Origins:

The FTA Section 5337 State of Good Repair Program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. It replaces the prior FTA Section 5309 Fixed-Guideway Modernization Program which was authorized under SAFETEA-LU.

Uses:

FTA Section 5337 formula funds are to be used for:

- Capital projects to maintain a system in a state of good repair, including projects to replace and rehabilitate: rolling stock; track; line equipment and structures; signals and communications; power equipment and substations; passenger stations and terminals; security equipment and systems; maintenance facilities and equipment; and operational support equipment, including computer hardware and software
- Transit Asset Management Plan development and implementation

OCTA received $15.6 million in FFY 2014-15 directed to SCRRA Rehabilitation and Renovation and Bus Preventive Maintenance, $17.8 million in FFY 2015-16 directed to SCRRA Rehabilitation and Renovation and Bus Preventive Maintenance, and the estimate for FFY 2016-17 is $18.1 million to be directed to SCRRA Rehabilitation and Renovation, Slope Stabilization and Bus Preventive Maintenance.

Estimates:

The annual estimate for FTA Section 5337 funding in FFY 2016-17 is $18.1 million.

<u>FTA Section 5339 Bus and Bus Facilities Program</u>

Origins:

The FTA Section 5339 provides formula capital funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. This program replaces the discretionary FTA Section 5309 Bus and Bus Facilities Program provided under SAFETEA-LU.

Uses:

FTA Section 5339 formula funds are to be used towards capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities. Use of these funds for bus capital projects will help offset the reduction in the estimated annual apportionment from FTA Section 5307. OCTA received $5.5 million in FFY 2014-15, $5.1 million in FFY 2015-16 and the estimate for FFY 2016-17 is $5.2 million and in each of these years the funds were directed to bus engine rebuild. However, this program will be completed in FFY 2016-17, and in future years, it is proposed to direct these funds to purchase replacement paratransit vans.

Estimates:

The annual estimate for FTA Section 5339 funding in FFY 2016-17 is $5.2 million.

Transportation Alternatives Program

Origins:

The Transportation Alternatives Program (TAP) was a new program in MAP-21 but originates from the Transportation Enhancement Program in SAFETEA-LU and incorporates aspects of the Safe Routes to Schools Program.

Uses:

TAP can provide funding for bike and pedestrian projects. The State of California has combined state and these federal funds for bike and pedestrian projects to create the ATP described in the state funding section on page 6.

Estimates:

See above the funding received by OCTA under the ATP in the state funding section on page 7.

National Highway Freight Program

Origins:

The National Highway Freight Program (NHFP) is a new program which was established in the FAST Act in December 2015.

Uses:

The objective of the NHFP is to fund projects which improve the efficient movement of freight on designated corridors throughout the state. The State of California has combined state and these federal funds for eligible projects to create the CFIP described in the state funding section on page 9.

Estimates:

See above the funding received by OCTA under the CFIP in the state funding section on page 9.

ATTACHMENT B

List of Board of Directors Reports with Programming Actions for Programs in the Capital Programming Policies December 2016 - April 2017

Date	Report Title	Fund Source(s) Affected
12/12/2016	Comprehensive Transportation Funding Programs Semi-Annual Review – September 2016	M2
1/23/2017	Proposition 1B California Transit Security Grant Program Authorization for 2015 and 2016	TSSSDRA
1/23/2017	Transit Projects Programming Revisions	TIRCP, CMAQ, FTA 5337, FTA 5307, and FTA 5309
2/13/2017	Low Carbon Transit Operations Program Recommendations for Fiscal Year 2016-17 Funds	LCTOP
4/10/17	Comprehensive Transportation Funding Programs – 2017 Call for Projects Programming Recommendations	M2

M2 – Measure M2

TSSSDRA – Proposition 1B Transit System Safety, Security & Disaster Response Account

TIRCP – Cap and Trade, Transit and Intercity Rail Capital Program

CMAQ – Congestion Mitigation and Air Quality Improvement Program

FTA – Federal Transit Administration

LCTOP – Cap and Trade, Low Carbon Transit Operations Program

ATTACHMENT C

Proposed Changes to Capital Programming Policies by Fund Source
May 2017

Funding Source/ Agency	Change to Existing Programming Policies	
	Proposed Policy	Current Policy
State		
California Freight Investment Program (CFIP)	New Program – Use of CFIP funds first for eligible Measure M2 program projects which meet the requirements and goals of the program, then fund other eligible priority Orange County projects.	New Program – no existing policy.
National Highway Freight Program	Currently these funds are administered by the state through the CFIP. See above.	New Program – no existing policy.
Federal Transit Administration (FTA), Section 5307	FTA Section 5307 Formula/FTA Use funds in the following order: (1) preventive maintenance, (2) capital cost of contracting, and (3) bus replacement. Set-Asides: Up to 20 percent for paratransit operating assistance, one percent for transit security (unless funded using local, state, or other federal funds), and percent of funds generated by rail operations to be used for rail <u>operations and</u> capital projects.	FTA Section 5307 Formula/FTA Use funds in the following order: (1) preventive maintenance, (2) capital cost of contracting, and (3) bus replacement. Set-Asides: Up to 20 percent for paratransit operating assistance, one percent for transit security (unless funded using local, state, or other federal funds), percent of funds generated by rail operations to be used for rail capital projects.
FTA Section 5337	Use funds for commuter rail rehabilitation and/or renovation projects, for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair <u>and for preventive maintenance</u>. Use funds generated by bus transit for bus transit capital maintenance.	Use funds for commuter rail rehabilitation and/or renovation projects and for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair. Use funds generated by bus transit for bus transit capital maintenance.

ATTACHMENT D

Existing Capital Programming Policies by Fund Source
May 2017

Funding Source	Measure M2 (M2) Programming Policies (adopted May 2014)
M2 Programs	
Projects A-M (freeway projects on Interstate 5, State Route 22, State Route 55, State Route 57, State Route 91, Interstate 405, and Interstate 605)	Use projects A-M M2 funding consistent with the M2 Transportation Investment Plan, with the M2020 Plan, and subsequent Board of Directors (Board)-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.
Freeway Environmental Mitigation Program (Tied to Projects A-M)	Utilize five percent net revenues derived from M2 funding for Projects A-M consistent with the M2 Transportation Investment Plan, with the M2020 Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through Board approval actions for needed environmental mitigation projects.
Project N (Freeway Service Patrol)	Use Project N funds for the Freeway Service Patrol Program. Funds are programmed through the annual budget process.
Project O (Regional Capacity Program) and Project P (Regional Signal Synchronization Program)	Use Project O and Project P M2 funding, consistent with the M2 Transportation Investment Plan, and consistent with the Comprehensive Transportation Funding Programs (CTFP) Guidelines. Program funds to projects through the cyclical CTFP call for projects (call) programming recommendations.
Project Q (Local Fair Share Program)	Use Project Q M2 funds consistent with the M2 Transportation Investment Plan. Funds are programmed through the annual budget, but actual disbursements may be adjusted based on the formula distribution of funds.
Project R (High-Frequency Metrolink Service)	Use Project R M2 funding consistent with the M2 Transportation Investment Plan, with the M2020 Plan, with the Comprehensive Business Plan, and subsequent Board-approved plans and updates, to the M2 Program. Program funds to projects through formal programming actions.
Project S (Transit Extensions to Metrolink) and Project T (Metrolink Gateways)	Use Project S and Project T M2 funding, consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through a call.
Project U (Expand Mobility Choices for Seniors and Persons with Disabilities)	Use Project U M2 funds, consistent with the M2 Transportation Investment Plan, the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Funds are programmed through the annual budget process.
Project V (Community-Based Transit Circulators) and Project W (Safe Transit Stops)	Use Project V and Project W M2 funding, consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through the CTFP call.

Project X (Environmental Cleanup)	Use Project X M2 funding consistent with the M2 Transportation Investment Plan and consistent with CTFP Guidelines. Program funds to projects through the CTFP call. The Environmental Cleanup Program consists of two programs. The Tier 1 Grant Program is designed to mitigate the more visible forms of pollution. Tier 1 consists of funding for equipment purchases and upgrades to existing catch basins and related devices such as screens, filters, and inserts. The Tier 2 Grant Program consists of funding regional, multi-jurisdictional, and capital-intensive projects, such as constructed wetlands, detention/infiltration basins, and bioswales.
Funding Source/Agency	State and Federal Programming Policies (adopted December 2014)
All State and Federal Fund Sources	First priority of all funding sources is to fulfill commitments to M2020 and/or Next 10 projects, specifically M2 projects and to maintain existing the Orange County Transportation Authority's assets in a state of good repair. Consideration will also be given to use state and federal funds for projects that are complementary to M2 projects and that share the program goals to reduce congestion, strengthen the economy, and improve the quality of life. All fund sources must be programmed through formal programming actions.
State	
State Transportation Improvement Program (STIP)/California Transportation Commission (CTC)	Use of STIP funds for M2 freeway, commuter rail, fixed-guideway projects, planning/programming and complementary activities which seek an equitable balance between freeways and transit capital and are consistent with state goals.
Proposition 1A/CTC	All funds are programmed.
Proposition 1B – Competitive Programs Funding/CTC	Maximize the Orange County allocations consistent with each program and ensure the receipt of allocated funds.
Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account/California Department of Transportation (Caltrans)	Use PTMISEA funds for commuter rail improvements and to fund existing STIP - Public Transit Administration projects (approximately $60 million) currently programmed in the 2010 STIP and for eligible OC Bridges projects.
Proposition 1B State-Local Partnership Program (SLPP)/CTC	Use of SLPP for local streets and roads and freeway construction projects, contingent on matching funds availability. Seek equitable balance between freeways and local streets and roads.
Proposition 1B – Transit System Safety, Security and Disaster Response Account (TSSSDRA)/California Governor's Office of Emergency Services	Use TSSSDRA to support capital projects that enhance the safety, security, and emergency response capabilities of transit.
Proposition 116 (CTC)	Use cost savings for commuter or intercity rail capital improvement projects along the Metrolink corridor (between the cities of Buena Park and San Clemente) that are funded with Measure M1 and M2 funds on a first-come, first-served basis.

Existing Capital Programming Policies by Fund Source
May 2017

Cap-and-Trade (Formula) – Low Carbon Transit Operations Program (LCTOP)/Caltrans	Use LCTOP for transit operations or capital for expansion of bus transit service, fare reduction programs, and other bus and commuter rail transit efforts that increase ridership and reduce greenhouse gas (GHG) emissions, where 50 percent of the funds provide benefit for passengers in disadvantaged communities. Funds generated from commuter rail service in Orange County may be used in Orange County for the expansion of commuter rail service, fare reduction programs for commuter rail, and other eligible commuter rail efforts that increase ridership and reduce GHG emissions.
Cap-and-Trade (Competitive) – Transit and Intercity Rail Capital Program (TIRCP)/ California State Transportation Agency	Use TIRCP for capital projects that expand bus and rail service to increase ridership and for projects that improve the integration between bus and rail systems. Projects must also reduce GHG emissions.
Cap-and-Trade (Competitive) – Affordable Housing and Sustainable Communities Program (AHSC)/Strategic Growth Council	Use AHSC for fixed-guideway and transit corridor projects that serve disadvantaged communities and reduce greenhouse gas emissions. *Note – In the guidelines a transit project must be paired with an affordable housing project for Transit Oriented Development program funds.
Funding Source/Agency	State and Federal Programming Policies (adopted December 2014)
State	
Active Transportation Program (ATP) – Southern California Association of Governments (SCAG) Regional Selection (Formula)/CTC/SCAG	Set-asides: Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.
Federal	
Congestion Mitigation and Air Quality (CMAQ)/Caltrans for Federal Highways Administration (FHWA)	Increase priority of M2 fixed-guideway projects. Use CMAQ funding for: • M2 fixed-guideway and/or M2 high-occupancy vehicle or high-occupancy toll operational improvements, • as match to leverage funding for OC Bridges grade separation projects, • vanpool program and rideshare services, • other rail and bus transit capital projects, • traffic light synchronization projects, and • new or expanded bus transit operations (three years of CMAQ funding may be used for the first five years). Set-asides: Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.
Surface Transportation Block Grant (STBG) Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use STBG funds for M2 Freeway Program (consistent with M2020 priorities), grade separations, and local streets and roads.

Existing Capital Programming Policies by Fund Source
May 2017

Transportation Alternatives Program (TAP) – CTC/SCAG through ATP	Use 100 percent of annual TAP apportionment for bicycle and pedestrian projects through a competitive call to local agencies. Currently these funds are administered by the state through the ATP. See above.
Federal Transit Administration (FTA) Section 5309 Fixed-Guideway Capital Investment Grants (“New Starts”)/FTA	Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the “New Starts” and/or “Small Starts” process.
FTA Section 5307 Formula/FTA	Use funds in the following order: (1) preventive maintenance, (2) capital cost of contracting, and (3) bus replacement. Set-Asides: Up to twenty percent for paratransit operating assistance; one percent for transit security (unless funded using local, state, or other federal funds); percent of funds generated by rail operations to be used for rail capital projects. See Attachment C for update.
FTA Section 5310 Formula Funds/FTA	Use funds for eligible enhancements to paratransit capital and operations.
FTA Section 5337 Formula Funds/FTA	Use funds for commuter rail rehabilitation/renovation projects; and for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair. Use funds generated by bus transit for bus transit capital maintenance. See Attachment C for update.
FTA Section 5339 Formula Funds/FTA	Use funds in the following order: (1) bus replacement, (2) capital maintenance, and (3) other bus capital projects as identified in the bus capital plan.

Capital Funding Program Report

Approved as of August 8, 2016

State Highway Project

Project Title	M Code	Total Funding	State Funds		Federal Funds		Local Funds		
			STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
I-5 from SR-55 to SR-57, Add 1 HOV lane each direction	A	$37,058	$28,949		$2,800			$5,309	
I-5 (I-405 to SR-55) capacity enhancement	B	$8,000			$8,000				
I-5 HOV lane each direction s/o PCH to San Juan Creek Rd.	C	$70,658		$20,789	$11,796			$38,073	
I-5 HOV lanes: s/o Avenida Pico to s/o Vista Hermosa	C	$90,388	$43,735		$31,688	$1,600		$13,365	
I-5 HOV, HOV lanes from s/o Av. Vista Hermosa to s/o PCH	C	$68,711	$46,779		$13,472			$8,460	
I-5 Widening (Alicia to El Toro) Seg 3	C	$133,553			$39,129			$94,424	
I-5 Widening (Oso to Alicia) Segment 2	C	$196,167			$47,631			$148,536	
I-5 Widening (SR-73 to Oso) Segment 1	C	$136,421	$78,030		$28,167			$30,224	
I-5 at Los Alisos / El Toro: add ramps	D	$4,400			$4,400				
I-5/Route 74 Interchange Landscaping/Replacement Planting	D	$1,420	$1,420						
SR-55 (I-5 to SR-91)	F	$5,000			$5,000				
SR-55 widening (I-5 to I-405)	F	$18,532			$12,000			$6,532	
SR-57 Orangewood to Katella	G	$2,500			$2,500				
SR-91 WB connect existing auxiliary lanes, I-5 to SR-57	H	$62,977		$27,227				$35,750	
SR-91 (SR-57 to SR-55) Operational Improvements	I	$9,000			$7,000			$2,000	
SR-91 WB (SR-55 - Tustin Interchange) Improvements	I	$46,270	$18,270	$14,000				$14,000	
I-405 from SR-73 to I-605 Improvements	K	$1,900,000		$7,771	$35,000	$92,648		$1,254,352	$510,229
I-405 (I-5 to SR-55)	L	$8,000			$8,000				
I-405 s/b Aux. Lane - University to Sand Canyon and Sand Canyon to SR-133	L	$2,328	$2,328						
SR-74 widening, Calle Entradero-City/County line		$42,694	$5,513						$37,181
SR-74 widening, City/County line to Antonio Parkway		$40,905	$10,000		$5,285				$25,620
State Highway Project Totals		**$2,884,982**	**$235,024**	**$69,787**	**$261,868**	**$94,248**		**$1,651,025**	**$573,030**

State Funding Total	**$304,811**
Federal Funding Total	**$356,116**
Local Funding Total	**$2,224,055**
Total Funding (000's)	**$2,884,982**

State Highway Project Completed

Project Title	M Code	Total Funding	State Funds		Federal Funds		Local Funds		
			STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
I-5/SR-74 Interchange Improvements	D	$77,211	$45,594	$24,109			$2,500		$5,008
SR-57 n/b widening landscaping, SR-91 to Lambert Road	G	$2,688						$2,688	
SR-91 eastbound widening, SR-241 to SR-71	J	$57,611				$47,888			$9,723
SR-91 w/b Rte 91/55 - e/o Weir Replacement Planting	J	$2,898	$2,898						
SR-91 Widening, SR-55 to Gypsum Canyon (Weir/SR-241)	J	$77,510	$59,573	$17,937					
SR-57 n/b widening, Katella Avenue to Lincoln Avenue	M1/G	$34,428		$24,127				$10,301	
SR-57 N/B widening, SR-91 to Yorba Linda Boulevard	M1/G	$50,659		$40,925				$9,734	

ATTACHMENT E

Capital Funding Program Report

State Highway Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
SR-57 N/B widening, Yorba Linda to Lambert Road	M1/G	$52,709		$41,250				$11,459	
I-5 at Jamboree off ramp and auxilary lane		$8,485	$8,485						
I-5 S/B AT OSO PKWY EXIT LANE & INTRCHNGE IMPROV		$22,872	$22,773						$99
I-5 San Clemente Avenida Vaquero Soundwall		$2,754	$2,754						
I-5 soundwall, at El Camino Real		$4,995	$4,995						
I-5, Camino Capistrano Interchange Improvements		$19,151	$19,151						
SR-55 Continuous Access HOV restriping environmental		$1,500							$1,500
SR-55 southbound aux. lanes, Dyer Rd to MacArthur (env)		$2,397	$2,397						
SR-90 Imperial Hwy Enhancement & Mitigation Planting		$1,669	$1,669						
HOV Connectors from I-405 and I-605	M1	$173,091		$135,430	$14,787		$16,200		$6,674
HOV Connectors from SR-22 to I-405	M1	$115,878			$64,375	$49,625	$1,878		
I-5at Gene Autry Way (west) - HOV Drop ramps	M1	$68,199			$35,644	$9,883	$8,601		$14,071
State Highway Project Totals		**$776,705**	**$170,289**	**$283,778**	**$114,806**	**$107,396**	**$29,179**	**$34,182**	**$37,075**

State Funding Total	**$454,067**
Federal Funding Total	**$222,202**
Local Funding Total	**$100,436**
Total Funding (000's)	**$776,705**

Acronyms:
M Code - M1 = Measure M1, otherwise Project Codes in Measure M2 Program
STIP - State Transportation Improvement Program
RSTP/CMAQ - Regional Surface Transportation Program/Congestion Mitigation and Air Quality
M1/M2 - Measure M1/Measure M2
I-5 - Interstate 5
I-55 - Interstate 55
I-57 - Interstate 57
HOV - High-Occupancy Vehicle
I-405 - Interstate 405
PCH - Pacific Coast Highway
Rd. - Road
Av. - Avenue
S/O - South of
SR-73 - State Route 73
SR-74 - State Route 74
SR-91/Rte. 91 - State Route 91
Aux. - Auxiliary
N/B - Northbound
SR-241 - State Route 241
SR-71 - State Route 71
E/O - East of
SR-90 - State Route 90
I-605 - Interstate 605

Capital Funding Program Report

Approved as of January 23, 2017

Local Road Project

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Kraemer Boulevard Grade Separation	O	$63,462	$1,460	$15,513	$22,044			$22,613	$1,832
Lakeview Avenue Grade Separation	O	$107,402		$26,924	$35,411	$9,709		$24,783	$10,575
Measure M2 Project O Regional Capacity Program Call for Projects (Call)	O	$222,385		$22,979				$199,406	
Orangethorpe Avenue Grade Separation	O	$108,600		$34,520	$38,240	$18,600		$14,543	$2,697
Placentia Grade Separation along SS of Orangethorpe	O	$64,444	$6,040	$27,346				$27,356	$3,702
Raymond Avenue Grade Separation	O	$124,833		$90,767				$26,350	$7,716
State College Grade Separation	O	$96,969		$34,042	$27,376	$13,290		$11,243	$11,018
State Route 57/Lambert Road Interchange	O	$63,787	$22,100			$924		$927	$39,836
Tustin Ave/Rose Drive Grade Separation	O	$98,254		$25,473	$53,376			$17,642	$1,763
M2 Project P Regional Signal Synchronization Program Call	P	$67,972						$67,972	
M2 Project Q Fair Share Program	Q	$615,296						$615,296	
Measure M2 Project X Environmental Clean Up	X	$43,850						$43,850	
Active Transportation Program - Regional Call		$31,117	$92		$614	$26,337			$4,074
ARRA Transportation Enhancements		$6,833				$4,049	$500		$2,284
Arterial Pavement Management Program		$44,319			$44,319				
Atlanta Avenue Widening		$4,160			$2,278				$1,882
Bicycle Corridor Improvement Program		$34,741			$28,425				$6,316
Bristol Street Widening		$44,750							$44,750
Local Agency American Reinvestment and Recovery Act of 2009 Rehab Projects		$32,369				$32,369			
M1 Combined Transportation Funding Program (CTFP)		$34,000					$34,000		
State-Local Partnership Program (SLPP) Formula Grant Call		$46,419		$21,217			$1,280	$23,922	
Transportation Enhancement Activities		$22,172				$15,628			$6,544
Del Obispo Widening	M1	$6,419			$3,740				$2,679
Local Road Project Totals		**$1,984,553**	**$29,692**	**$298,781**	**$255,823**	**$120,906**	**$35,780**	**$1,095,903**	**$147,668**

State Funding Total	**$328,473**
Federal Funding Total	**$376,729**
Local Funding Total	**$1,279,351**
Total Funding (000's)	**$1,984,553**

Local Road Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Grand Avenue Widening, 1st Street to 4th Street	O	$12,537			$6,708				$5,829
Antonio Parkway Widening		$32,553			$15,499				$17,054
Firestone Boulevard Widening at Artesia Boulevard		$2,468			$2,059				$409
M2 Fair Share State-Local Partnership Grant Program		$7,032		$3,516				$3,516	
I-5 at La Paz Interchange Improvements	M1	$8,942			$2,800		$1,792		$4,350

Capital Funding Program Report

Local Road Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Imperial Highway Smart Streets	M1	$1,900		$200			$200		$1,500
Traffic Light Synchronization Program (TLSP), County Wide - Proposition 1B	M1	$8,000		$4,000			$4,000		
Local Road Project Totals		**$73,432**		**$7,716**	**$27,066**		**$5,992**	**$3,516**	**$29,142**

State Funding Total	**$7,716**
Federal Funding Total	**$27,066**
Local Funding Total	**$38,650**
Total Funding (000's)	**$73,432**

Acronyms:
M Code - Project codes in M2 Program
STIP - State Transportation Improvement Program
RSTP/CMAQ - Regional Surface Transportation Program/Congestion Mitigation and Air Quality
M1/M2 - Measure M1/Measure M2
ARRA - American Recovery and Reinvestment Act
I-5 - Interstate 5

Capital Funding Program Report

Approved as of January 23, 2017 — Rail Project

			State Funds		Federal Funds		Local Funds		
Project Title	**M Code**	**Total Funding**	**STIP/Other**	**State Bonds**	**RSTP/CMAQ**	**Other Fed.**	**M1**	**M2**	**Local - Other**
Fullerton Transportation Center Parking Expansion Project	M1/R	$33,667	$11,250	$11,035			$9,718		$1,664
Laguna Niguel-Mission Viejo Station Parking Improvements and Expansion	M1/R	$15,134			$6,500		$8,634		
Orange Transportation Center Parking Structure	M1/R	$33,175	$13,762		$4,073	$3,298	$1,850	$420	$9,772
Sand Canyon Avenue Grade Separation Project	M1/R	$61,962		$28,104	$10,536		$3,116	$5,352	$14,854
M2 Project S Fixed-Guideway Anaheim Rapid Connection	M1/S	$10,286				$1,516	$6,000	$1,335	$1,435
OC Streetcar (Proposed New Starts)	M1/S	$297,911	$25,518		$53,034	$162,213		$57,146	
OC Streetcar Preliminary Studies and Environmental	M1/S	$7,014				$341	$4,977	$554	$1,142
Anaheim Regional Intermodal Transportation Center (ARTIC) Construction	M1/T	$184,164	$29,219		$33,250	$40,754	$43,900	$35,291	$1,750
Fullerton Transportation Station Expansion Planning, Environmental PSR	M1/T	$771			$671		$100		
17th Street Grade Separation Environmental	R	$3,500						$3,500	
Anaheim Canyon Station Improvements	R	$20,051			$18,050	$2,001			
Control Point at 4th Street	R	$4,000				$4,000			
Future Video Surveillance Systems	R	$217				$174			$43
Laguna Niguel to San Juan Capistrano Passing Siding	R	$30,830	$6,000	$2,483	$22,347				
Metrolink Rehabilitation/Renovation - fiscal years 2011-12 to 2021-22	R	$125,447				$125,447			
Metrolink Station and Track Improvements, and Rehabilitation	R	$2,230				$1,784			$446
Placentia Commuter Rail Station	R	$34,825	$2,500	$400	$50			$8,000	$23,875
Positive Train Control (Metrolink)	R	$39,916		$34,190		$5,726			
Rail Station Platform Safety Improvements (Fullerton, Irvine, and Tustin)	R	$553		$553					
San Juan Creek Bridge Replacement	R	$34,200		$3,612		$29,375		$1,213	
Slope Stabilization Laguna Niguel-Lake Forest	R	$4,139				$4,000		$139	
State College Grade Separation (LOSSAN)	R	$79,284		$46,000				$33,284	
Ticket Vending Machines	R	$6,857				$6,857			
Video Surveillance Systems at Commuter Rail Stations	R	$4,493		$140		$3,594			$759
M2 Project S Transit Extensions to Metrolink (Rubber Tire)	S	$733						$733	
Rail Project Totals		**$1,035,359**	**$88,249**	**$126,517**	**$148,511**	**$391,080**	**$78,295**	**$146,967**	**$55,740**

State Funding Total	**$214,766**
Federal Funding Total	**$539,591**
Local Funding Total	**$281,002**
Total Funding (000's)	**$1,035,359**

Rail Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	**M Code**	**Total Funding**	**STIP/Other**	**State Bonds**	**RSTP/CMAQ**	**Other Fed.**	**M1**	**M2**	**Local - Other**
Metrolink Grade Crossing Safety Improvements (OCX)	M1/R	$85,009		$18,595			$6,305	$36,299	$23,810
Metrolink Rolling Stock	M1/R	$158,009		$36,300	$42,230	$35,390	$44,089		
Metrolink Service Track Expansion	M1/R	$119,957		$51,399			$68,558		
Santa Ana Grade Separation Planning and Environmental PSR	M1/T	$1,333			$1,180		$153		

Capital Funding Program Report

Rail Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Santa Ana Transportation Station Planning and Environmental PSR	M1/T	$1,003			$888		$115		
Control Point Stadium Crossover	R	$6,490		$3,245		$3,245			
LOSSAN Corridor Grade Separations PSR in Anaheim, Orange, and Santa Ana	R	$2,699						$2,699	
Metrolink Grade Crossing Safety Improvements ROW	R	$3,025						$3,025	
North Beach Crossings Safety Enhancements	R	$348		$166				$182	
Rail Crossing Signal Lights and Pedestrian Gates	R	$252		$252					
Safety Repairs for San Clemente Pier Station	R	$122		$122					
San Clemente Beach Trail Crossings Safety Enhancements	R	$5,103		$2,170				$2,311	$622
Transit Rail Security (Monitors, Fencing, Video Surveillance)	R	$163		$163					
Go Local	S	$7,730					$7,730		
ARTIC Environmental, ROW, Program Management Support, Site Plan	M1	$41,753					$41,753		
Fiber Optics Installation (Metrolink)	M1	$24,600		$12,300		$10,903	$1,397		
Laguna Niguel-Mission Viejo Station Parking Expansion (South Lot)	M1	$4,135		$695			$3,440		
Tustin Rail Station Parking Expansion	M1	$15,389	$1,100	$7,181			$7,108		
Rail Project Totals		**$477,120**	**$1,100**	**$132,588**	**$44,298**	**$49,538**	**$180,648**	**$44,516**	**$24,432**

State Funding Total	**$133,688**
Federal Funding Total	**$93,836**
Local Funding Total	**$249,596**
Total Funding (000's)	**$477,120**

Acronyms:
M Code - M1 = Measure M1, otherwise Project Codes in Measure M2 Program
STIP - State Transportation Improvement Program
RSTP/CMAQ - Regional Surface Transportation Program/Congestion Mitigation and Air Quality
M1/M2 - Measure M1/Measure M2
PSR - Project Study Report
LOSSAN - Los Angeles-San Diego-San Luis Obispo Rail Corridor
OCX - Rail-Highway Grade Crossing/Safety Enhancement Project
ROW - Right-of-way

Capital Funding Program Report

Approved as of January 23, 2017

Bus Transit Project

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Go Local - Step 1	S	$5,730					$5,730		
Mobile Ticketing Equipment	S	$4,036	$2,482						$1,554
Project V Community Circulators	V	$35,089						$35,089	
Project W Safe Transit Stops (City)	W	$1,207						$1,207	
Project W Safe Transit Stops (OCTA)	W	$370						$370	
ACCESS and fixed-route radio systems upgrade		$22,465		$16,239		$4,775			$1,451
Associated Transportation Improvements		$556				$556			
Bus replacement - articulated alternative fuel buses (60')		$29,900			$22,250	$7,650			
Bus replacement (40' and ACCESS)		$152,591			$29,198	$71,721			$51,672
Capital cost of contracting (ACCESS and contracted fixed-route contracts)		$389,507				$155,803			$233,704
Central Harbor Transit Study		$641	$97		$544				
Engine rebuild		$15,832				$15,832			
FTA Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities		$9,639				$9,639			
FTA Section 5316 Jobs Access and Reverse Commute		$13,962				$13,962			
FTA Section 5317 New Freedom		$6,388				$6,388			
Goldenwest Transportation Center parking structure		$4,000			$3,400				$600
Goldenwest Transportation Center surface lot		$2,000		$1,200					$800
Non-fixed-route paratransit operations assistance		$208,992				$40,917			$168,075
OCTA Transit Security & Operations Center		$5,923		$5,923					
Preventive maintenance - including salaries and benefits (includes ATN & Laguna Beach)		$159,883				$159,883			
Rideshare/vanpool		$6,732			$6,732				
Transit Security Program		$3,577		$3,577					
Transit System Study Pilot Project		$6,000			$6,000				
Vanpool Program - capital lease		$12,838			$12,838				
Video Surveillance System Upgrades at Santa Ana and Garden Grove Bases		$1,200		$240		$960			
Bus Transit Project Totals		**$1,099,058**	**$2,579**	**$27,179**	**$80,962**	**$488,086**	**$5,730**	**$36,666**	**$457,856**

State Funding Total	**$29,758**
Federal Funding Total	**$569,048**
Local Funding Total	**$500,252**
Total Funding (000's)	**$1,099,058**

Acronyms:

M Code - M1 = Measure M1, otherwise Project Codes in Measure M2 Program
STIP - State Transportation Improvement Program
RSTP/CMAQ - Regional Surface Transportation Program/Congestion Mitigation and Air Quality
M1/M2 - Measure M1/Measure M2
OCTA - Orange County Transportation Authority
FTA - Federal Transit Administration
ATN - Anaheim Transit Network

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Amendment to the Master Plan of Arterial Highways

Regional Planning and Highways Committee Meeting of May 1, 2017

Present: Directors Delgleize, Do, Donchak, M. Murphy and Nelson
Absent: Directors Steel and Spitzer

Committee Vote

This item was passed by the Members present.

Director Delgleize was not present to vote on this item.

Committee Recommendations

A. Approve an amendment to the Master Plan of Arterial Highways for the facilities listed below. The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the cities of Irvine, Lake Forest, Orange, and the County of Orange have amended their respective general plans, and have complied with the requirements of the California Environmental Quality Act.

County of Orange

- Reclassify Santiago Canyon Road from east of the State Route 241 northbound off-ramp, to Live Oak Canyon Road, from a primary (four-lane, divided) arterial to a collector (two-lane, undivided) arterial,
- Delete the proposed Jeffrey Road extension between State Route 241 and Santiago Canyon Road, and
- Delete the proposed Black Star Canyon Road between Santiago Canyon Road and the Orange/Riverside County line.

If the originally proposed Master Plan of Arterial Highways amendment is modified as a result of the California Environmental Quality Act and/or general plan amendments processes, the modified Master Plan of Arterial Highways amendment shall be returned to the Orange County Transportation Authority's Board of Directors for consideration.

B. Direct the Executive Director of Planning, or his designee, to file a Notice of Exemption from the California Environmental Quality Act in support of the amendment to the Master Plan of Arterial Highways.

C. Receive and file a status report on the active Master Plan of Arterial Highways amendments.

ATTACHMENT H
March 13, 2017

Consent Form

Project: MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension, and Black Star Canyon Road

Lead: Orange County Public Works

Please select your response below:

☑ We, Transportation Corridor Agencies, grant consent to the subject MPAH Amendment Request, and are in support of OCPW being the lead agency in the Amendment efforts.

☐ We, _____, **do not** grant consent to the subject MPAH Amendment Request. Our reasons are attached as a separate page to this form.

Signature

4/11/17
Date

DAVID W. LOWE
Name (Print)

CHIEF ENGINEER
Title

Status Report on Active Master Plan of Arterial Highways Amendments

	City	Street	From	To	Type of Amendment	Status
1	Costa Mesa	Bluff Road	19th Street	Victoria Street	Delete	On hold pending final consensus on Banning Ranch Circulation Plan.
2	County of Orange	Santiago Canyon Road	SR-241 NB Ramp	Live Oak Canyon	Reclassify from Primary to Collector/Divided Collector	The amendment is being presented for Board consideration.
3	County of Orange	Jeffrey Road	SR-241	Santiago Canyon Road	Delete	The amendment is being presented for Board consideration.
4	County of Orange	Black Star Canyon	Silverado Canyon Road	Orange County line	Delete	The amendment is being presented for Board consideration.
5	Garden Grove	West Street	Garden Grove Boulevard	Orangewood Avenue	Reclassify from Secondary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
6	Garden Grove	Gilbert Street	Chapman Avenue	Katella Avenue	Reclassify from Secondary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
7	Huntington Beach	Delaware Street	Atlanta Avenue	Pacific View Avenue	Delete as a Secondary	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
8	Huntington Beach/ County of Orange	6th Street	Main Street	Lake Street	Reclassify from Secondary to Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
9	Huntington Beach/ County of Orange	Graham Street	South of Slater Avenue	Current Terminus	Delete	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
10	Huntington Beach/ County of Orange	Talbert Street	West of Springdale Street	Current Terminus	Delete	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
11	Newport Beach	Bluff Road	17th Street	19th Street	Reclassify from Major to Primary	On hold pending final consensus on Banning Ranch Circulation Plan.

ATTACHMENT I

Status Report on Active Master Plan of Arterial Highways Amendments

	City	Street	From	To	Type of Amendment	Status
12	Newport Beach	17th Street	West of Bluff Road	State Route 1	Delete	On hold pending final consensus on Banning Ranch Circulation Plan.
13	Newport Beach	15th Street	Placentia Avenue	Bluff Road	Reclassify from Secondary to Primary	On hold pending final consensus on Banning Ranch Circulation Plan.
14	Newport Beach	15th Street	Bluff Road	17th Street	Delete	On hold pending final consensus on Banning Ranch Circulation Plan.
15	Placentia	Crowther Avenue	Placentia Avenue	Kraemer Boulevard	Reclassify from Secondary to Divided Collector	On hold pending final consensus.
16	San Clemente	North El Camino Real	Avenida Pico	Camino Capistrano	Reclassify from Secondary to Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
17	San Clemente	Camino Del Rio	Camino De Los Mares	Avenida La Pata	Reclassify from Secondary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
18	San Clemente	Camino De Los Mares	Camino Vera Cruz	Camino Del Rio	Reclassify from Secondary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
19	San Juan Capistrano	Ortega Highway	Del Obispo Street	Camino Capistrano	Delete	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
20	Santa Ana	Fourth Street	French Street	Grand Avenue	Reclassify from Secondary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
21	Santa Ana	Santa Ana Boulevard	Raitt Street	Bristol Street	Reclassify from Major to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.

Status Report on Active Master Plan of Arterial Highways Amendments

	City	Street	From	To	Type of Amendment	Status
22	Santa Ana	Santa Ana Boulevard	Bristol Street	Ross Street	Reclassify from Major to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
23	Santa Ana	Santa Ana Boulevard	French Street	Santiago Street	Reclassify from Primary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
24	Santa Ana	Citywide	N/A	N/A	N/A	Coordinating with City of Santa Ana staff on potential changes.
25	Tustin	Main Street	Western Limits	Newport Avenue	Reclassify from Primary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
26	Tustin	First Street	Western Limits	Newport Avenue	Reclassify from Primary to Divided Collector	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.

SR-241 - State Route 241
NB - Northbound
Board - Board of Directors
CEQA - California Environmental Quality Act
N/A - Not applicable

OCTA

May 1, 2017

To: Regional Planning and Highways

From: Darrell Johnson, Chief Executive Officer

Subject: Amendment to the Master Plan of Arterial Highways

Overview

The Orange County Transportation Authority administers the Master Plan of Arterial Highways, including the review and approval of amendments requested by local agencies. The County of Orange has requested an amendment to the Master Plan of Arterial Highways that is recommended for approval. A status update on active Master Plan of Arterial Highways amendments is also provided for Board of Directors' information.

Recommendations

A. Approve an amendment to the Master Plan of Arterial Highways for the facilities listed below. The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the cities of Irvine, Lake Forest, Orange, and the County of Orange have amended their respective general plans, and have complied with the requirements of the California Environmental Quality Act.

<u>County of Orange</u>

- Reclassify Santiago Canyon Road from east of the State Route 241 northbound off-ramp, to Live Oak Canyon Road, from a primary (four-lane, divided) arterial to a collector (two-lane, undivided) arterial,
- Delete the proposed Jeffrey Road extension between State Route 241 and Santiago Canyon Road, and
- Delete the proposed Black Star Canyon Road between Santiago Canyon Road and the Orange/Riverside County line.

If the originally proposed Master Plan of Arterial Highways amendment is modified as a result of the California Environmental Quality Act and/or general plan amendments processes, the modified Master Plan of Arterial Highways amendment shall be returned to the Orange County Transportation Authority's Board of Directors for consideration.

B. Direct the Executive Director of Planning, or his designee, to file a Notice of Exemption from the California Environmental Quality Act in support of the amendment to the Master Plan of Arterial Highways.

C. Receive and file a status report on the active Master Plan of Arterial Highways amendments.

Background

Proposed amendments to the Master Plan of Arterial Highways (MPAH) are submitted to the Orange County Transportation Authority (OCTA) Board of Directors (Board) on a quarterly basis. Details on the proposed MPAH amendment request for this quarter and status update on active MPAH amendments are provided below.

Discussion

In 2014, the Irvine Company gifted 2,500 acres of land in the east Orange area to the County of Orange (County). Due to the related reductions in land use intensities, the County has requested the three following modifications to the MPAH (Attachments A and B).

- Reclassify Santiago Canyon Road from east of the State Route 241 (SR-241) northbound off ramp to Live Oak Canyon Road, from a primary (four-lane, divided) arterial to a collector (two-lane, undivided) arterial.
- Remove the proposed Jeffrey Road extension from SR-241 to Santiago Canyon Road as a conceptual primary (four-lane, divided) arterial.
- Remove the proposed Black Star Canyon roadway from Santiago Canyon Road to the Orange/Riverside County line as a conceptual secondary (four-lane, undivided) arterial.

In July 2016, the County initiated the MPAH cooperative study process with immediately adjacent agencies, including the cities of Irvine, Lake Forest, Orange, Tustin, the California Department of Transportation, the Transportation Corridor Agencies, and OCTA. In coordination with these agencies, a traffic study was conducted.

The traffic study concluded that there would not be significant MPAH level of service impacts resulting from the County's proposed amendment request, nor would the County's proposed changes to the MPAH adversely impact the long-term regional integrity of the MPAH. As a result, all immediately adjacent stakeholder agencies have indicated their concurrence (Attachments D, E, F, G, and H).

It should be noted that the cities of Irvine and Lake Forest made their concurrence contingent upon agreement with the County to implement intersection mitigation measures recommended in Section 7.3 of the traffic study. This analysis was also included in the traffic study and is intended to address the City of Irvine's North Irvine Transportation Mitigation Program. As such, these mitigation requests will be addressed at the local level. Therefore, the requested MPAH amendment, if approved, would not hold bearing on local agency agreements to implement these mitigation measures.

Based upon the traffic analysis findings and the conditional concurrence of immediately adjacent stakeholder agencies, OCTA's MPAH Cooperative Study Process requirements have been satisfied. Therefore, reclassification/deletion of these facilities is recommended, subject to OCTA receiving documentation that the cities of Irvine, Lake Forest, Orange, and the County have amended their respective general plans and have completed appropriate environmental documentation.

California Environmental Quality Act

Amendments to the MPAH are not "projects" subject to the California Environmental Quality Act (CEQA), or alternatively, are exempt from CEQA review. As such, if the Board approves these recommendations, OCTA will file a Notice of Exemption from CEQA in support of the proposed amendment to the MPAH.

Status Update

There are currently 26 active amendments proposed for the MPAH. These amendment requests are either under review or are in the cooperative study process; pending resolution of issues with other agencies; or are awaiting refinement of development plans. These active MPAH amendment requests are summarized in Attachment I.

Summary

The County has requested an amendment to the MPAH. Based upon the information provided by the County and the concurrence of immediately adjacent jurisdictions, the requirements of the MPAH Cooperative Study Process have been satisfied, and Board approval is requested. A summary of active MPAH amendments is also provided for the Board's review.

Attachments

A. Letter from Nardy Khan, P.E., P.M.P., Deputy Director, Infrastructure Programs, Orange County Public Works, to Mr. Joe Alcock, Section Manager, Corridor Studies and Long Range Planning, Dated March 9, 2017, MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension, and Black Star Canyon Road
B. County of Orange – MPAH Amendment Request
C. Letter from Manuel Gomez, Director of Public Works, City of Irvine, to Jamie Reyes, OC Public Works, Dated April 6, 2017, Consent to Orange County Public Works Led MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension and Black Star Canyon Road
D. Letter from Thomas E. Wheeler, P.E., Director of Public Works/ City Engineer, City of Lake Forest, to Jamie Reyes, OC Public Works, Dated April 10, 2017, Consent to Orange County Public Works Led MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension and Black Star Canyon Road
E. Consent Form signed by Joe DeFrancesco, Public Works Director, City of Orange, Dated April 10, 2017
F. Letter from Krys Saldivar, Public Works Manager-Traffic/Transportation, City of Tustin, to Jamie Reyes, PE, OC Public Works, Dated April 5, 2017, MPAH Reclassification Study – OC Public Works
G. Letter from Maureen El Harake, Branch Chief, Regional-IGR-Transit Planning, Department of Transportation, District 12, to Jamie Reyes, Orange County Public Works, Dated March 30, 2017
H. Consent Form signed by David W. Lowe, Chief Engineer, Transportation Corridor Agencies, Dated April 11, 2017
I. Status Report on Active Master Plan of Arterial Highways Amendments

Prepared by:

Carolyn Mamaradlo
Senior Transportation Analyst
(714) 560-5748

Approved by:

Kia Mortazavi
Executive Director, Planning
(714) 560-5741

ATTACHMENT A

OC Public Works

Integrity, Accountability, Service, Trust

Shane L. Silsby, Director

March 9, 2017

Mr. Joe Alcock
Section Manager, Corridor Studies and Long Range Planning
Orange County Transportation Authority
550 S Main Street
Orange, CA 92863-1584

Subject: MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension, and Black Star Canyon Road

Dear Mr. Alcock,

Orange County Public Works (OCPW) is requesting formal initiation of a MPAH Amendment process that includes Santiago Canyon Road, Jeffrey Road Extension, and Black Star Canyon Road located primarily within Unincorporated Area of the County of Orange.

Due to the reduction in land use densities in the canyon area, OCPW proposes to "downgrade" the MPAH current classifications of the arterials in this area.

OCPW proposes modifications to the MPAH of the following arterial facilities:

- Reclassification of Santiago Canyon Road east of State Route 241 (SR-241) Northbound off-ramp to Live Oak Canyon Road from its current Primary Arterial designation to a Collector Arterial;
- Deletion of the proposed Jeffrey Road Extension between SR-241 and Santiago Canyon Road; and
- Deletion of Black Star Canyon Road between Santiago Canyon Road and the Orange / Riverside County line.

The requested MPAH changes are primarily within Unincorporated Area of Orange County, with the southern portion of Santiago Canyon Road within the City of Lake Forest, and a portion of the proposed Jeffrey Road Extension within the City of Irvine. Other stakeholders of the Project include the City of Orange, the City of Tustin, the Transportation Corridor Agency (TCA), OCTA, and Caltrans.

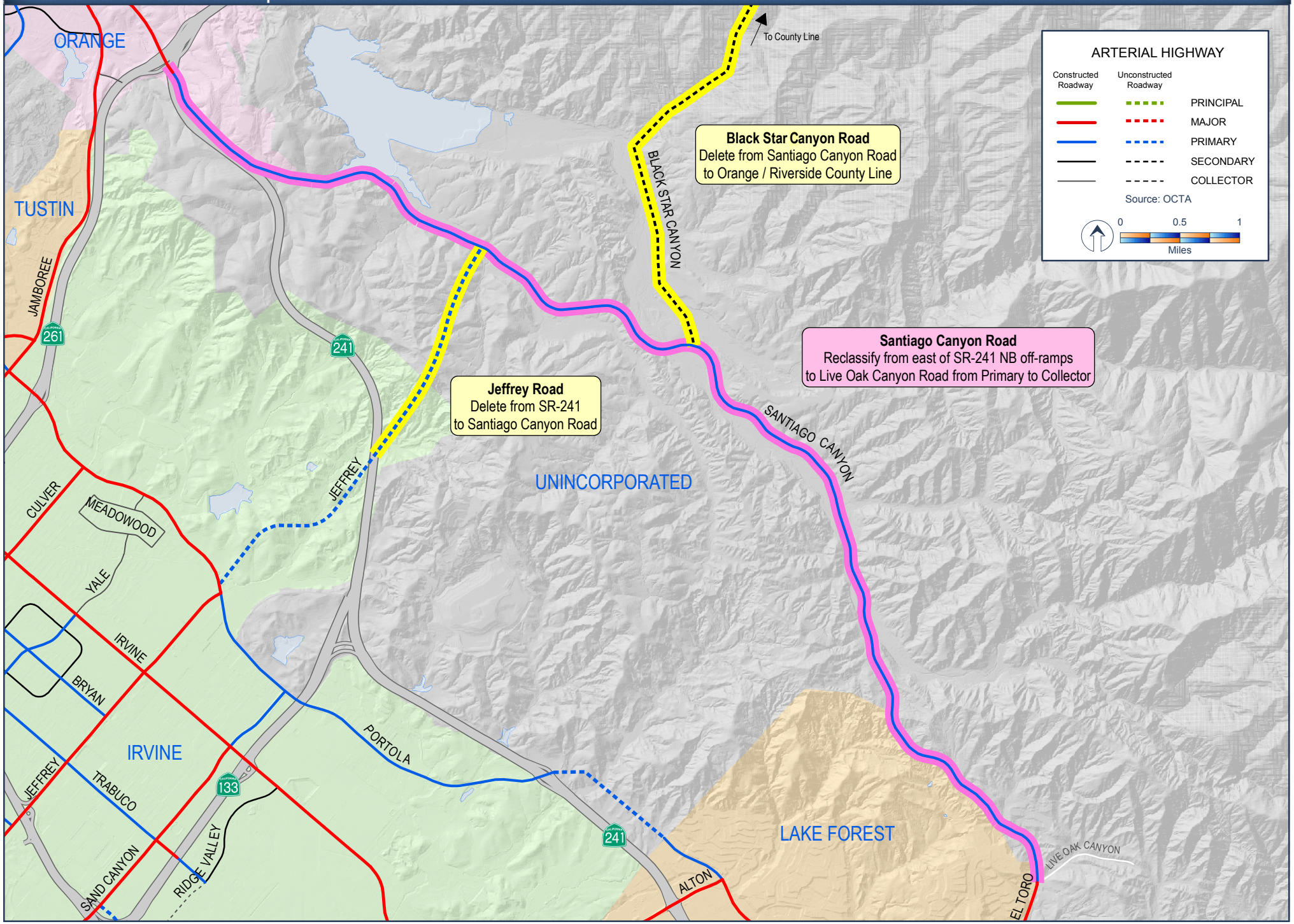
Should you have any questions regarding this request, please contact Jamie Reyes at (714) 647-3903.

Sincerely,

Nardy Khan, P.E./P.M.P.
Deputy Director, Infrastructure Programs
Orange County Public Works

cc: Carolyn Mamaradlo, OCTA
Fiona Man, OC Public Works/OC Infrastructure Programs/Traffic & Design
Jamie Reyes, OC Public Works/OC Infrastructure Programs/Traffic & Design

County of Orange
MPAH Amendment Request



3/29/2017

W:\Requests\PDCS\SP\PA\MPAH\mxd\CountyAmendment_2017-0329.mxd

MPAH - Master Plan of Arterial Highways, OCTA - Orange County Transportation Authority, SR-241 - State Route 241, NB - Northbound

ATTACHMENT B

ATTACHMENT C

Public Works Department

cityofirvine.org

City of Irvine, One Civic Center Plaza, P.O. Box 19575, Irvine, California 92623-9575

(949) 724-6000

April 6, 2017

Jamie Reyes
OC Public Works
300 N. Flower Street
Santa Ana, CA 92705

Subject: Consent to Orange County Public Works Led MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension and Black Star Canyon Road

Dear Ms. Reyes:

Thank you for the opportunity to review the Master Plan of Arterial Highways (MPAH) Reclassification Study, dated March 2017. The study proposes modifications to the Orange County MPAH for the following arterial facilities:

- Reclassification of Santiago Canyon Road east of State Route 241 (SR-241) Northbound off-ramp to Live Oak Canyon Road from its current Primary Arterial designation to a Collector Arterial;
- Deletion of the proposed Jeffrey Road Extension between SR-241 and Santiago Canyon Road; and
- Deletion of Black Star Canyon Road between Santiago Canyon Road and the Orange/Riverside County line.

We consent to processing the subject MPAH Amendment Request and support OCPW as the lead agency in the Amendment efforts, pending agreement among OCPW, City of Irvine, and City of Lake Forest regarding intersection mitigation measures at Bake Parkway/Jeronimo Road that are compatible with planned NITM and LFTM improvements, and are in compliance with state and local engineering standards.

If you have any questions, please contact Senior Transportation Analyst Lisa Thai at 949-724-7384 or lthai@cityofirvine.org.

Sincerely,

Manuel Gomez
Director of Public Works

cc: Scott Smith, Deputy Director of Public Works
Kia Mortazavi, OCTA
Tom Wheeler, City of Lake Forest

ATTACHMENT D

CITY OF LAKE FOREST

Mayor
Scott Voigts

Mayor Pro Tem
Leah Basile

Council Members
Dr. Jim Gardner
Andrew Hamilton
Dwight Robinson

Interim City Manager
Debra DeBruhl Rose

April 10, 2017

Jamie Reyes
OC Public Works
300 N. Flower Street
Santa Ana, CA 92705

Subject: Consent to Orange County Public Works Led MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension and Black Star Canyon Road

Dear Ms. Reyes:

Thank you for the opportunity to review the Master Plan of Arterial Highways (MPAH) Reclassification Study, dated March 2017. The study proposes modifications to the Orange County MPAH for the following arterial facilities:

- Reclassification of Santiago Canyon Road east of State Route 241 (SR-241) Northbound off-ramp to Live Oak Canyon Road from its current Primary Arterial designation to a Collector Arterial;
- Deletion of the proposed Jeffrey Road Extension between SR-241 and Santiago Canyon Road; and
- Deletion of Black Start Canyon Road between Santiago Canyon Road and the Orange/Riverside County Line.

We consent to processing the subject MPAH Amendment Request and support OCPW as the lead agency in the Amendment efforts, pending agreement among OCPW, City of Irvine, and, City of Lake Forest regarding intersection mitigation measures at Bake Parkway/Jeronimo Road that are compatible with planned NITM and LFTM improvements, and are in compliance with state and local engineering standards.

If you have any questions, please contact Traffic Engineer Manager Dave Rogers at 949-461-3485 or drogers@lakeforestca.gov.

Sincerely,

CITY OF LAKE FOREST
Thomas E. Wheeler, P.E.,
Director of Public Works/City Engineer

cc: Dave Rogers, Traffic Engineering Manager
Manuel Gomez, Director of Public Works, City of Irvine
Kia Mortazavi, OCTA

DRUG USE IS LIFE ABUSE

25550 Commercentre Dr., Suite 100
Lake Forest, CA 92630
(949) 461-3400
City Hall Fax: (949) 461-3511

Consent Form

Project: MPAH Amendment Request for Santiago Canyon Road, Jeffrey Road Extension, and Black Star Canyon Road

Lead: Orange County Public Works

Please select your response below:

☒ We, City of Orange, grant consent to the subject MPAH Amendment Request, and are in support of OCPW being the lead agency in the Amendment efforts.

☐ We, _____, **do not** grant consent to the subject MPAH Amendment Request. Our reasons are attached as a separate page to this form.

Signature

4-10-17
Date

Joe DeFrancesco
Name (Print)

Public Works Director
Title

ATTACHMENT F

Department of Public Works
Douglas S. Stack, P.E.
Director

April 5, 2017

Jamie Reyes, PE
OC Public Works
300 N. Flower St.
Santa Ana, CA 92703-3903

Subject: **MPAH Reclassification Study – OC Public Works**

Dear Ms. Reyes:

Thank you for the opportunity to provide comments on the Draft Master Plan of Arterial Highways (MPAH) Reclassification Study for the County of Orange proposal to reclassify the following roadways on the MPAH:

- Santiago Canyon Road from SR-241 Northbound Off-Ramp to Live Oak Canyon Road – reclassify from a primary to a collector
- Jeffrey Road from SR-241 to Santiago Canyon Road – proposed deletion
- Black Star Canyon Road from Santiago Canyon Road to the Orange/Riverside County boundary – proposed deletion

Overall, the general preparation of the document is consistent with Tustin requirements, and although Tustin has the following concerns, we are supportive of the proposed amendment and understand that these concerns will be addressed at a later phase and are not addressed as part of the amendment request:

- The MPAH amendment study assumes all roadways to be built to their MPAH designations per the MPAH evaluation guidelines. Jamboree Road from the northern city limits to just south of Tustin Ranch Road is assumed as a six-lane major arterial in the study from its current configuration of four-lanes. The timing of the improvements to upgrade this segment of Jamboree Road to its current MPAH designation is dependent on funding.
- While there is a funding source for the North Irvine Transportation Mitigation (NITM) proposed improvements at Jamboree Road and Portola Parkway intersection (i.e. dual westbound right-turn lanes on Portola Parkway), we do not know the timing of these improvements.

Should you have questions on our comments, please do not hesitate to contact me at (714) 573-3172 or ksaldivar@tustinca.org.

Sincerely,

K Saldivar

Krys Saldivar
Public Works Manager-Traffic/Transportation

S:\Transportation Engineering\Traffic-Parking Review\County\MPAH Amendment\TIA Comments.doc

ATTACHMENT G

DEPARTMENT OF TRANSPORTATION
DISTRICT 12
1750 EAST FOURTH STREET
SANTA ANA, CA 92705
PHONE (657) 328-6267
FAX (657) 328-6510
TTY 711
www.dot.ca.gov

Serious drought.
Help save water!

March 30, 2017

Ms. Jamie Reyes
Orange County Public Works
300 N. Flower Street
Santa Ana, CA 92702

File: IGR/CEQA
SCH#: None
12-ORA-2016-00509
SR-241/261/I-5

Dear Ms. Reyes:

Thank you for including the California Department of Transportation (Caltrans) in the review of the updated Master Plan of Arterial Highways (MPAH) Request for Reclassification of Santiago Canyon Road dated March 2017. The purpose of the Report is to study the modifications to the County of Orange General Plan Transportation Element and the MPAH of County of Orange County on the following arterial facilities:

1. Reclassification of Santiago Canyon Road from the SR-241 northbound off-ramp intersection to Live Oak Canyon Road from its current Primary Arterial designation to a Collector Arterial;
2. Deletion of the proposed Jeffrey Road Extension from SR-241 to Santiago Canyon Road;
3. Deletion of Black Star Canyon Road from Silverado Canyon Road to the Orange/Riverside County line.

Caltrans has no further comments on the above report. The electronic signal timing analysis and information is forwarded to you in an email dated March 30, 2017 per your request. If you have any questions regarding the signal timing, please contact Fedrico Hormozi at (949) 936-3464.

Please continue to keep us informed of this project and any future developments that could potentially impact State transportation facilities. If you have any questions or need to contact us, please do not hesitate to call Maryam Molavi at (657) 328-6280.

Sincerely,

MAUREEN EL HARAKE
Branch Chief, Regional-IGR-Transit Planning
District 12

bc: Krystal Merkwan, Traffic Operations SE
Fedrico Hormozi, Electrical Design

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Agreement for Bus Parking Wheel Stops and Fence Repair at the Anaheim Bus Base

Transit Committee Meeting of April 27, 2017

Present: Directors Do, Jones, Murray, Tait, and Winterbottom
Absent: Directors Pulido and Shaw

Committee Vote

This item was passed by the Members present.

Director Tait was not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1553 between the Orange County Transportation Authority and Creative Home, doing business as CHI Construction, the lowest responsive, responsible bidder, in the amount of $67,425, for bus parking wheel stops and fence repair at the Anaheim Bus Base.

OCTA

April 27, 2017

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Agreement for Bus Parking Wheel Stops and Fence Repair at the Anaheim Bus Base

Overview

The Orange County Transportation Authority's Board of Directors approved bus parking wheel stops and fence repair at the Anaheim Bus Base as part of the Orange County Transportation Authority's Fiscal Year 2016-17 Budget. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1553 between the Orange County Transportation Authority and Creative Home, doing business as CHI Construction, the lowest responsive, responsible bidder, in the amount of $67,425, for bus parking wheel stops and fence repair at the Anaheim Bus Base.

Discussion

The Orange County Transportation Authority (OCTA) completed construction of the Anaheim Bus Base in 1983. Chain link fencing was installed along the northerly property line adjacent to the Carbon Creek Flood Control Channel with 77 bus parking stalls, which are located perpendicular to the property line fence. The chain link fence is in need of repair/replacement. Additionally, concrete wheel stops will be installed at a number of spaces to prevent buses from hitting the fence with front mounted bike racks. The work needs to be done for safety and functionality of the bus yard. Staff worked closely with base maintenance and operations, and completed plans and specifications for the bus parking wheel stop and fence repair at the Anaheim Bus Base.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors-approved procedures for public works projects. These procedures, which conform to both state and federal requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process.

Invitation for Bids (IFB) 7-1553 was released on February 13, 2017, through OCTA's CAMM NET system. The project was advertised on February 13 and February 20, 2017, in a newspaper of general circulation. No bidders were present at the February 22, 2017 pre-bid conference. Two addenda were issued to make available the pre-bid conference presentation, and handle administrative issues related to the IFB. On March 14, 2017, four bids were received by the date and time specified in the IFB.

All bids were reviewed by staff from OCTA's Contracts Administration and Materials Management and the Rail Programs and Facilities Engineering departments to ensure compliance with contract terms and conditions, and technical specifications. The list of bidders and bid amounts are presented below:

Firm and Location	Bid Amount
Creative Home doing business as (dba) CHI Construction Anaheim, California	$67,425.00
Fleming Environmental, Inc. Fullerton, California	$67,649.00
Rio Jordan Construction, Inc. Pico Rivera, California	$70,950.00
Harris Steel Fence Co., Inc. Los Angeles, California	$122,222.00

The engineer's estimate for the project was $72,000. The recommended firm's bid is 6.79 percent below the engineer's estimate and is considered by staff to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. Staff recommends award to Creative Home, dba CHI Construction, the lowest responsive, responsible bidder, in the amount of $67,425.00.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2016-17 Budget, Capital Programs Division, Account 1722-9022-D3103-08H, and is funded through local transportation funds.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1553 between the OCTA and Creative Home, dba CHI Construction, the lowest responsive, responsible bidder, in the amount of $67,425, for bus parking wheel stops and fence repair at the Anaheim Bus Base.

Attachment

None.

Prepared by:

George Olivo, P.E.
Program Manager, Rail & Facilities
(714) 560-5872

Approved by:

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

OCTA

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Agreement for Hydrogen Gas Detection Upgrades and Ventilation System Modification at the Santa Ana Bus Base

Transit Committee Meeting of April 27, 2017

Present: Directors Do, Jones, Murray, Tait, and Winterbottom
Absent: Directors Pulido and Shaw

Committee Vote

This item was passed by the Members present.

Director Tait was not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1529 between the Orange County Transportation Authority and Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of $80,405, for hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base.

OCTA

April 27, 2017

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Agreement for Hydrogen Gas Detection Upgrades and Ventilation System Modification at the Santa Ana Bus Base

Overview

The Orange County Transportation Authority's Board of Directors approved hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base as part of the Orange County Transportation Authority's Fiscal Year 2016-17 Budget. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1529 between the Orange County Transportation Authority and Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of $80,405, for hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base.

Discussion

The Orange County Transportation Authority (OCTA) completed construction of the Santa Ana Bus Base in 2005. Facility modifications were made in 2007 to comply with requirements for operation and maintenance of compressed natural gas buses. On January 11, 2016, staff informed the OCTA Board of Directors (Board) of an opportunity for OCTA to serve as the transit operator for a two-year single hydrogen fuel cell bus demonstration, grant funded through the National Fuel Cell Bus Program. The purpose for the demonstration is to gain knowledge about the overall operation of the hydrogen gas detection upgrades and ventilation system modifications (Project) through actual use, data collection, and data reporting. On February 22, 2016, the OCTA Board approved the cooperative agreement between OCTA and the Center for Transportation

and the Environment (CTE), the grant lead, which defines responsibilities of OCTA, and CTE under the Project.

As required by the cooperative agreement, OCTA must provide a fire code-compliant area in the existing maintenance facility for regular maintenance and inspection of the hydrogen fuel cell electric bus. Design of the necessary facility modifications to meet the requirement were completed on January 11, 2017. The facility modifications include installation of two hydrogen gas detection devices, interfacing and programming new hydrogen gas detectors into existing gas detection control panel, installation of one hydrogen flame detector, interfacing and programming the new flame detector into existing fire alarm control panel, and installation of one audible alarm and related warning lights, all related electrical conduit and wiring, and a ventilation exhaust fan upgrade. Under the Demonstration Project, the single hydrogen fuel cell bus will be fueled at a hydrogen fueling station located at the University of California, Irvine. No hydrogen fueling facility modifications are being made under the Project. OCTA facilities engineering staff worked closely with CTE and OCTA transit maintenance and operations staff to deliver plans and specifications for the Project.

Procurement Approach

The procurement was handled in accordance with OCTA's Board-approved procedures for public works projects. These procedures, which conform to both federal and state requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process.

Invitation for Bids (IFB) 7-1529 was released on February 9, 2017, through OCTA's CAMM NET system. The Project was advertised on February 10 and 17, 2017, in a newspaper of general circulation. A pre-bid conference and job walk were held on February 16, 2017, and were attended by three firms. Two addenda were issued to make available the pre-bid conference registration sheets and handle administrative issues related to the IFB. On April 7, 2017, two bids were received and publicly opened.

Both bids were reviewed by staff from both Contracts Administration and Materials Management and Facilities Engineering departments to ensure compliance with the contract terms and conditions, and technical specifications. The list of bidders and bid amounts are presented below:

Firm and Location	Bid Amount
Clean Energy, a California corporation Newport Beach, California	$80,405
EFS West Valencia, California	$81,133

The engineer's estimate for the Project was $81,800. The recommended firm's bid is 1.7 percent lower than the engineer's estimate and is considered by staff to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. Staff recommends award to Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of $80,405, for the Project.

Fiscal Impact

The Project was approved in OCTA's Fiscal Year 2016-17 Budget, Capital Programs Division, Account 1722-9022-D3126-08T, and is funded by Federal Transit Administration grant funds through the CTE.

Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1529 between the Orange County Transportation Authority and Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of $80,405, for hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base.

Attachment

None.

Prepared by:

George Olivo, P.E.
Program Manager, Rail & Facilities
(714) 560-5872

Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

Approved by:

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark

Regional Planning and Highways Committee Meeting of May 1, 2017

Present: Directors Delgleize, Do, Donchak, M. Murphy, and Nelson
Absent: Directors Steel and Spitzer

Committee Vote

This item was passed by the Members present.

Director Delgleize was not present to vote on this item.

Committee Recommendations

A. Approve fiscal year 2015-16 expenditure reports and find 35 local agencies eligible to receive Measure M2 revenues for fiscal year 2016-17.

B. Approve the City of San Juan Capistrano's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.

OCTA

May 1, 2017

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark

Overview

Measure M2 requires all local agencies in Orange County to annually satisfy eligibility requirements in order to receive Measure M2 net revenues. Fiscal year 2015-16 expenditure reports and resolutions have been submitted by the local agencies, and reviewed and approved by the Taxpayer Oversight Committee. Recommendations are presented to the Board of Directors for eligibility determination. The Measure M2 Ordinance includes eligibility requirements that local agencies must satisfy in order to receive Measure M2 net revenues, which include a periodic adjustment to the maintenance of effort benchmark. The Board of Directors approved the maintenance of effort benchmark adjustments on April 10, 2017. A correction to the City of San Juan Capistrano's maintenance of effort benchmark is also being presented to the Board of Directors for approval.

Recommendations

A. Approve fiscal year 2015-16 expenditure reports and find 35 local agencies eligible to receive Measure M2 revenues for fiscal year 2016-17.

B. Approve the City of San Juan Capistrano's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.

Background

The Measure M2 (M2) Ordinance requires local jurisdictions to meet 13 eligibility requirements, including the adoption of an annual expenditure report that accounts for M2 net revenues, developer/traffic impact fees, and funds expended that satisfy maintenance of effort (MOE) requirements.

Local agencies are required to annually submit expenditure reports within six months of the close of each local agency's fiscal year (FY). This allows the local agencies time to prepare certified annual financial reports and to develop the M2 Expenditure Report. The Taxpayer Oversight Committee (TOC) reviews specific eligibility requirements and designates the Annual Eligibility Review (AER) Subcommittee to review eligibility components, including local agencies' expenditure reports.

The M2 Ordinance also requires that local jurisdictions satisfy the MOE requirements by maintaining a minimum level of local streets and roads expenditures from local agencies' discretionary funds, consistent with the provisions of enabling statutes. The M2 Ordinance provided a process to review the MOE and adjust the benchmark every three years, beginning in 2011. The second MOE benchmark adjustment for the upcoming eligibility cycle was approved by the Board of Directors (Board) on April 10, 2017.

Discussion

Expenditure Reports

The AER Subcommittee convened on March 29, 2017, to review the expenditure reports and resolutions. The M2 Ordinance requires local jurisdictions to satisfy the MOE requirements by maintaining a minimum level of local streets and roads expenditures from local agencies' discretionary funds and report the actual MOE expenditures in the M2 expenditure reports.

The AER Subcommittee asked Orange County Transportation Authority (OCTA) staff to communicate the subcommittees' concerns to the City of Rancho Santa Margarita (City) on reporting MOE expenditures that are exactly equal to the City's MOE benchmark. In the event that any MOE expenditures are deemed ineligible through a future audit, the City may jeopardize their eligibility status and risk being ineligible to receive M2 funds since the expenditures would be below the required benchmark. OCTA staff will send out a letter to the City (Attachments B) to express concerns raised by the committee members during the AER Subcommittee meeting.

The AER Subcommittee found that all agencies submitted acceptable expenditure reports consistent with the eligibility requirements, as summarized in Attachment A. On April 11, 2017, the AER Subcommittee recommended to the TOC that the County of Orange and all cities be found eligible.

The TOC approved the expenditure reports for 35 local jurisdictions and is recommending that all 35 local jurisdictions be approved as eligible to receive M2 net revenues for FY 2016-17. All other eligibility requirements were previously met and approved by the Board on April 10, 2017. The expenditure report is the last requirement to be satisfied for the final FY 2016-17 eligibility determination.

MOE

There was a reporting error for the City of San Juan Capistrano's (City's) MOE benchmark adjustment calculation that was presented to the Board on April 10, 2017. The MOE benchmark adjustment for the City should be corrected to $422,472 instead of $435,004, based on information received from the City. The correction to the City's MOE benchmark is reflected in Attachment C.

Summary

All local agencies have submitted FY 2015-16 expenditure reports that are consistent with the M2 Ordinance. The TOC reviewed and approved the M2 expenditure reports. Board approval is required to confirm that these local agencies have met the eligibility requirements for FY 2016-17 and approve the correction to the City's MOE benchmark.

Attachments

A. FY 2016-17 Measure M2 Eligibility Review of FY 2015-16 Expenditure Reports Summary
B. Draft Letter to Mr. E. (Max) Maximous, Public Works Director, City of Rancho Santa Margarita, from Kia Mortazavi, Executive Director, Planning, Orange County Transportation Authority, Dated May 8, 2017
C. MOE Benchmark by Local Jurisdiction - Revised

Prepared by:

May Hout

May Hout
Senior Transportation Analyst
(714) 560-5905

Approved by:

Kia Mortazavi
Executive Director, Planning
(714) 560-5741

ATTACHMENT A

FY 2016-17 Measure M2 Eligibility Review of FY 2015-16 Expenditure Reports Summary

Local Jurisdiction	Expenditure Report Received by Deadline	Resolution Received by Deadline	MOE Reported	Compliant
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach	Yes	Yes	Yes	Yes
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

FY - Fiscal Year
MOE - Maintenance of Effort

ATTACHMENT B

May 8, 2017

Mr. E. (Max) Maximous
Public Works Director
City of Rancho Santa Margarita
22112 El Paseo
Rancho Santa Margarita, CA 92688

RE: **Maintenance of Effort Concerns Expressed by the Annual Eligibility Review Subcommittee**

Dear Mr. Maximous:

As you know, local agencies are required to submit eligibility verification packages to the Orange County Transportation Authority annually to remain eligible to receive Measure M2 (M2) net revenues. The Taxpayer Oversight Committee (TOC) is responsible for reviewing eligibility requirements and designating a subcommittee to review this information, which includes the M2 Expenditure Report.

Upon review of the City of Rancho Santa Margarita's (City) fiscal year 2015-16 expenditure report submittal, members of the TOC expressed concerns about the City's actual MOE expenditures. The City is the only local agency in Orange County that is reporting MOE expenditures exactly equal to the City's MOE benchmark.

In the event that any MOE expenditures are deemed ineligible through a future audit, the City may jeopardize their eligibility status and risk being ineligible to receive M2 funds, since the expenditures would be below the required benchmark. While the City is satisfying the MOE requirement, the TOC believes that it is important to communicate their concerns to the City in order to avoid future risk of ineligibility.

If you have any questions, please contact me at kmortazavi@octa.net or at (714) 560-5741.

Sincerely,

Kia Mortazavi
Executive Director, Planning

KM:mh

c: Kurt Brotcke, OCTA
Sam Kaur, OCTA

Draft

ATTACHMENT C

MOE Benchmark by Local Jurisdiction - Revised

Column	A	B	C	D	E
Agency	Current MOE Benchmark	MOE Adjustment*	Amount Increased (A * B)	New MOE Benchmark (A + C)	Reported FY 15-16 Actual Expenditures
Aliso Viejo	$ 409,360	12.86%	$ 52,644	$ 462,004	$ 428,591
Anaheim	$ 8,127,913	23.75%	$ 1,930,379	$ 10,058,292	$ 9,226,446
Brea	$ 703,000	2.28%	$ 16,028	$ 719,028	$ 1,354,760
Buena Park	$ 3,738,212	0.13%	$ 4,860	$ 3,743,072	$ 5,466,533
Costa Mesa	$ 6,457,802	14.33%	$ 925,403	$ 7,383,205	$ 7,960,484
County of Orange	$ -	0.00%	$ -	$ -	N/A
Cypress	$ 2,767,411	12.66%	$ 350,354	$ 3,117,765	$ 6,755,402
Dana Point	$ 1,065,496	23.23%	$ 247,515	$ 1,313,011	$ 1,775,199
Fountain Valley	$ 1,180,712	13.67%	$ 161,403	$ 1,342,115	$ 2,493,170
Fullerton	$ 3,427,988	10.44%	$ 357,882	$ 3,785,870	$ 5,740,353
Garden Grove	$ 2,823,522	19.65%	$ 554,822	$ 3,378,344	$ 5,807,439
Huntington Beach	$ 4,954,235	13.18%	$ 652,968	$ 5,607,203	$ 10,433,271
Irvine	$ 5,452,970	29.29%	$ 1,597,175	$ 7,050,145	$ 19,973,892
La Habra	$ 1,356,014	12.78%	$ 173,299	$ 1,529,313	$ 2,419,948
La Palma	$ 173,004	-8.22%	$ -	$ 173,004	$ 519,913
Laguna Beach	$ 1,417,616	9.30%	$ 131,838	$ 1,549,454	$ 4,729,432
Laguna Hills	$ 269,339	15.27%	$ 41,128	$ 310,467	$ 1,467,102
Laguna Niguel	$ 721,542	25.92%	$ 187,024	$ 908,566	$ 2,032,253
Laguna Woods	$ 83,501	7.43%	$ 6,204	$ 89,705	$ 88,396
Lake Forest	$ 145,670	33.48%	$ 48,770	$ 194,440	$ 1,301,934
Los Alamitos	$ 147,465	10.20%	$ 15,041	$ 162,506	$ 592,081
Mission Viejo	$ 2,247,610	12.96%	$ 291,290	$ 2,538,900	$ 4,596,548
Newport Beach	$ 8,868,393	22.59%	$ 2,003,370	$ 10,871,763	$ 19,027,594
Orange	$ 2,430,131	20.07%	$ 487,727	$ 2,917,858	$ 3,520,215
Placentia**	$ 546,000	20.01%	$ 109,255	$ 655,255	$ 994,922
Rancho Santa Margarita	$ 358,155	9.10%	$ 32,592	$ 390,747	$ 358,155
San Clemente	$ 951,000	19.37%	$ 184,209	$ 1,135,209	$ 3,643,808
San Juan Capistrano	$ 390,383	8.22%	$ 32,089	$ 422,472	$ 2,342,553
Santa Ana	$ 6,958,998	11.44%	$ 796,109	$ 7,755,107	$ 7,670,183
Seal Beach	$ 551,208	-0.17%	$ -	$ 551,208	$ 1,191,688
Stanton	$ 186,035	31.81%	$ 59,178	$ 245,213	$ 197,057
Tustin	$ 1,222,756	19.05%	$ 232,935	$ 1,455,691	$ 2,245,527
Villa Park	$ 279,227	15.21%	$ 42,470	$ 321,697	$ 658,359
Westminster	$ 1,284,000	20.62%	$ 264,761	$ 1,548,761	$ 1,651,008
Yorba Linda	$ 1,985,964	14.79%	$ 293,724	$ 2,279,688	$ 2,429,941
Totals	$ 73,682,632		$ 12,284,446	$ 85,967,078	$ 141,094,157

* The MOE benchmark adjustment is based on the percent change in CCI for the immediately preceding three-year period. The adjustment cannot exceed the percent change in the jurisdiction's GFR over the same period of time. If there is negative growth in the jurisdiction's GFR, the local agencies will have a zero percent MOE adjustment. The 2013 CCI is 97.09, and the 2016 CCI is 140.75. The percent change is 44.97 percent. The MOE adjustment is based on the growth in the jurisdiction's GFR.

** Final CAFR has not been adopted/released. The draft CAFR or GFR GL has been used to calculate the estimated benchmark. Adjustments may be required.

MOE - Maintenance of effort
FY - Fiscal year
N/A - Not Applicable
CCI - Construction cost index
GFR - General fund revenue
CAFR - Comprehensive Annual Financial Report
GL - General ledger

COMMITTEE TRANSMITTAL

May 8, 2017

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Interstate 5/El Toro Road Interchange Improvement Project Environmental Phase Update

Regional Planning and Highways Committee Meeting of May 1, 2017

Present: Directors Delgleize, Do, Donchak, M. Murphy and Nelson
Absent: Directors Steel and Spitzer

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.

OCTA

May 1, 2017

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Interstate 5/El Toro Road Interchange Improvement Project Environmental Phase Update

Overview

On November 22, 2016, the Orange County Transportation Authority entered into a cooperative agreement with the California Department of Transportation to perform environmental phase services for preparation of the project report and environmental document for the Interstate 5/El Toro Road Interchange Improvement Project. Federal authorization for funding has been provided, and the California Department of Transportation is ready to begin environmental phase services.

Recommendation

Receive and file as an information item.

Discussion

The Orange County Transportation Authority (OCTA), in partnership with the California Department of Transportation (Caltrans), is developing a project to improve the Interstate 5 (I-5)/El Toro Road interchange located in the cities of Laguna Hills, Laguna Woods, and Lake Forest. The existing I-5/El Toro Road interchange currently experiences congestion during the morning and afternoon peak periods, resulting in unacceptable levels of service.

The I-5/El Toro Road Interchange Improvement Project (Project) will improve traffic flows and ease congestion within the interchange, accommodate an expected increase in regional traffic, and improve access to and from the I-5 freeway. Caltrans is the implementing agency for the environmental phase of the Project. The Project is included in the Capital Action Plan and is part of Project D in the Measure M2 freeway program.

El Toro Road is County Highway S18 and acts as the primary east-west access between the cities of Laguna Hills and Lake Forest. The Project will improve traffic capacity and mobility, accommodate future traffic demand, and relieve congestion on I-5 and on El Toro Road in south Orange County. Improvements at the El Toro Road interchange include widening the local roads, modifying entrance and exit ramps, and modifying or replacing bridge structures.

Cooperative Agreement No. C-6-1262 between OCTA and Caltrans documents the obligations of each party and Caltrans' commitment to the Project cost and schedule. Caltrans, in both the environmental phase lead and implementing agency role, will provide the Project environmental phase services. Caltrans is required to review and approve the Project alternatives, traffic modeling, exceptions to design standards, and supporting studies and technical analysis. Caltrans will be responsible for preparation of the project report and environmental document (ED) for the Project. The Project is complex in terms of the existing configuration and traffic flow and is very constrained from a right-of-way (ROW) standpoint. Most of the interchange reconstruction concepts will involve consideration of exceptions to design standards in order to avoid significant ROW impacts. With Caltrans as the implementing agency performing these tasks, reviews, and approvals, comment and response cycles will be eliminated to support timely environmental approval for completion of the environmental phase to meet the Next 10 Delivery Plan commitment. OCTA will perform public information outreach activities.

Work on the Project ED is planned to start in May 2017 and be complete by November 2019. Caltrans has committed to complete the environmental phase in 30 months. Both state and federal environmental approval is required so that the Project will be eligible for use of federal funding. Pursuant to Chapter 3 of Title 23, United States Code (23 U.S.C.) 326 and 23 U.S.C. 327, Caltrans is the National Environmental Policy Act (NEPA) lead agency for the Project. Caltrans is responsible for NEPA compliance, will determine the type of NEPA documentation, and will cause that documentation to be prepared in accordance with NEPA requirements. Caltrans will also perform ED quality control and NEPA assignment review procedures for environmental documentation. Quarterly updates will be provided by Caltrans as the Project progresses.

Summary

Caltrans approved the project study report for the Project in 2015. Cooperative Agreement No. C-6-1262 between OCTA and Caltrans was signed November 22, 2016. On April 6, 2017, federal approval was obtained for

Caltrans to begin work on the Project. Therefore, the Project is ready to proceed into the environmental phase.

Attachment

None.

Prepared by:

Niall Barrett, P.E.
Program Manager
(714) 560-5879

Approved by:

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

Interstate 5/El Toro Road Interchange Improvement Project Environmental Phase Update

Project Location

The Interstate 5 (I-5)/El Toro Road interchange located in the cities of Laguna Hills, Laguna Woods, and Lake Forest

Project Status

- On February 19, 2015, the California Department of Transportation (Caltrans) approved the project study report/project development support project initiation document
- On November 22, 2016, the Orange County Transportation Authority (OCTA) entered into a cooperative agreement with Caltrans for Caltrans to perform environmental phase services for preparation of the project report and environmental document (PA/ED)
- On April 6, 2017, federal approval was granted for Caltrans to directly draw down Surface Transportation Block Grant funds to fund the PA/ED effort

Project Description

- Increase capacity and improve traffic operations by reconfiguring the I-5/El Toro Road interchange
- Under existing conditions, the street intersections operate at a Level of Service of D
- Future I-5 mainline traffic volumes will increase by 25 percent (year 2045) with local street travel demand also increasing
- A total of 14 build alternatives were conceptually studied, as well as a no-build alternative
- Four alternatives were brought forward as best meeting the need and purpose

Alternative 3

Flyover for southbound I-5 traffic to Bridger Road and to eastbound El Toro Road

Alternative 4

Southbound collector/distributer system from El Toro off-ramp to new Los Alisos Boulevard off-ramp

Alternative 8

Flyover structure direct connector from southbound I-5 to eastbound El Toro Road

Alternative 12

New “knuckle” type intersection where the southbound I-5 hook ramps meet at Avenida de la Carlota and Paseo de Valencia

Project Schedule for Environmental Phase

- Begin PA/ED – May 2017
- Draft PA/ED – April 2019
- Public hearing – May 2019
- Final PA/ED – November 2019

Project Information

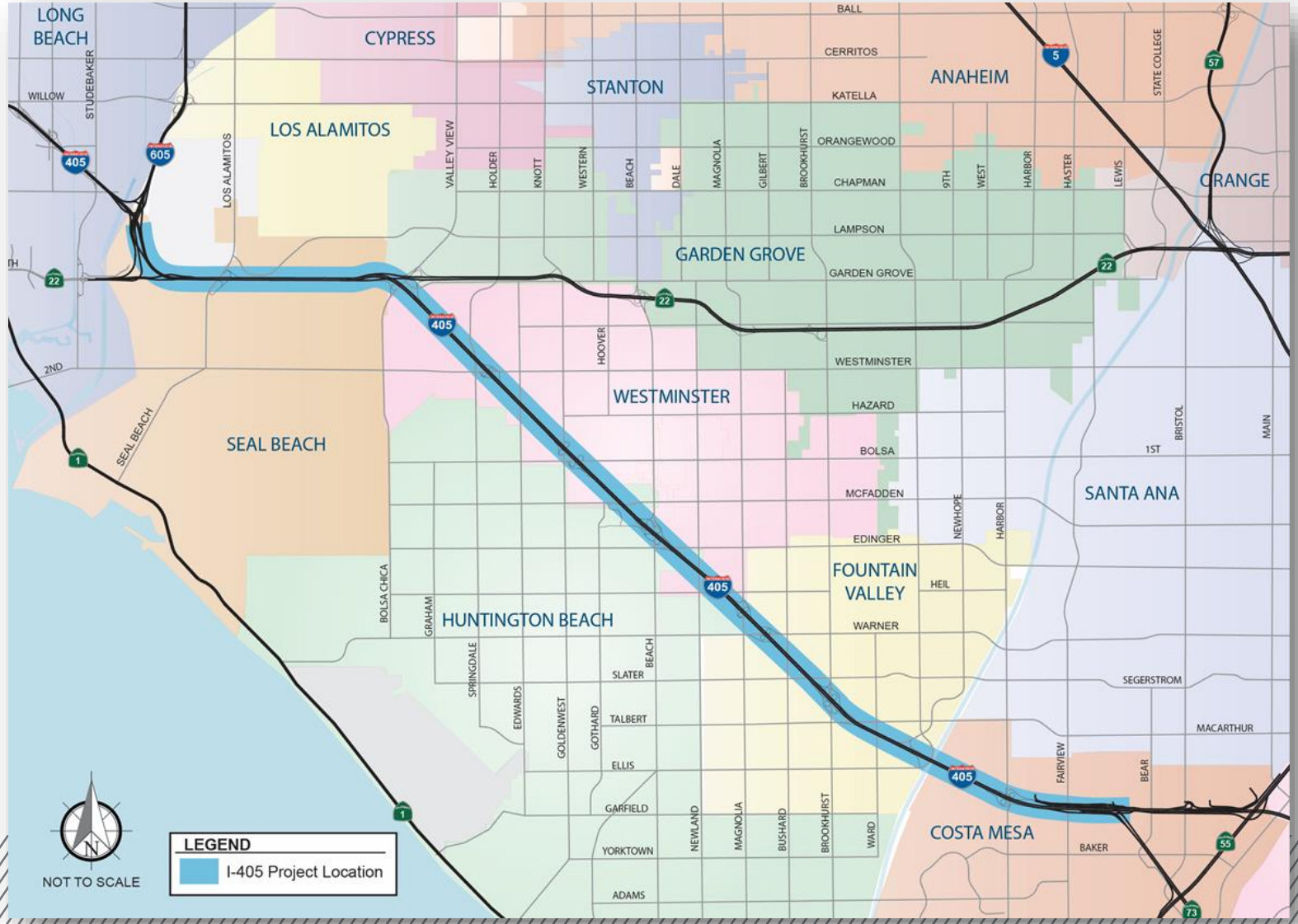
- Lead agency is Caltrans
- Sponsor agency is OCTA
- Project Estimated Cost
  - Construction capital $29 to $49 million
  - Right-of-way capital $8 to $23 million
  - Funding sources Measure M2 and other sources

Caltrans Project Manager: Constantino Stamation (657) 328-6291

OCTA Project Manager: Niall Barrett (714) 560-5879

Interstate 405 Improvement Project Update

Project Location



Project Description

Background

- On November 14, 2016, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the Toll Operating Agreement with the California Department of Transportation (Caltrans)
- On November 14, 2016, the OCTA Board awarded the design-build (DB) contract to OC 405 Partners
- On January 31, 2017, OCTA executed the contract with OC 405 Partners and issued Notice to Proceed (NTP) No. 1

Design-Builder Update

- Design-Builder providing NTP No. 1 deliverables
  - Project Management Plan, including Quality Management Plan
  - Core Office Layout Plan
  - Draft Baseline Schedule – construction anticipated to begin in late 2017/early 2018
  - Transportation Management Plan – ongoing coordination with Caltrans and corridor cities
  - Preliminary Design
- Development of Toll Lanes System Integrator procurement documents initiated
  - Request for proposals release targeted for August 2017

Right-of-Way (ROW) Acquisition Update

- 305 property acquisitions are required
- Majority of acquisitions are temporary construction easements
- 240 notices to appraise have been issued (79 percent)
- 140 offers have been presented (46 percent)
- 121 agreements have been signed (40 percent)
- OCTA utilizing a federally and state approved ROW acquisition incentive program coined “Sign in 60” – proven successful to date
- Potential Resolutions of Necessity at May 22, 2017 Board of Directors meeting

Utility Relocations Update

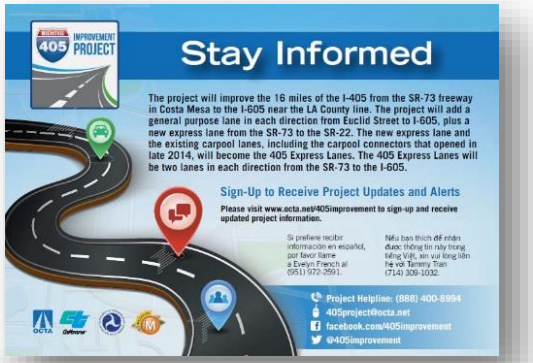
- 22 Utility Owners
- 117 Utility Conflicts
  - 71 dry utility conflicts and 46 wet utility (water and sewer) conflicts
  - Prior rights determined and confirmed with utility owner on 116 conflicts
  - Conceptual relocation plans prepared for all 117 conflicts and utility owner and Caltrans concurrence obtained
- 36 Preliminary Engineering Agreements
  - All 36 agreements have been executed
  - Utilized to advance design of relocation plans at OCTA's expense
- 105 Utility Agreements
  - 57 of these agreements have been executed or agreed to in principle
  - Majority of utility agreements require design-builder to advance their design prior to their execution

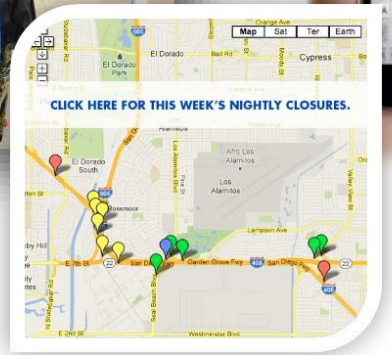
Financing Update

- OCTA conducts weekly calls with the Build America Bureau (Bureau) Credit Programs Office regarding a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan
- Bureau continues to proceed with its due diligence process
- Bureau has provided a draft loan agreement to OCTA and commercial terms and conditions are being negotiated
- Rating agencies are preparing ratings as OCTA needs to provide investment grade ratings to the Bureau prior to close of the TIFIA loan
- Bureau is preparing to submit its initial report to the Credit Review Team (Team) and after the Team's approval, the Team will invite OCTA to submit a formal TIFIA application

Public Outreach Update

- City council presentations
- Civic and community presentations
- Key stakeholder 1:1 briefings
- Project committees
- Media relations
- Business and school outreach
- Project web page and video
- Construction email alerts
- Social media
- Text alerts
- Google detour maps and navigation apps





Next Steps

Activity/Milestone	Completion Date
DB Implementation	
Issue NTP No. 2 to DB team	Mid 2017
Final baseline schedule	Mid 2017
Groundbreaking ceremony and beginning of construction	Late 2017/Early 2018
Design and construction	2017-2023
Project, including 405 Express Lanes, opens	2023
TIFIA Loan	
Bureau Credit Programs Office staff submits initial project report (PR) to Team	Mid 2017
OCTA submits a formal TIFIA loan application	
Bureau staff submits final PR and loan application to Team	
Team recommends TIFIA loan to United States Department of Transportation (USDOT) Council on Credit and Finance	
USDOT Council on Credit and Finance recommends TIFIA loan to the Secretary of Transportation	
Secretary of Transportation approves the TIFIA loan	
TIFIA loan closes	

Orange County Transportation Authority
Fiscal Year 2017-18
Budget Workshop

Budget Themes

- Budget in accordance with the Chair and CEO goals
- Sales tax revenue assumption consistent with Board-approved sales tax forecasting methodology
- Incorporate impacts of transportation Senate Bill 1 (SB-1)
- Budget in accordance with the objectives of Next 10 Plan
- Bus program budget is consistent with objectives of OC Bus 360°
- OCTAP model is unsustainable
- Budget is balanced

Budget Initiatives & Challenges

Initiatives

- Measure M2
  - Continued funding for project delivery of the freeway, streets and roads, and transit modes
  - Major Capital projects include
    - OC Streetcar
    - 405 Improvement Project
    - I-5 Improvement Project
    - SR-55 Improvement Project
- Bus Program
  - OC Bus 360° is ongoing
  - Bus system productivity improvements
  - Transit Master Plan

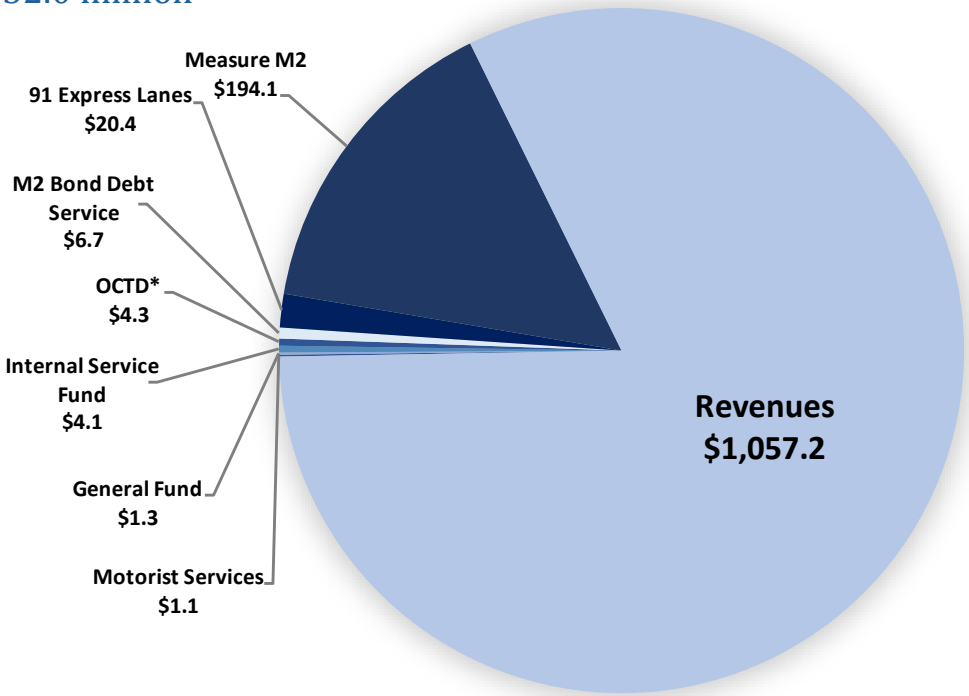
Challenges

- Measure M2
  - External funding uncertainties
  - Continued pressure on costs
  - LTA not meeting projections
- Bus Program
  - $20 million funding gap erased by the impacts of SB-1
  - Assumes current ridership trends and a corresponding decrease in fare revenues
  - LTF not meeting projections

Budget Overview

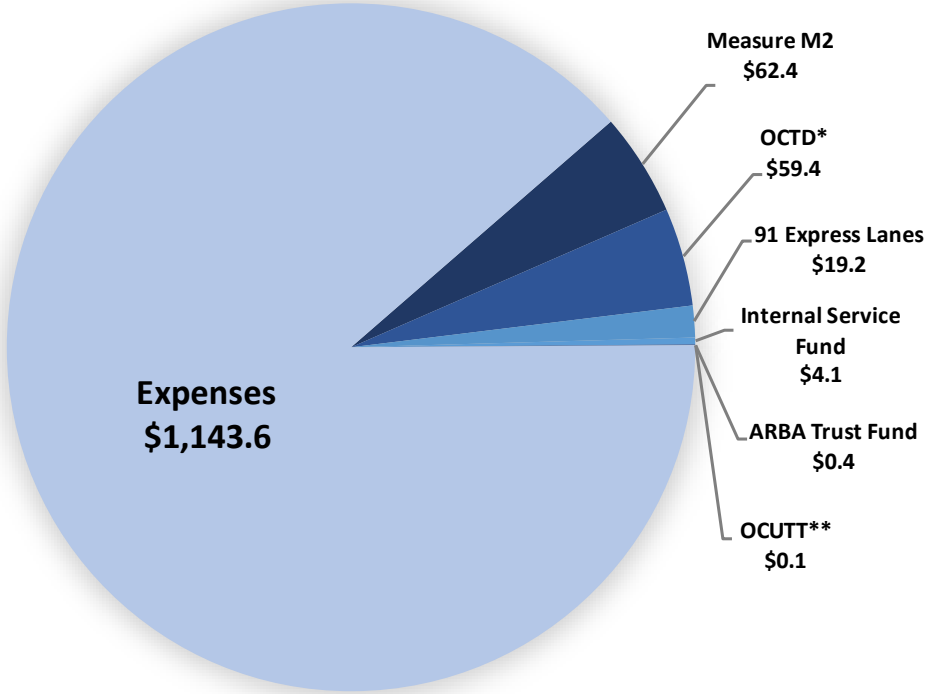
Source of Funds
$1,289.2 million

Use of Prior Year Designations
$232.0 million



Use of Funds
$1,289.2 million

Designations
$145.6 million



*Orange County Transit District
**Orange County Unified Transportation Trust

Budget Sources & Uses

In Millions Sources	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Revenues	$ 972.2	$ 1,057.2	$ 85.0	8.7%
Use of Prior Year Designations	189.3	232.0	42.7	22.6%
Total Revenue / Use of Designations	**$ 1,161.5**	**$ 1,289.2**	**$ 127.7**	**11.0%**
Uses				
Salaries and Benefits	$ 157.1	$ 158.8	$ 1.7	1.1%
LOSSAN Salaries and Benefits	1.5	1.4	(0.1)	-6.7%
Services and Supplies	330.9	306.8	(24.1)	-7.3%
Contributions to Other Agencies	203.4	185.9	(17.5)	-8.6%
Interest/Debt Service	34.3	34.6	0.3	0.9%
Capital	365.5	456.1	90.6	24.8%
Designations	68.8	145.6	76.8	111.6%
Total Expenditures / Designations	**$ 1,161.5**	**$ 1,289.2**	**$ 127.7**	**11.0%**

Revenues

In Millions Sources	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Federal Grants	$272.2	$338.1	$65.9	24.2%
M2 Local Transportation Authority 1/2 Cent Sales Tax	314.3	317.4	3.1	1.0%
Local Transportation Fund 1/4 Cent Sales Tax	161.0	162.2	1.2	0.7%
State Grants	63.6	67.2	3.6	5.7%
Passenger Fares	53.6	47.9	(5.7)	-10.6%
91 Express Lanes (Toll & Non-Toll)	43.5	46.7	3.2	7.4%
State Transit Assistance	17.2	28.9	11.7	68.0%
Interest	21.9	21.6	(0.3)	-1.4%
Property Tax	13.4	15.2	1.8	13.4%
Other	6.8	8.0	1.1	16.6%
Advertising	4.7	4.0	(0.7)	-14.9%
Subtotal Sources	**$ 972.2**	**$ 1,057.2**	**$ 85.0**	**8.7%**
Use of Prior Year Designations	189.3	232.0	42.7	22.6%
Total Revenues / Use of Designations	**$ 1,161.5**	**$ 1,289.2**	**$ 127.7**	**11.0%**

Planned Use of Prior Year Designations

In Millions

Planned Use of Prior Year Designations By Fund		FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget
Local Transportation Authority Measure M2	*Freeway Projects, OC Streetcar and Grade Separation Projects*	$ 87.4	$ 163.3
Commuter Rail	*Metrolink Operations and Rail Capital*	37.9	30.8
91 Express Lanes	*Placentia Metrolink Station and ETTM System*	32.0	20.4
Measure M2 Bond Debt Service	*Build America Bonds Subsidy*	7.0	6.7
Orange County Transit District	*Capital Improvements and Bristol Street Widening Project*	18.3	4.3
Internal Service Fund - Public Liability and Property Damage	*PL & PD Claim Expense Budget*	4.2	4.1
General Fund	*West County Connectors*	1.7	1.3
Service Authority for Freeway Emergencies	*Freeway Service Patrol*	0.5	0.9
Orange County Taxi Administration Program	*Ongoing Operations*	0.3	0.2
Total Use of Prior Year Designations		**$ 189.3**	**$ 232.0**

Expenditures

In Millions Uses	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Salaries and Benefits	**$ 158.6**	**$ 160.2**	**$ 1.6**	**1.0%**
OCTA Salaries and Benefits	157.1	158.8	1.7	1.1%
LOSSAN Salaries and Benefits	1.5	1.4	(0.1)	-6.7%
Services and Supplies	**$ 330.9**	**$ 306.8**	**$ (24.1)**	**-7.3%**
Professional and Outside Services	204.0	171.1	(32.9)	-16.1%
Contract Transportation Services	90.4	97.1	6.7	7.4%
Maintenance Parts & Fuel	15.6	16.8	1.2	7.7%
General & Administration	11.7	13.2	1.5	12.8%
Insurance Claims/Premiums	9.2	8.6	(0.6)	-6.5%
Contributions to Other Agencies	**$ 203.4**	**$ 185.9**	**$ (17.5)**	**-8.6%**
Contributions to Other Agencies	98.6	80.1	(18.5)	-18.8%
Measure M2 Local Fair Share	52.8	53.8	1.0	1.9%
Measure M2 Regional Capacity	52.0	52.0	-	0.0%
Interest / Debt Service	**$ 34.3**	**$ 34.6**	**$ 0.3**	**0.9%**
Long-Term Debt Principal Payments	7.5	7.8	0.3	4.0%
Interest Expense	26.8	26.8	-	0.0%
Capital	**$ 365.5**	**$ 456.1**	**$ 90.6**	**24.8%**
Subtotal Uses	**$ 1,092.7**	**$ 1,143.6**	**$ 50.9**	**4.7%**
Designations	68.8	145.6	76.8	111.6%
Total Expenditures / Designations	**$ 1,161.5**	**$ 1,289.2**	**$ 127.7**	**11.0%**

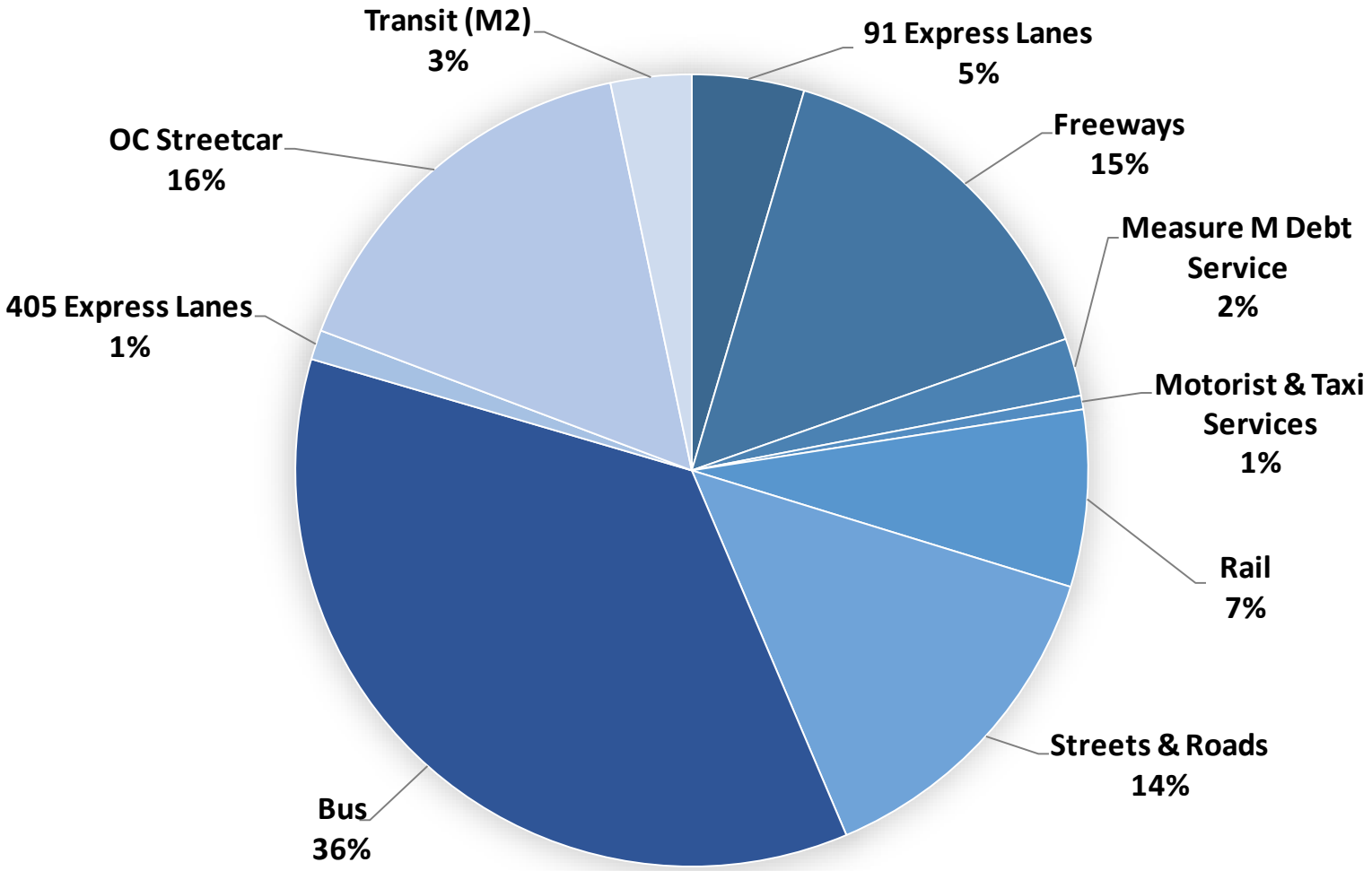
Key Expenditures by Fund

Measure M2	I-405, San Diego Freeway from I-605 to SR-55 (Project K)	$	90,335,827	ROW support & capital, utilities, PMC services and CMC support
	Local Fair Share (Project Q)		54,014,941	Local Fair Share - 18% of net revenues from M2 sales tax for streets and roads
	Regional Capacity Program (Project O)		52,470,000	Competitive funding for local agency streets and roads projects
	I-5, Santa Ana Freeway (Project C)		43,594,903	ROW capital, construction, construction management, and property acquisition
	O.C. Bridges (Project O)		22,213,900	Grade separation COOP agreements, ROW acquisition, and relocation assistance
	Grade Crossings & Other Rail Capital Projects (Project R)		19,192,500	Construction, construction management, ROW, and design services
	Regional Traffic Signal Synchronization (Project P)		17,129,643	Signal synchronization implementation along OC Corridors and M2 Project P payments
	Costa Mesa Freeway (SR-55) Improvements (Project F)		15,222,500	PS&E, PAED, ROW utilities and ROW support
	Clean-up Highway/Street Runoff (Project X)		10,565,500	M2 environmental cleanup program and M2 Project X payments
	Community Based Transit Circulator (Project V)		8,393,698	M2 Project V payments and community transit circulator for Mission Viejo, Westminster & La Habra
	Freeway Environmental Mitigation		7,124,700	M2 mitigation program endowment, property acquisition and restoration projects
	Senior Mobility and Non-Emergency Medical Programs (Project U)		6,298,036	Senior Non-Emergency Medical Transportation and SMP for cities in Orange County
	Orange Freeway (SR-57) Improvements (Project G)		6,017,500	Landscape and PS&E
	SR-91, Riverside Freeway Improvements from I-5 to SR-57 (Project H)		2,535,000	Landscape, construction management, ROW capital and PS&E
	I-5, SR-55 to SR-57 (Project A)		2,470,000	Construction management and PS&E
405 Express Lanes	405 Express Lanes	$	18,197,976	Project management, ROW capital & utilities and design/build expenses
Transit Development Capital Project	OC Streetcar	$	239,911,080	OC Streetcar construction, vehicle manufacturing, ROW acquisition and utility relocation
Measure M2 Debt	Taxable/Tax-Exempt Bonds	$	28,793,588	Interest and principal payment for Measure M2 bonds
Commuter Rail	Placentia Metrolink Rail Station	$	24,209,800	Placentia Metrolink Station construction, construction management and engineering support
	Laguna Niguel to San Juan Capistrano Passing Siding		23,490,500	Construction, construction management services and SCRRA COOP construction support
	Southern California Regional Rail Authority (SCRRA) Budget		21,654,000	SCRRA operating subsidy
	Orange Transportation Center Parking Expansion		20,918,108	Construction and construction management services
	Rail Station Improvements		4,830,500	PS&E, construction, SCRRA Coop construction and ROW services
	Orange Subdivision Slope Stabilization		3,330,000	Construction and SCRRA cooperative agreement
	OCTA Rail Support Services		3,094,049	Rail ROW maintenance services and outreach
	Transit Police Services		2,086,632	Orange County Sheriff's contract for railroad ROW transit police services
	Positive Train Control		1,700,000	Monitoring and controlling train movements to provide increased safety and avoid accidents

Key Expenditures by Fund (Continued)

OCTD	Paratransit	$	44,894,747	Primary ACCESS service RVH, ADA supplemental taxi, same-day taxi, and special agency services
	Contracted Fixed Route Services		37,189,171	Contracted fixed route variable & fixed costs
	Fuels		10,745,268	CNG, LNG, diesel & gasoline and CNG electricity costs
	Directly Operated Fixed Route Services and Supplies		9,675,858	Miscellaneous shop and repair equipment at directly operated facilities
	Bus Base and Transit Center Projects		8,087,380	Storage tank, security system, and fueling station updates at bus bases and transit centers
	Transit Security Services		5,330,030	Orange County sheriff's transit police services
	Contracted Special Agency Services		4,987,333	OCTA subsidy of transportation services provided by agencies for senior and disabled passengers
	Maintenance Parts		3,722,767	Maintenance, parts and safety system upgrades for buses
	Vanpool Program		2,819,482	OCTA Vanpool program subsidy and outreach for vanpools
	CNG Equipment Operations & Maintenance		2,770,559	Operations and maintenance of CNG equipment at all bases
	Utilities		2,164,004	Gas, electric, water, waste management for all locations
	Tires		2,035,843	Tire replacement and leasing for OCTA owned fleet
	Transit Security & Operations Center		1,831,652	Transit security & operations center design
	OCTA Vocational Visions Transportation Program		1,373,839	Program to provide persons with disabilities access to employment programs beyond ADA requirements
	New Freedoms & Job Access and Reverse Commute Programs		1,219,131	Transportation services for persons of low income, seniors, and persons with disabilities
	Radio Communications		1,132,168	Integrated transportation management system for radio communication and administration of the OBVSS
	Customer Information Center		1,066,300	Operation of a call center to provide information on OCTA's bus program
General Fund	Technical Infrastructure and Business Systems Support	$	8,397,529	Software and hardware acquisition, maintenance, and licensing
	Office Space Leases		3,609,398	Leases for headquarters and storage facility
	Transportation Planning and Studies		1,500,000	Transit corridor study, long range transportation plan and air quality planning
	iShuttle		1,206,554	Contribution to the Irvine iShuttle as part of the repayment of Proposition 116 funds
	General Counsel		1,200,000	Legal costs for general counsel expenses
	Bikeway and Pedestrian Facilities		1,000,000	Externally funded OCTA awards to local agencies
Motorist Services	Motorist Services	$	8,064,678	FSP tow service, CHP, 511 program and call box maintenance
91 Express Lanes	91 Express Lanes Operating Expense	$	23,878,605	Contract to operate toll road and direct administration of the 91 Express Lanes
	91 Express Lanes Capital Expense		11,515,300	Replacement of electronic toll & traffic management system, transponders and leasehold improvements
ARBA	Additional Retiree Benefit Account (ARBA) Payments	$	1,035,469	ARBA benefit payment and investment expenses
Internal Service Funds	Workers' Compensation	$	6,326,843	Claims expense and liability insurance related to workers' compensation
	PL & PD Legal, Insurance and Claims Expense		4,077,852	Legal fees, liability & property insurance and broker services
		$	**962,652,640**	**These items represent 84% of the proposed budget expenditures**

Total Budget by Program



M2 Program Summary

- Budget consistent with Next 10 delivery plan adopted by Board on November 14, 2016
  - Fiscal Year 2017-18 Budget
    - Freeway Programs - $170 million
    - Streets & Roads - $157 million
    - M2 Transit - $92 million

Freeway Program Summary

In Millions **Freeways**	**FY 2017-18 Proposed**
I-405, San Diego Freeway from I-605 to SR-55 (Project K)	$ 90.3
I-5, Santa Ana Freeway (Project C)	43.6
Costa Mesa Freeway (SR-55) Improvements (Project F)	15.2
Freeway Environmental Mitigation	7.1
Orange Freeway (SR-57) Improvements (Project G)	6.0
SR-91, Riverside Freeway Improvements from I-5 to SR-57 (Project H)	2.5
I-5, SR-55 to SR-57 (Project A)	2.5
West County Connectors (Measure M1)	1.0
I-5, I-405 to SR-55 (Project B)	0.7
I-405, San Diego Freeway from SR-55 to I-5 (Project L)	0.6
SR-91, Riverside Freeway Improvements from SR-57 to SR-55 (Project I)	0.6
San Gabriel (I-605) Freeway Improvements (Project M)	0.2
I-5, Santa Ana Freeway Interchange Improvements (Project D)	0.1
Total	**$ 170.4**

Streets & Roads

In Millions **Streets & Roads**	**FY 2017-18 Proposed**
Local Fair Share (Project Q)	$ 54.0
Regional Capacity Program (Project O)	52.5
O.C. Bridges (Project O)	22.2
Regional Traffic Signal Synchronization (Project P)	17.1
Clean-up Highway/Street Runoff (Project X)	10.6
Bristol Street Widening Project	0.4
Total	**$ 156.8**

Rail Program Summary

- 60 daily weekday trains sustained through M2
- Revenue
  - Operating
    - M2 high frequency Metrolink service
  - Capital
    - Federal Transportation Administration consistent with the Fixing America's Surface Transportation Act
- Expenditures
  - Operating subsidy of $27.7 million including authorization of Federal Transit Administration (FTA) funds, in the amount of approximately $6 million to be drawn down directly by Metrolink
    - Metrolink capital rehabilitation budget of $7.3 million, offset by $6 million in Rotem repayment
    - The balance of $1.3 million of FTA funds to be drawn down directly by Metrolink
  - Major capital projects
    - Placentia Metrolink Station construction
    - Laguna Niguel to San Juan Capistrano passing siding
    - Orange Transportation Center parking expansion

Rail Program – Operating

In Millions

Rail Program Operating		FY 2017-18 Proposed
Southern California Regional Rail Authority (SCRRA) Budget	$	21.7
OCTA Rail Support Services		3.1
Transit Police Services		2.1
Transit Extensions to Metrolink (Project S)		1.4
iShuttle (Proposition 116)		1.2
Metrolink Angels Express Operations		0.3
Total	**$**	**29.8**

Rail Program – Capital

In Millions

Rail Program Capital	FY 2017-18 Proposed
Placentia Metrolink Rail Station	$ 24.2
Laguna Niguel to San Juan Capistrano Passing Siding	23.5
Orange Transportation Center Parking Expansion	20.9
San Juan Creek Bridge Replacement	15.4
Rail Station Improvements	4.8
Orange Subdivision Slope Stabilization	3.3
Control Point at 4th Street	2.7
Positive Train Control	1.7
Grade Crossings & Other Rail Capital Projects (Project R)	1.2
Total	**$ 97.7**

OC Streetcar Summary

In Millions	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Sources				
Federal Capital Assistance	26.0	194.1	168.1	646.3%
Measure M2	41.3	45.8	4.5	11.0%
Use of Prior Year Designations	-	-	-	0.0%
Total Revenue / Use of Designations	**$ 67.3**	**$ 239.9**	**$ 172.6**	**256.5%**
Uses				
Overhead Allocation	$ 6.2	$ 6.3	$ 0.1	1.6%
Professional Services	6.9	7.2	0.3	4.8%
Contributions to Other Agencies	0.7	1.5	0.8	116.2%
Capital	53.5	224.9	171.4	320.5%
Total Expenditures / Designations	**$ 67.3**	**$ 239.9**	**$ 172.6**	**256.5%**

91 Express Lanes Summary

In Millions	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Sources				
Toll Revenue	$ 35.9	$ 40.1	$ 4.2	11.7%
Non-Toll Revenue	7.6	6.6	(1.0)	-13.2%
Reimbursement from Other Agencies	0.2	0.9	0.7	466.7%
Interest Income	0.9	0.9	(0.0)	-2.9%
Use of Prior Year Designations	32.0	20.4	(11.6)	-36.3%
Total Revenue / Use of Designations	**$ 76.6**	**$ 68.9**	**$ (7.7)**	**-10.0%**
Uses				
Tollroad Management Contract	$ 8.3	$ 7.2	$ (1.1)	-13.3%
Overhead Allocation	2.4	2.8	0.4	15.2%
Pavement Rehabilitation and Other Technical Support	26.7	7.2	(19.5)	-73.1%
Insurance Claims/Premiums	0.8	0.8	-	0.0%
Leases & Other Office Expenses	0.5	0.7	0.2	33.5%
Interest Expense	5.5	5.3	(0.2)	-4.4%
Operating Transfers Out	8.3	14.3	6.0	72.3%
Capital	2.4	11.5	9.1	385.7%
Designations	21.8	19.2	(2.6)	-11.8%
Total Expenditures / Designations	**$ 76.6**	**$ 68.9**	**$ (7.7)**	**-10.0%**

Motorist Services Program Summary

Service Authority for Freeway Emergencies (SAFE)

- Freeway Service Patrol contracted service costs
- Call Box equipment maintenance
- Call Box call center
- 511 Program

Orange County Taxi Administration Program (OCTAP)

- Expenditures out-pacing revenues
- Drastic revenue decline due to shift in market demand
- Reduction of 1.4 FTEs
- Program dependent on external revenues
- Without additional changes, the program will exhaust operating reserves by mid fiscal year 2017-18

Orange County Taxi Administration Program

In Thousands	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Sources				
License Fees	$ 520.3	$ 368.2	$ (152.1)	-29.2%
Reimbursements from Other Agencies	-	148.7	148.7	0.0%
Interest Income	7.7	3.6	(4.1)	-53.8%
Other Non-Operating Revenue	13.3	1.2	(12.1)	-91.0%
Use of Prior Year Designations	254.5	168.7	(85.8)	-33.7%
Total Revenue / Use of Designations	**$ 795.8**	**$ 690.4**	**$ (105.4)**	**-13.2%**
Uses				
Salaries and Benefits	$ 475.6	$ 405.9	$ (69.7)	-14.6%
Overhead Allocation	251.3	251.3	0.0	0.0%
Leases & Other Office Expenses	69.0	33.2	(35.8)	-51.9%
Total Expenditures / Designations	**$ 795.8**	**$ 690.4**	**$ (105.4)**	**-13.2%**

Bus Program Assumptions

- OC Bus 360° ongoing – No change in level of service
- $20 million funding gap erased by the impacts of Senate Bill 1 (SB-1)
- Decrease in fare revenues
- No fare increase in fiscal year 2017-18
  - No fare increase since 2013
- $14.5 million one-time revenue source
- Anticipated paratransit trip growth

Bus Service Levels

- Fixed-route service
  - Base revenue hours
    - FY 2017-18 budget – 1,603,817
      - No change in service hours
    - Directly operated service revenue hours
      - 60 percent
    - Contracted services revenue hours
      - 40 percent

- Paratransit service
  - Primary service revenue hours
    - FY 2017-18 budget – 527,440
      - Increase of 24,035 revenue hours
  - Supplemental service trips
    - FY 2017-18 budget – 333,295
      - Increase of 62,097 trips
  - Same-day taxi trips
    - FY 2017-18 budget – 147,697
      - Decrease of 10,204 trips
  - Special agency trips
    - FY 2017-18 budget – 279,000
      - Increase of 45,800 trips

Cost Summary

FY 2017-18 Proposed Budget

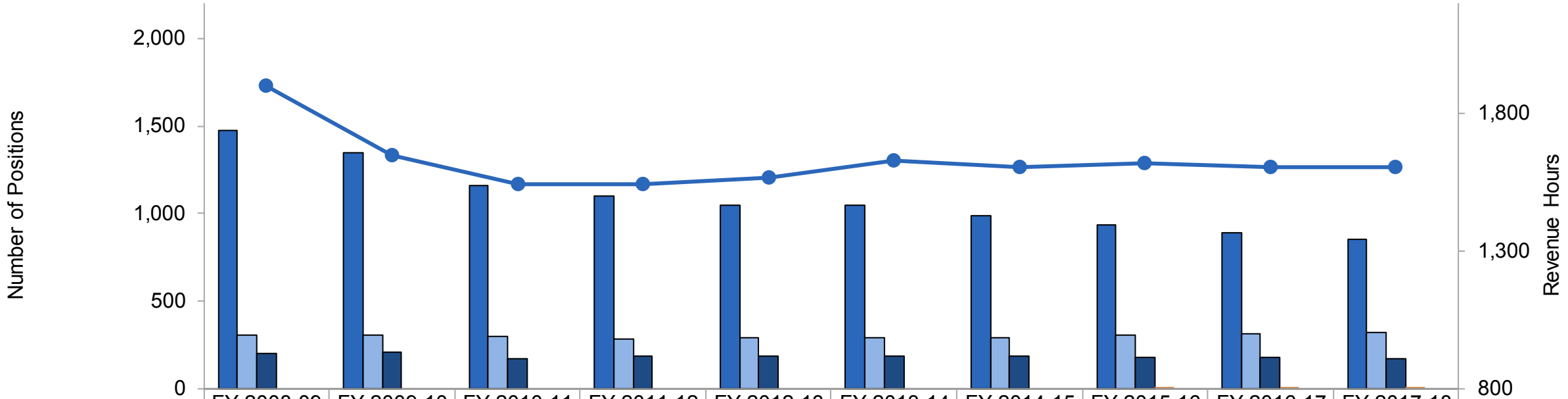
	Performance Indicators	Directly Operated Fixed Route	Contracted Fixed Route	ACCESS	ADA Taxi Service	Same Day Taxi Service	Special Agency Services	System Total
Service Provided	Vehicle Hours (VH)	1,056,965	730,050	705,929				2,492,943
	Vehicle Miles (VM)	13,482,888	10,662,346	9,501,571				33,646,805
	Revenue Hours (RVH)	969,944	633,873	527,440				2,131,257
	Revenue Miles (RVM)	11,392,003	8,200,874	7,899,806				27,492,684
Passenger Usage	Boardings	25,730,412	11,218,605	972,377	333,295	147,697	279,000	38,681,386
	Boardings per VH	24.34	15.37	1.38				15.52
	Boardings per VM	1.91	1.05	0.10				1.15
	Boardings per RVH	26.53	17.70	1.84				18.15
	Boardings per RVM	2.26	1.37	0.12				1.41
Operating Costs	Costs	$133,736,764	$66,373,992	$47,812,850	$16,990,715	$1,849,239	$7,309,261	$274,072,821
	Cost per VH	$126.53	$90.92	$67.73				$109.94
	Cost per VM	$9.92	$6.23	$5.03				$8.15
	Cost per RVH	$137.88	$104.71	$90.65				$128.60
	Cost per RVM	$11.74	$8.09	$6.05				$9.97
	Cost per Boarding	$5.20	$5.92	$49.17				$7.09
Fare Revenues	Revenue	$28,721,567	$12,590,450	$5,266,429	$1,295,554			$47,874,000
	Revenue per VH	$27.17	$17.25	$8.61				$19.20
	Revenue per VM	$2.13	$1.18	$0.64				$1.42
	Revenue per RVH	$29.61	$19.86	$11.52				$22.46
	Revenue per RVM	$2.52	$1.54	$0.77				$1.74
	Revenue per Boarding	$1.12	$1.12	$6.25				$1.24
Farebox Recovery Ratio		**21.48%**	**18.97%**	**11.01%**				**17.47%**
Farebox Recovery Ratio (Per Senate Bill 508: Revisions to the Transportation Development Act)								**24.49%**

* All paratransit boardings are reported in terms of trips.

OCTD Sources & Uses

In Millions **Sources**	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	Change $	Change %
Local Transportation Fund (LTF)	$ 153.3	$ 154.4	$ 1.1	0.7%
Federal Operating Assistance Grants	54.2	56.1	1.9	3.5%
Passenger Fares	53.6	47.9	(5.7)	-10.6%
State Transit Assistance Fund (STAF)	17.2	28.9	11.7	67.8%
Property Taxes	13.4	15.2	1.8	13.6%
Grant Revenue (One Time)	-	14.5	14.5	0.0%
Other Non-Operating Revenue	5.3	6.1	0.8	15.3%
Measure M2	1.1	6.0	4.9	448.3%
Interest Income	4.3	4.9	0.6	13.2%
Federal Capital Assistance Grants	14.2	4.6	(9.6)	-67.6%
Reimbursements from Other Agencies	3.2	3.4	0.2	6.6%
Vanpool Revenue	2.6	2.8	0.2	7.1%
Proposition 1B	1.2	0.2	(1.0)	-80.0%
Commuter Urban Rail Endowment (CURE)	3.2	-	(3.2)	-100.0%
Use of Prior Year Designations	18.3	4.3	(14.0)	-76.6%
Total Revenue / Use of Designations	**$ 345.1**	**$ 349.4**	**$ 4.3**	**1.2%**
Uses				
Salary and Benefits	$ 111.6	$ 110.1	$ (1.5)	-1.3%
Operating Services & Supplies	123.1	133.2	10.1	8.2%
Overhead Allocation	31.7	30.8	(0.9)	-2.8%
Bus Capital Projects	18.7	8.6	(10.1)	-54.1%
Special Programs	4.9	4.2	(0.7)	-13.8%
Rail, M2 Transit and Streets & Roads Programs	13.0	3.1	(9.9)	-75.9%
Designations	42.1	59.4	17.3	41.0%
Total Expenditures / Designations	**$ 345.1**	**$ 349.4**	**$ 4.3**	**1.2%**

Historical Staffing Levels Comparison



	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Bargaining Unit	1,477.0	1,349.0	1,157.0	1,101.0	1,047.0	1,051.0	991.0	932.0	888.0	851.0
Administrative	305.0	303.0	299.0	284.0	287.0	287.0	288.0	305.0	312.0	318.0
Ops Support	201.0	206.0	169.0	182.0	184.0	184.0	184.0	175.0	177.5	168.5
LOSSAN	-	-	-	-	-	-	-	9.0	9.0	9.0
Total Employees	1,983.0	1,858.0	1,625.0	1,567.0	1,518.0	1,522.0	1,463.0	1,421.0	1,386.5	1,346.5
Annualized RH	1,899	1,646	1,545	1,545	1,567	1,630	1,603	1,617	1,604	1,604

Staffing Levels

OCTA Staffing	FY 2016-17 FTE	FY 2017-18 FTE	FY 2017-18 New Hires	FY 2017-18 Reductions	Difference
Administrative	**489.5**	**486.5**	**1.0**	**(4.0)**	**(3.0)**
Union	**888.0**	**851.0**	**-**	**(37.0)**	**(37.0)**
Coach Operators	680.0	643.0	-	(37.0)	(37.0)
Maintenance	171.0	171.0	-	-	-
Facility Technicians and Parts Clerks	37.0	37.0	-	-	-
OCTA Positions	**1,377.5**	**1,337.5**	**1.0**	**(41.0)**	**(40.0)**
LOSSAN	**9.0**	**9.0**			**-**
Total Authority Positions	**1,386.5**	**1,346.5**	**1.0**	**(41.0)**	**(40.0)**

Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach operators
    - Collective bargaining agreement effective through April 30, 2017
  - Maintenance
    - Collective bargaining agreement effective through September 30, 2019
  - Facilities technicians and parts clerks
    - Collective bargaining agreement effective through May 31, 2020
- Administrative Employees
  - Continue pay-for-performance program
  - Employees governed by the Personnel and Salary Resolution, which is approved annually as part of the budget

Personnel and Salary Resolution

- Board-approved action for administrative employees to pay 100 percent of employee share of OCERS began January 1, 2017
  - This provides an estimated savings of $5 million per year
- Salary range adjustment of 2 percent
  - 3 employees would receive salary increases
- Position reclassifications based on market analysis
- Deferred compensation employer-paid matching contribution adjustments
- Personal paid holidays to change from 5 days to 6 days, with no change to fixed holidays
- Special performance award pool of 3 percent
- Merit pool of 3.5 percent

Next Steps

• Committee meetings and one-on-one meetings with Board Members	May 9 - June 9
• Public Hearing Preview – Finance and Administration Committee	May 24
• Public Hearing – Board (Public Hearing and approval)	June 12
• Back-up Public Hearing – Board (Public Hearing and approval)	June 26