



AGENDA

Finance and Administration Committee Meeting

Committee Members

Andrew Do, Chairman
Steve Jones, Vice Chairman
Michael Hennessey
Richard Murphy
Miguel Pulido
Todd Spitzer
Michelle Steel

Orange County Transportation Authority
Headquarters
550 South Main Street
Board Room – Conf. Room 07
Orange, California

Wednesday, July 12, 2017 at 10:30 a.m.

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

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

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

Call to Order

Pledge of Allegiance

Committee Vice Chairman Jones

1. Public Comments

Special Calendar

2. Taxable Sales Forecast - Chapman University - Raymond Sfeir, PhD, Professor of Economics Christina Runge/Andrew Oftelie

Orange County Transportation Authority contracts with several economic specialists to provide an annual 30-year taxable sales forecast for Measure M2. The latest forecasts were received in spring 2017. Raymond Sfeir, PhD, from Chapman University will provide an update on the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.



Consent Calendar (Items 3 through 6)

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

3. Approval of Minutes

Approval of the minutes of the Special Finance and Administration Committee meeting of June 21, 2017.

4. Approval of Minutes

Approval of the minutes of the Finance and Administration Committee meeting of June 28, 2017.

5. Department of Homeland Security, Federal Emergency Management Agency, Region IX Grants Management Division, Financial Monitoring Review of 2014 and 2015 Transit Security Grant Program Funding

Janet Sutter

Overview

Region IX of the Grants Management Division of the Department of Homeland Security's Federal Emergency Management Agency has completed a financial monitoring review of Transit Security Grant Program funds awarded to the Orange County Transportation Authority in 2014 and 2015. No areas of non-compliance were noted as a result of this review.

Recommendation

Receive and file financial monitoring review letter from Region IX of the Grants Management Division of the Department of Homeland Security's Federal Emergency Management Agency, dated June 27, 2017, as an information item.



6. Fourth Quarter Fiscal Year 2016-17 Procurement Status Report
Virginia Abadessa/Andrew Oftelie

Overview

The fourth quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activities from April 1 through June 30, 2017 that were approved by the Board of Directors during this period. The fourth quarter procurement status report also projects future procurement activity for the first quarter as identified in the fiscal year 2017-18 budget.

Recommendation

Receive and file as an information item.

Regular Calendar

There are no Regular Calendar items scheduled.

Discussion Items

7. 91 Express Lanes Intermediate Access Study
Kirk Avila/Andrew Oftelie

Project consultants and staff will present the findings of the 91 Express Lanes intermediate access study.

8. Chief Executive Officer's Report

9. Committee Members' Reports

10. Closed Session

There are no Closed Session items scheduled.

11. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, July 26, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

The Chapman University Economic Forecast



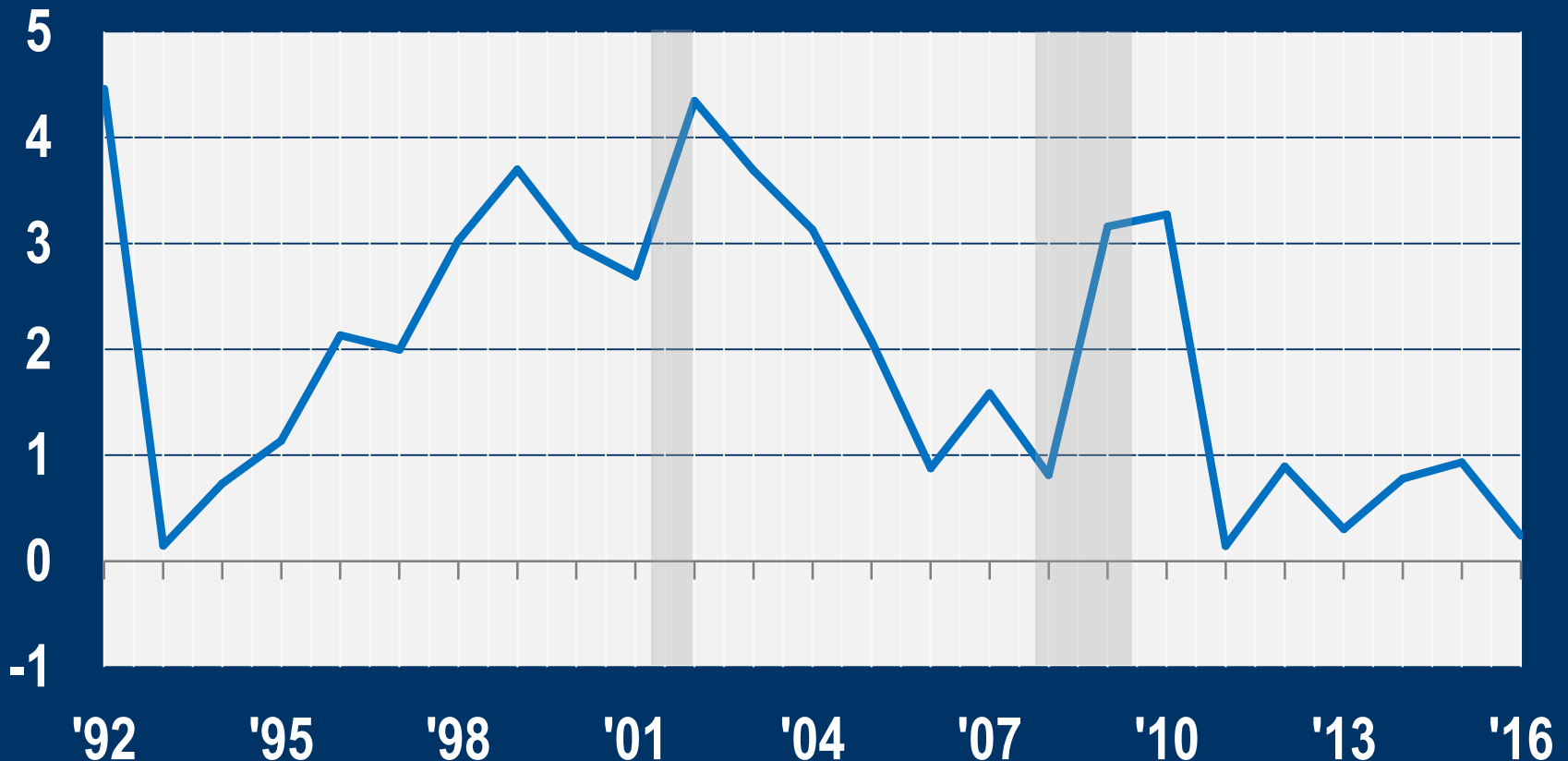
**A. GARY ANDERSON CENTER FOR ECONOMIC RESEARCH
ARGYROS SCHOOL OF BUSINESS AND ECONOMICS**

Real GDP Growth

	Weight	Annual % Change		Impact on Real GDP
		2016	2017f	
Real Consumption	0.69	2.7%	2.9%	↑
Real Investment	0.17	-1.6%	2.5%	↑
Real Government Purchases	0.17	0.8%	-0.6%	↓
Real Net Exports	-0.03	-4.3%	-6.6%	↓
Real GDP	1.00	1.6%	2.3%	

Nonfarm Business Sector Labor Productivity

Yr/Yr % Change



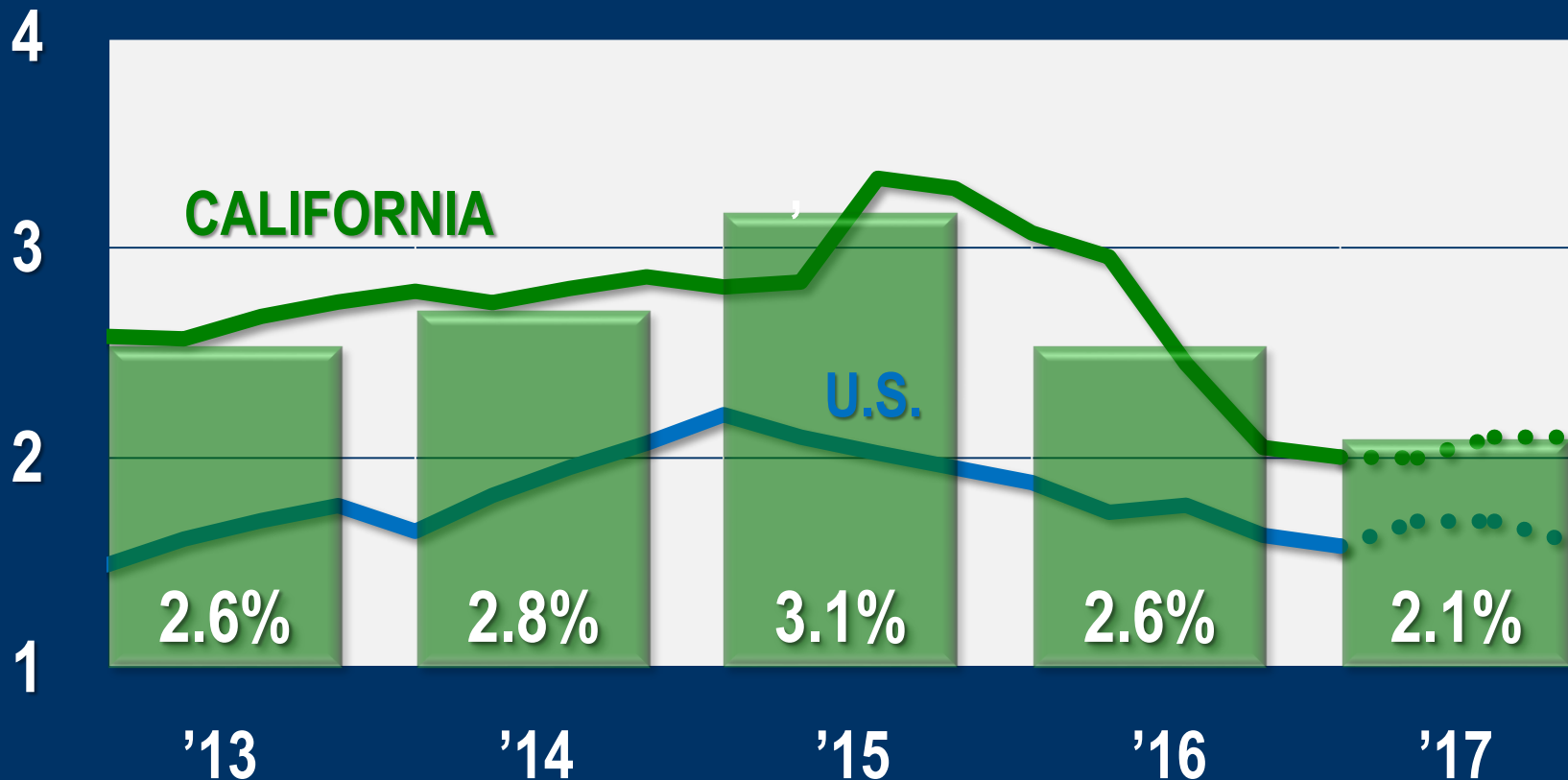
Source: Bureau of Labor and Statistics

Factors Influencing Job Growth in California

	Annual % Change		Impact on CA Job Growth
	2016	2017f	
Real GDP	1.6%	2.3%	↑
Real Exports	0.4%	3.1%	↑
Real Imports	1.1%	3.9%	↑
Construction Spending (CA)	7.5%	0.8%	↓
Silicon Valley Employment	3.7% 2016Q1	2.6% 2017 Q1	↓

Payroll Employment

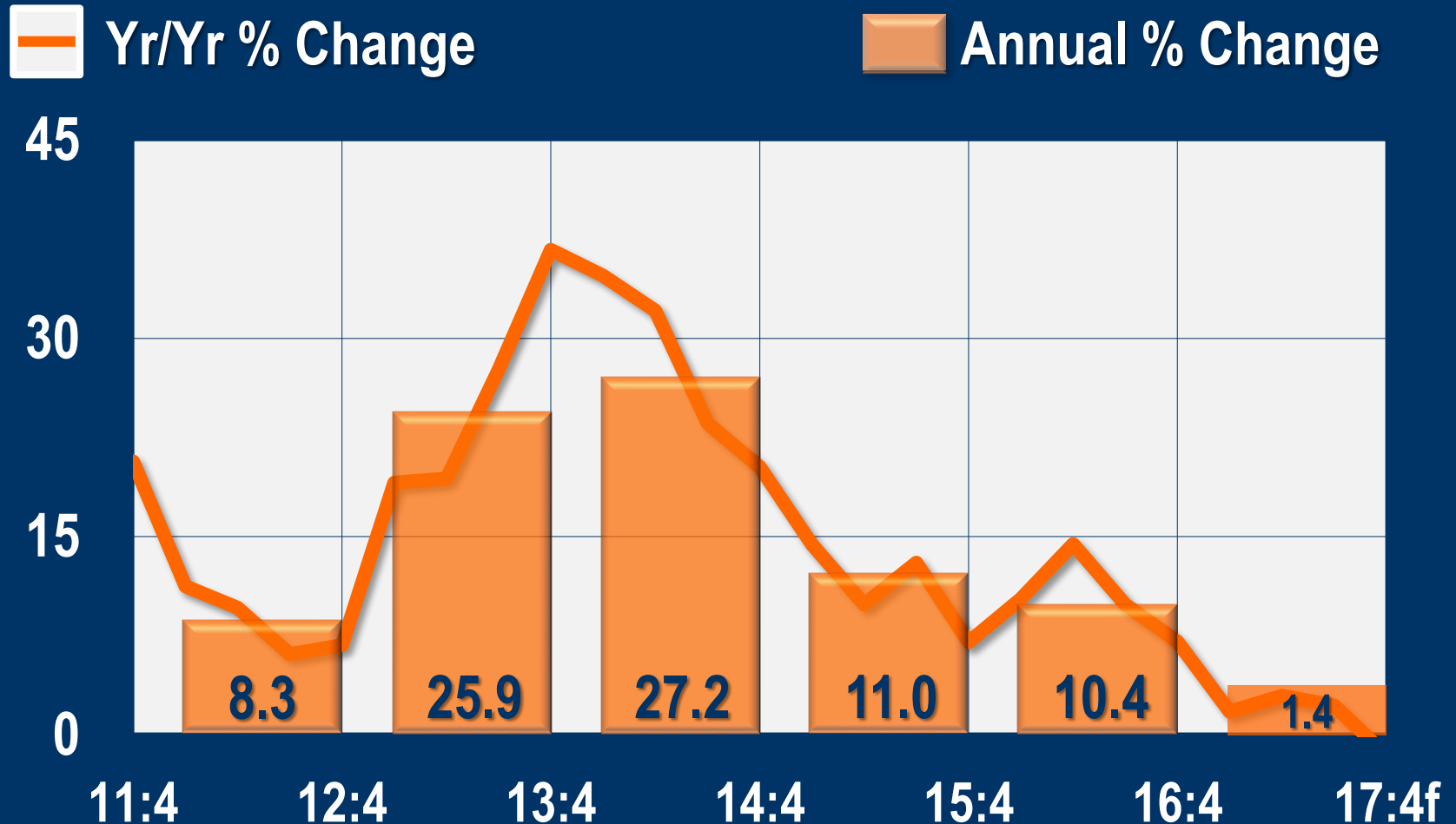
Annual % Change



Factors Influencing Job Growth in Orange County

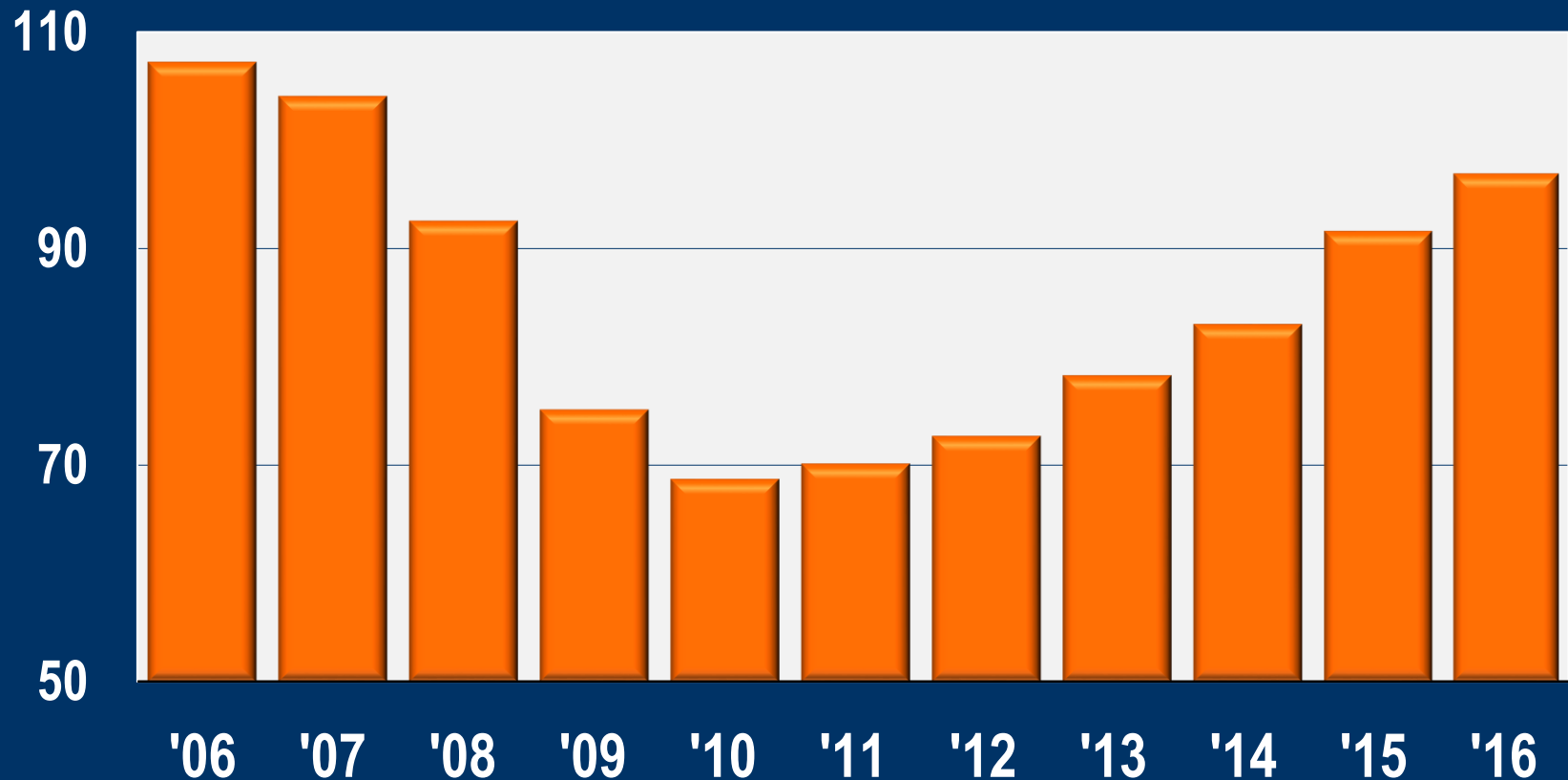
- **Real GDP**
- **Construction Spending**
- **Manufacturing**
- **Unemployment Rate**

Construction Spending Orange County



Construction Employment Orange County

In Thousands



Purchasing Managers Index

Orange County

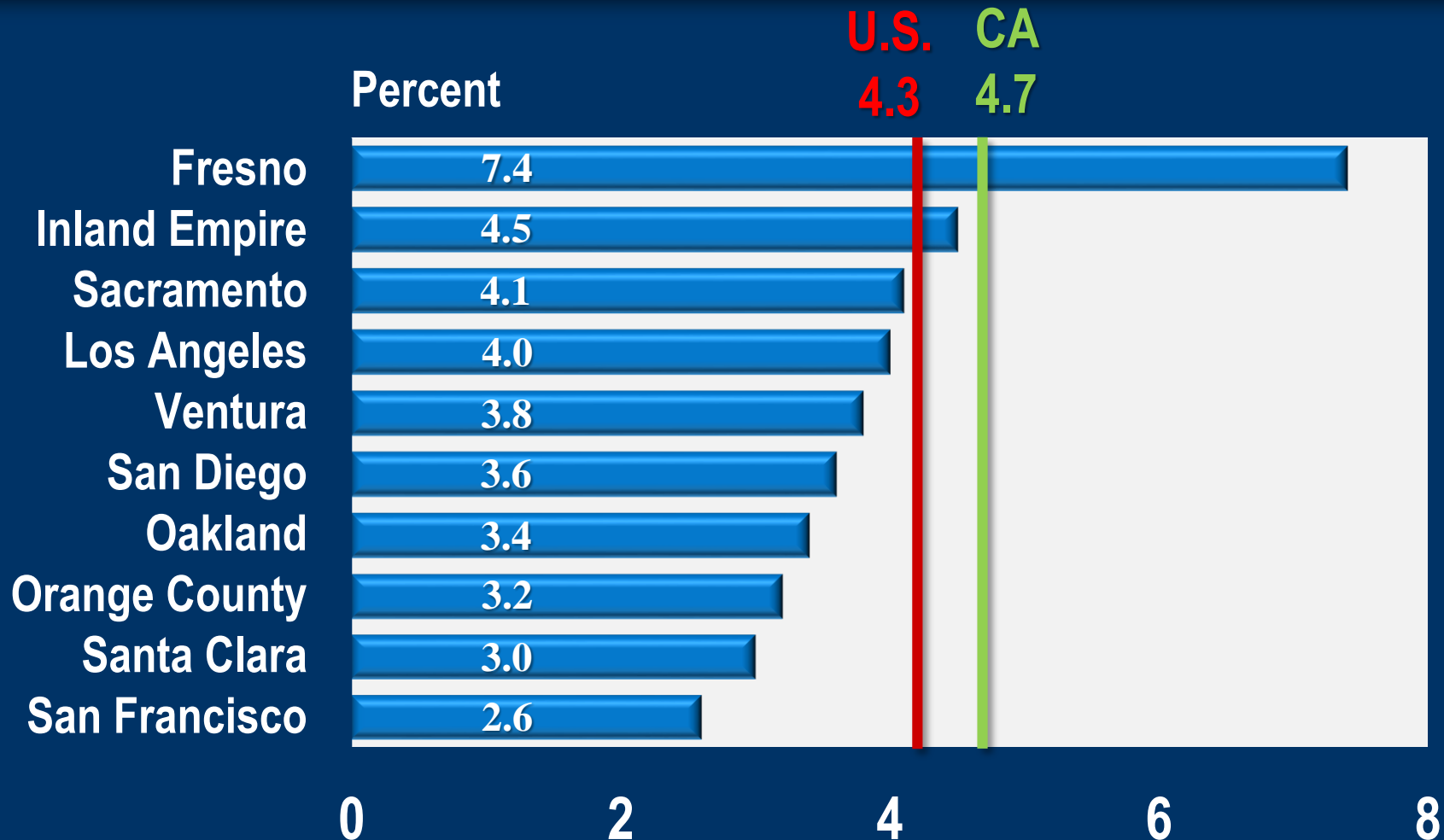


Manufacturing Jobs

	Total % Change 2007 to 2016		
	U.S.	California	Orange County
Manufacturing Jobs	−11.0%	−11.1%	−13.3%

Unemployment Rates

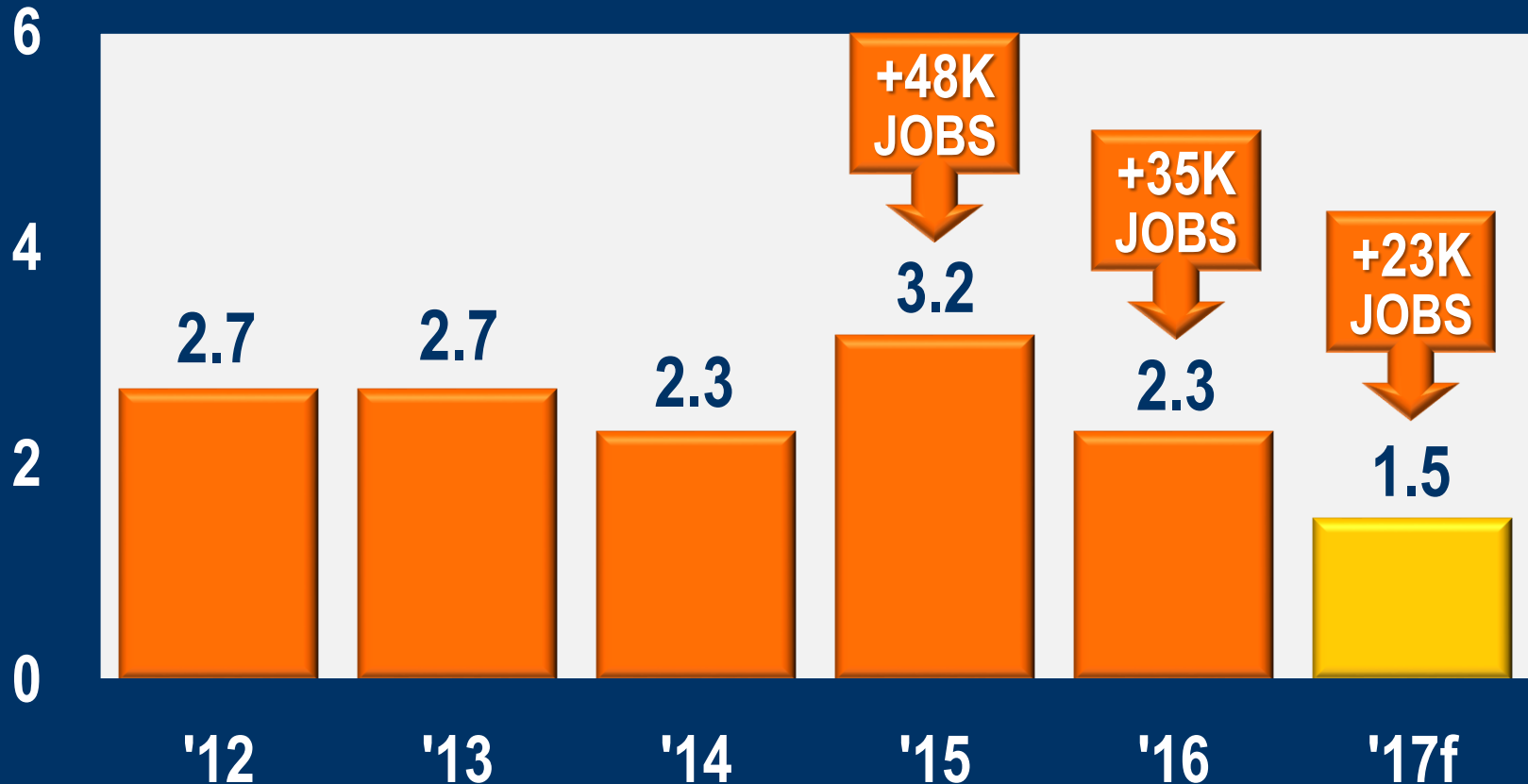
May 2017



Source: EDD

Job Growth Orange County

Annual % Change

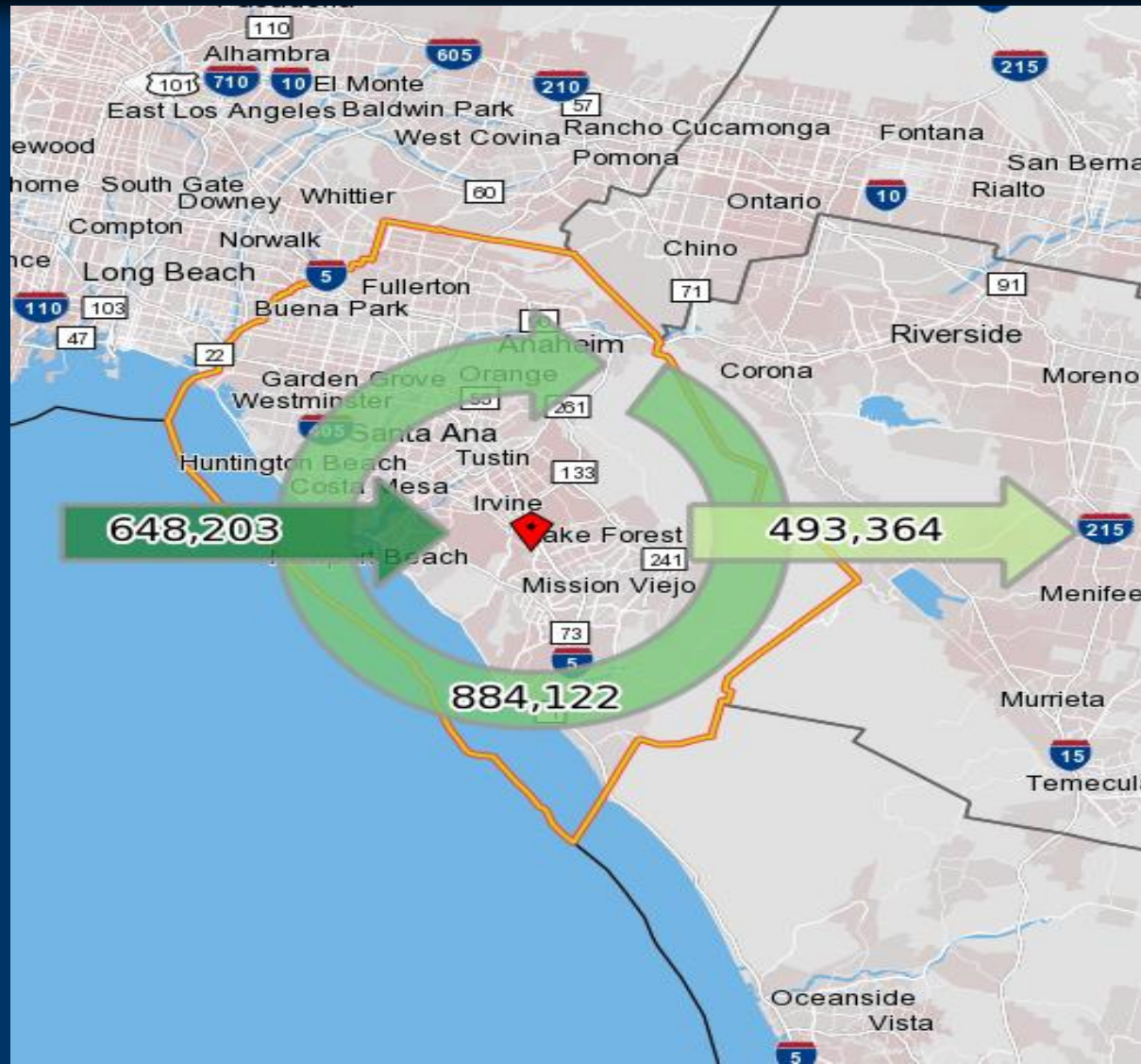


Employment by Industry

Orange County

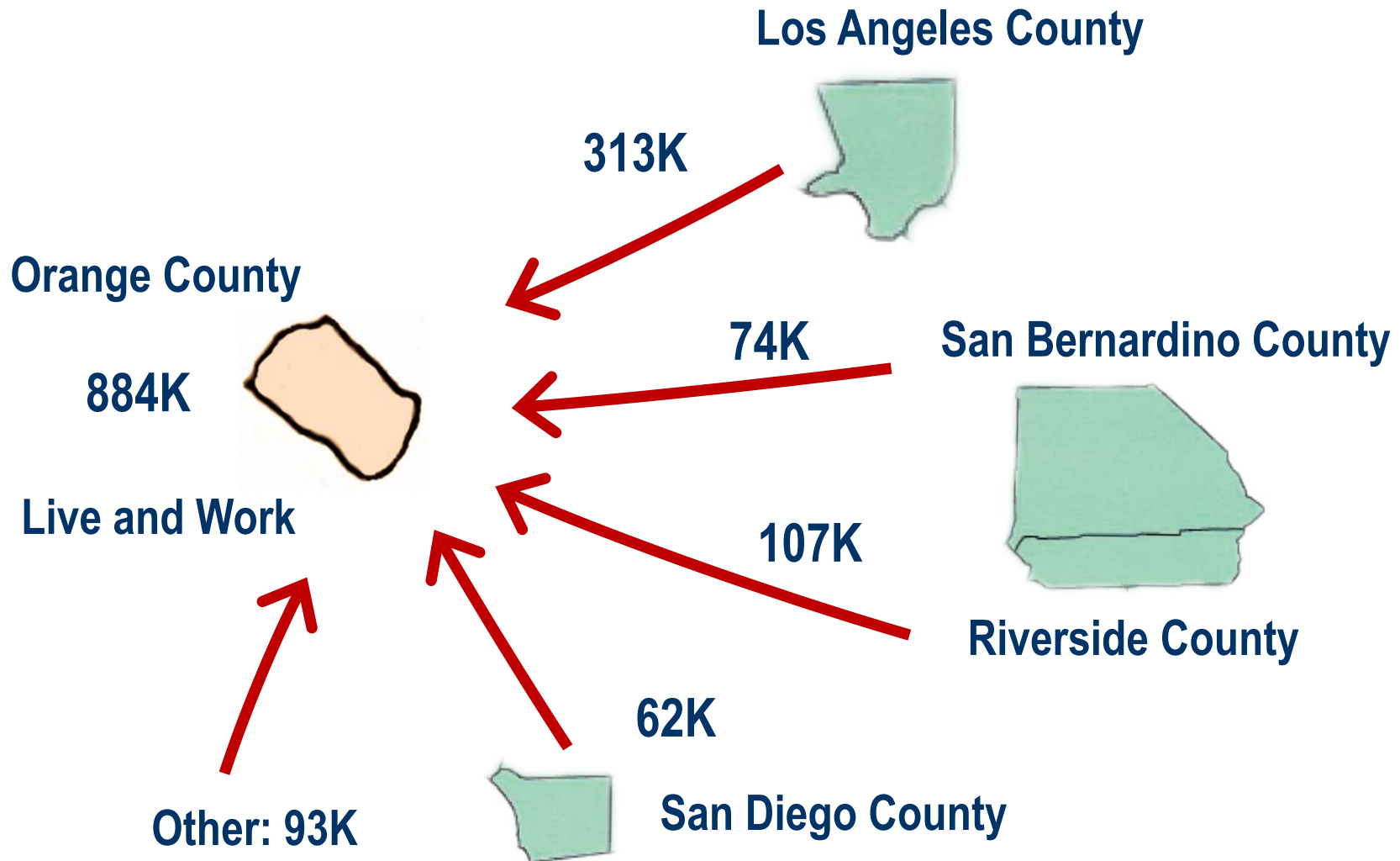
Sector	2016 Employment	Employment % Share	2010 – 2016 % Change	2016Q3 Annual Wages (\$)
Leisure & Hospitality	211,808	13.4	25.6	26,780
Education & Health Services	203,692	12.9	20.4	50,804
Trade, Transportation & Utilities	260,583	16.5	6.0	53,092
Construction	96,933	6.1	40.7	68,484
Professional & Business Services	296,175	18.7	20.9	70,928
Manufacturing	156,392	9.9	3.9	72,696
Financial Activities	117,375	7.4	13.3	92,456
Information	26,000	1.6	5.0	99,944

Orange County Inflow/Outflow Job Counts - 2014



Orange County Jobs

Where workers live - 2014



Payroll Jobs – Orange County

Where do workers live?		
Work in O.C.	2002	2014
% Live in LA County	21.6	20.4
% Live in Inland Empire	9.9	11.8
% Live Elsewhere	7.0	10.1
	38.5	42.3

The Housing Market

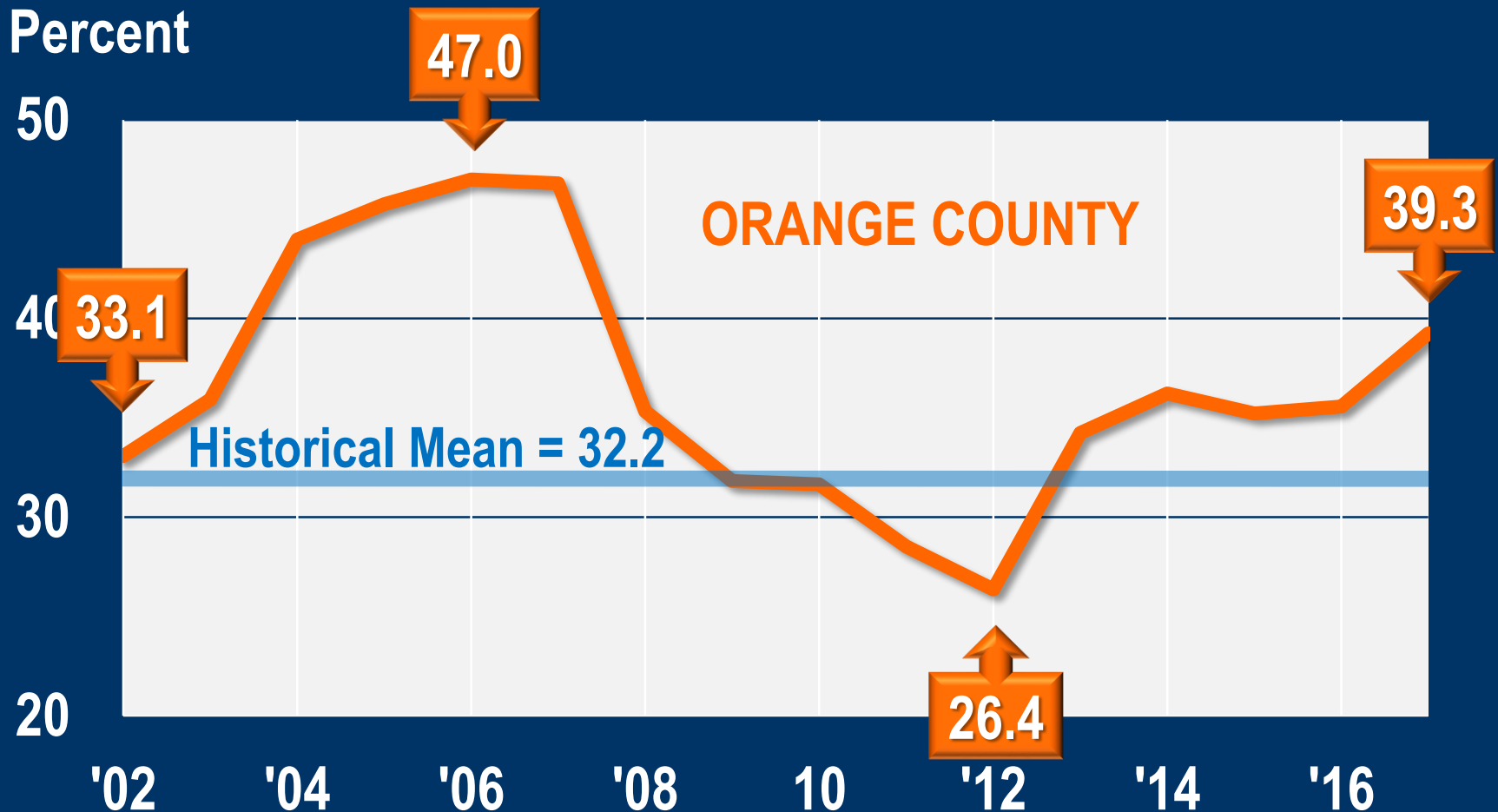


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Factors Affecting Home Prices

	Very Unfavorable	Unfavorable	Neutral	Favorable	Very Favorable
DEMAND:					
Jobs/ Unemployment					
Housing Affordability					
SUPPLY:					
Permits					
Unsold inventory					

Percent of Median Family Income Needed for Mortgage Payment on Median-Priced Home



Residential Building Permits Orange County

Thousands of Units



Single Family Homes As a Percentage of Total Housing Unit Permits

Percent



Supply of Unsold Homes Orange County

Months

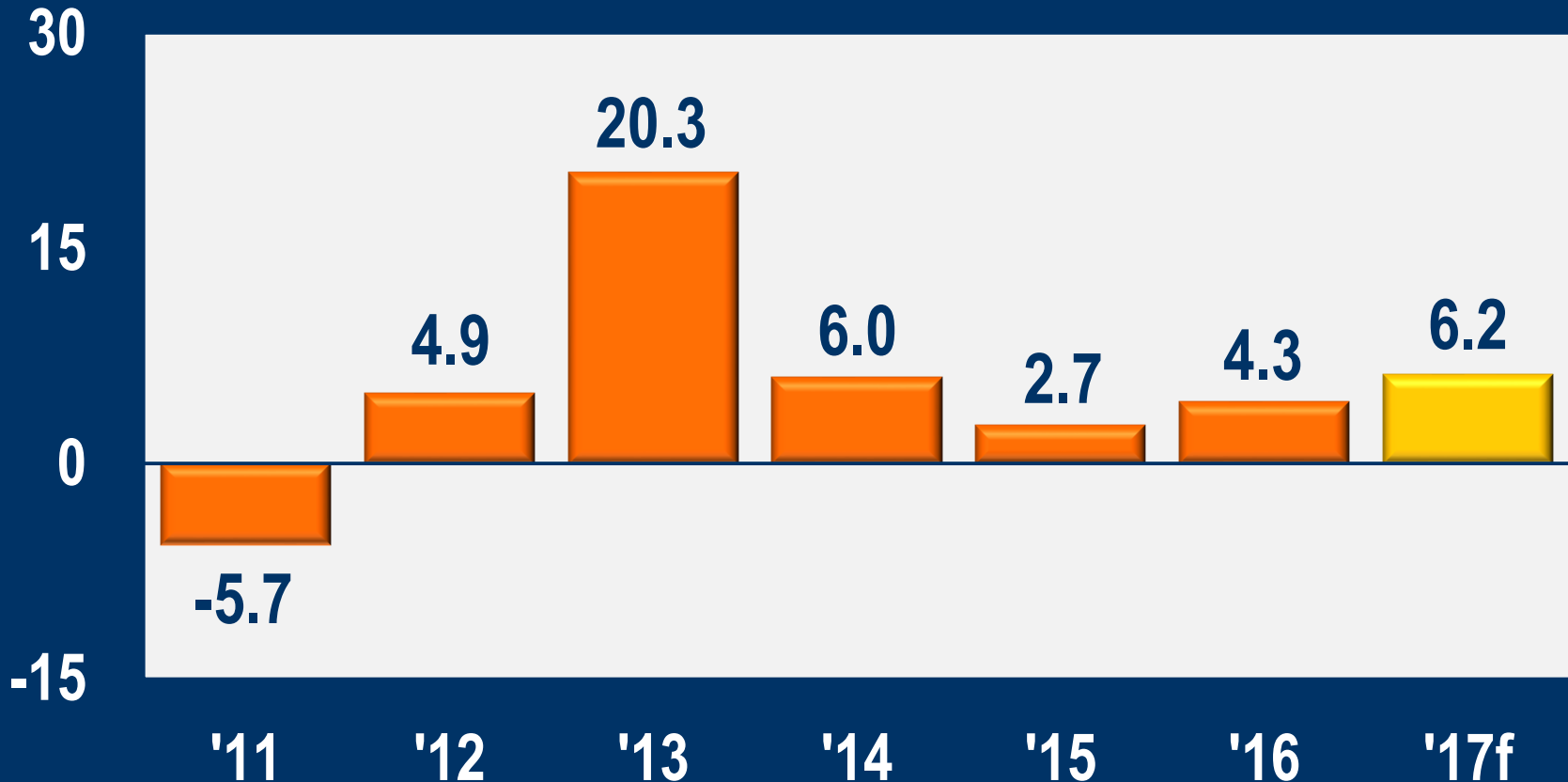


Factors Affecting Home Prices

	Very Unfavorable	Unfavorable	Neutral	Favorable	Very Favorable
DEMAND:					
Jobs/ Unemployment				✓	
Housing Affordability		✓			
SUPPLY:					
Permits				✓	
Unsold inventory					✓

Resale Single-Family Housing Prices Orange County

Annual % Change



Median Single-Family Home Prices Orange County

Thousands of \$



Factors Affecting Consumer Spending

- Mild wage growth
 - Moderate level of employment growth
 - Higher home prices
 - Higher equity market
- } Positive wealth effect

Factors Affecting Consumer Spending

- Mild wage growth
 - Moderate level of employment
 - Higher home prices
 - Higher equity market
 - Lower debt service
- } Positive wealth effect

Household Debt Service Payments As a Percentage of Disposable Income

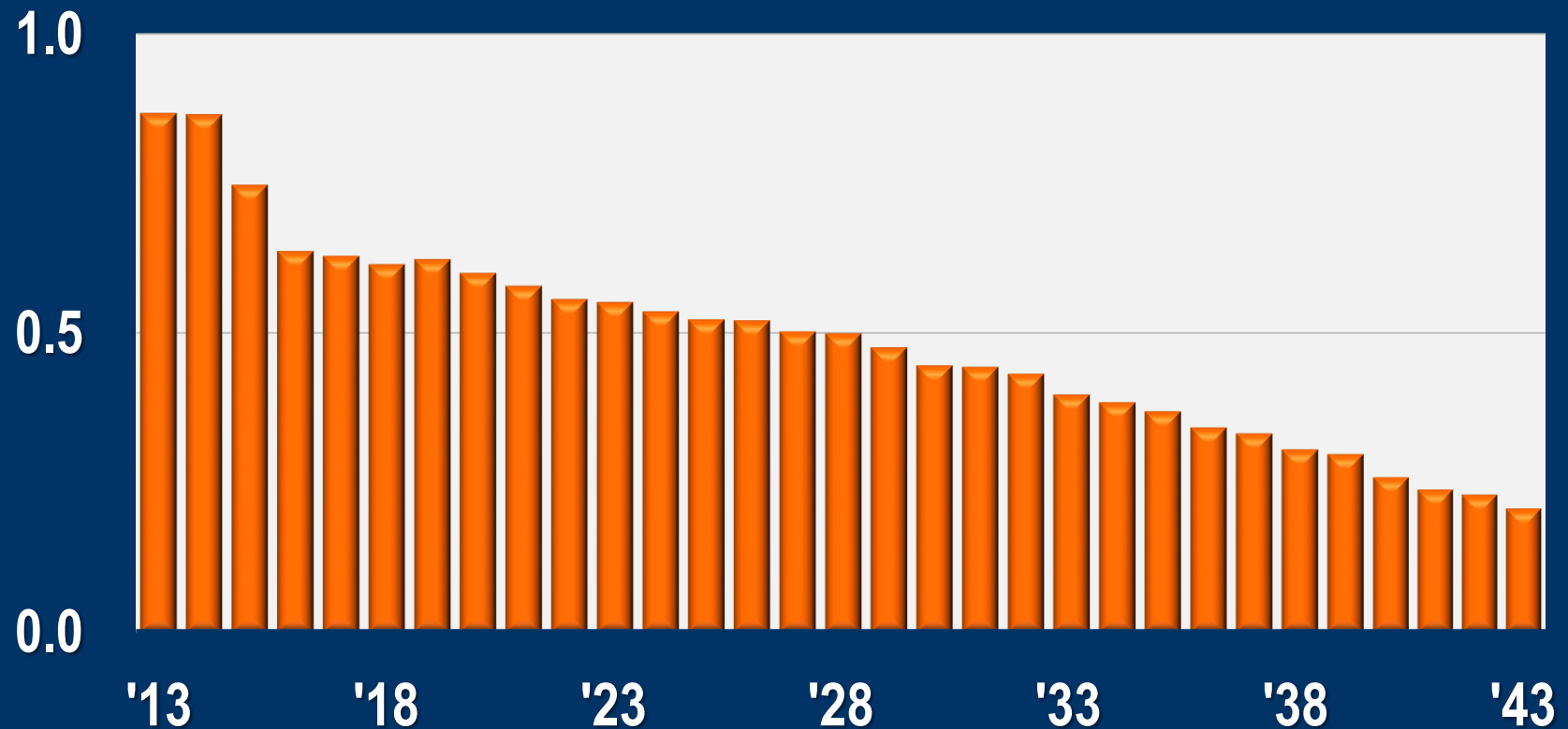


Factors Affecting Consumer Spending

- Mild wage growth
- Moderate level of employment
- Higher home prices
- Higher equity market } Positive wealth effect
- Lower debt service
- Stable gasoline prices

Total Population Orange County

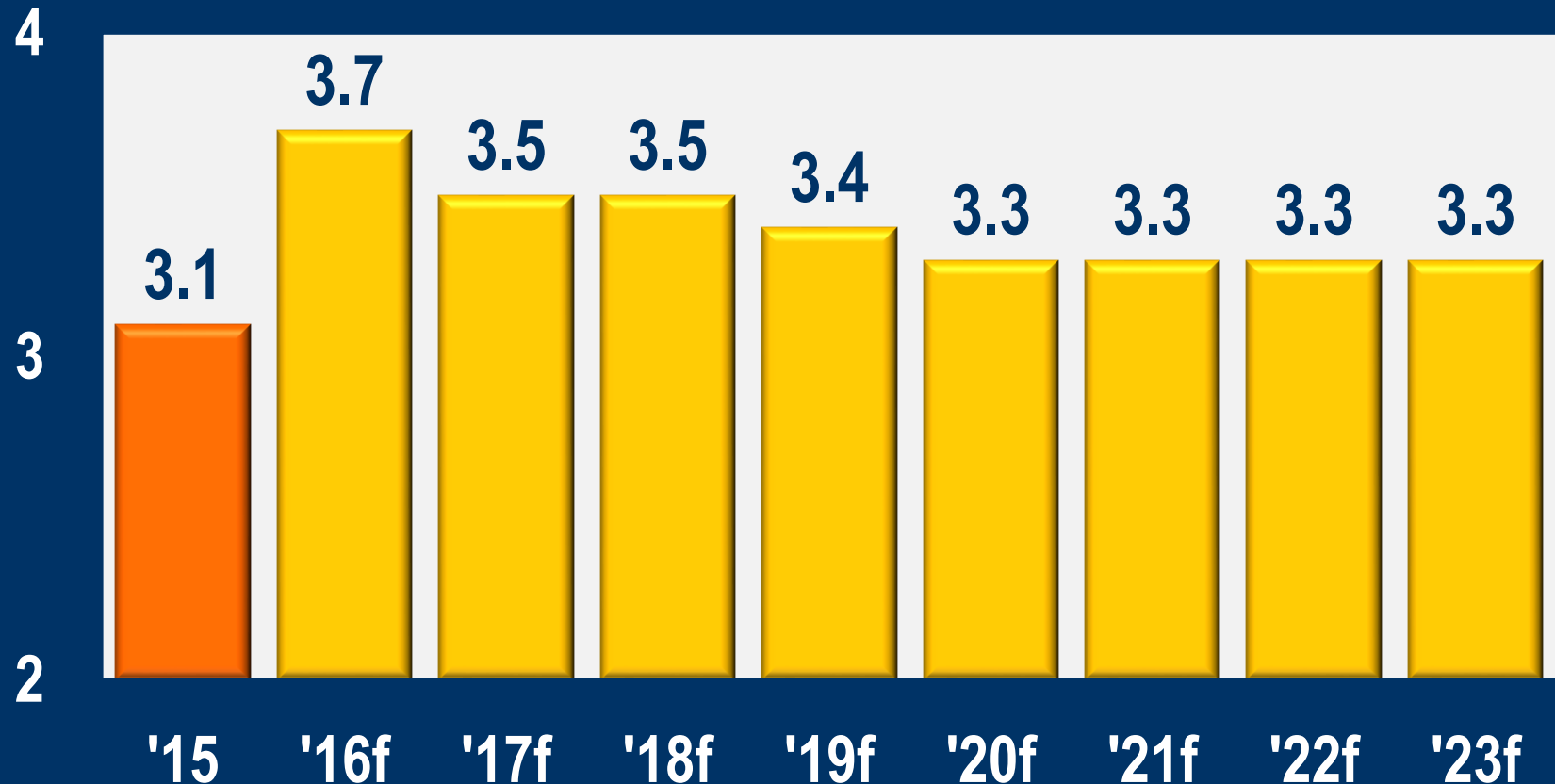
Yr/Yr % Change



Source: California Department of Finance

Taxable Sales Orange County

Annual % Change



BOTTOM LINE...

- **Mild job growth**
- **Mild gain in real income**
- **Mild improvement in consumer spending**
- **Faster home price appreciation in 2017**
- **Low growth in the construction sector**

The Chapman University Economic Forecast



**A. GARY ANDERSON CENTER FOR ECONOMIC RESEARCH
ARGYROS SCHOOL OF BUSINESS AND ECONOMICS**



Committee Members Present

Steve Jones, Vice Chairman
Michael Hennessey
Richard Murphy
Miguel Pulido
Michelle Steel

Staff Present

Darrell Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Gina Claridge, Deputy Clerk of the Board
James Donich, General Counsel
OCTA Staff and Members of the General Public

Committee Members Absent

Andrew Do, Chairman
Todd Spitzer

Call to Order

The June 21, 2017 Special meeting of the Finance and Administration Committee was called to order by Committee Vice Chairman Jones at 9:09 a.m.

Pledge of Allegiance

Director R. Murphy led in the Pledge of Allegiance.

1. Public Comments

There were no public comments received.

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Item 2)

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

2. Line of Credit Financing Documents

A motion was made by Director R. Murphy, seconded by Director Pulido, and declared passed by those present, to:

- A. Approve the substantially final form of the 2019 and 2021 Credit and Fee Agreements between the Orange County Local Transportation Authority, Orange County Transportation Authority and Bank of America, N.A., for a total amount of \$900 million, and authorize the Chief Executive Officer to negotiate and execute final 2019 and the 2021 Credit and Fee Agreements.



2. (Continued)

- B. Authorize the Chairman, Vice-Chair, Chief Executive Officer, Executive Director of Finance and Administration, and the Treasurer to sign on behalf of the Orange County Local Transportation Authority all documents related to the line of credit, including the credit agreement, fee agreement, bank note, supplemental indenture, and any certificates, notices, receipts, or agreements in connection with the foregoing.

Regular Calendar

3. Transportation Infrastructure Finance and Innovation Act Loan Approval for the Interstate 405 Improvement Project

Andrew Oftelie, Executive Director of Finance and Administration, and Kirk Avila, Treasurer and General Manager of the 91 Express Lanes, provided a PowerPoint presentation for this item as follows:

- Background;
- Sources of Funds for Project Costs;
- Financing Milestones;
- Key Provisions of Transportation Infrastructure Finance and Innovation Act Loan (TIFIA) Agreement;
- Recommendations; and
- Next Steps.

A discussion ensued regarding:

- Completion bond opportunities;
- Maintenance and debt service;
- Distribution lockup fund;
- Assembly Bill 194;
- Excess toll revenues;
- Final ratings; and
- The savings of the \$300 million in interest rates is a significant amount for the entire freeway system.



3. (Continued)

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

- A. Approve the substantially final form of the Transportation Infrastructure Finance and Innovation Act Loan Agreement between the Orange County Transportation Authority and the United States Department of Transportation in the amount of approximately \$627 million, the substantially final form of the Master Trust Indenture and Supplemental Indenture by and between Orange County Transportation Authority and the Trustee, and authorize the Chief Executive Officer to negotiate and execute a final Transportation Infrastructure Finance and Innovation Act Loan Agreement, Master Indenture, and Supplemental Indenture.
- B. Authorize the Chairman, Vice-Chair, Chief Executive Officer, Executive Director of Finance and Administration, and the Treasurer to sign all documents related to the Transportation Infrastructure Finance and Innovation Act loan, including the Transportation Infrastructure Finance and Innovation Act Loan Agreement and Bond, the Master Indenture, Supplemental Indenture, and any certificates, notices, receipts, or agreements in connection with the foregoing.

Discussion Items

4. Chief Executive Officer's Report

Darrell Johnson, Chief Executive Officer, reported on the following:

- On June 20th OCTA hosted an event at O'Neill Regional Park in Trabuco Canyon to celebrate the finalization of the Conservation Plan that protects more than 1,300 acres of open space. Staff was joined by Vice Chair Bartlett and Director Donchak along with local leaders from the environmental community and officials from the federal and state wildlife agencies.

5. Committee Members' Reports

There were no Committee Member's reports.

6. Closed Session

There were no Closed Session items scheduled.



7. Adjournment

The meeting adjourned at 9:36 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 28, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

Steve Jones
Committee Vice Chairman

Gina Claridge
Deputy Clerk of the Board



Committee Members Present

Andrew Do, Chairman
Steve Jones, Vice Chairman
Michael Hennessey
Richard Murphy
Todd Spitzer
Michelle Steel

Staff Present

Darrell Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Gina Claridge, Deputy Clerk of the Board
James Donich, General Counsel
OCTA Staff and Members of the General Public

Committee Members Absent

Miguel Pulido

Call to Order

The June 28, 2017 meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:33 a.m.

Pledge of Allegiance

Director Steel led in the Pledge of Allegiance.

1. Public Comments

There were no public comments received.

Special Calendar

2. Taxable Sales Forecast -University of California, Los Angeles Anderson Forecast - William Yu, PhD, Economist, and Jerry Nickelsburg, PhD, Senior Economist

Andrew Oftelie, Executive Director of Finance and Administration, provided opening comments and Dr. William Yu from the University of California, Los Angeles Anderson School of Management.

Dr. Yu provided a PowerPoint presentation as follows:

- Status of the United States (U.S.) Economy,
- Gross Domestic Product (GDP) Trend Growth After the Great Recession,
- Ten-year Moving-Average GDP Growth,
- Combined Corporate Income Tax Rates in Organisation for Economic Co-operation and Development (OECD) Countries,
- Corporate Income Tax Rates in the United States and other OECD countries from 1981 to 2016,
- Current economic expansion is the third longest in the postwar period,
- Headline Inflation and Core Inflation Are Both Around 2 Percent,

2. (Continued)

- Inverted Yield Curve for Next Recession,
- Interest Rates Forecast,
- California Growth After Great Recession,
- Orange County and California Economic Growth,
- Payroll One Year Growth,
- California Forecast, and
- Orange County Taxable Sales Growth.

A lengthy discussion ensued regarding jobs relocating overseas, core inflation, interest rates, the increase/decrease in job sectors, and design transportation corridors to affordable housing.

Dr. Yu summarized productivity growth and the short-term and long-term forecasts.

Consent Calendar (Items 3 through 10)

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

3. Approval of Minutes

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to approve the minutes of the May 24, 2017 Finance and Administration Committee meeting.

4. Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file the Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509.

5. Local Agency Investment Fund - May 2017

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



6. Orange County Treasurer's Management Report - May 2017

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

7. Orange County Transportation Authority Investment and Debt Programs - May 2017

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

8. Fiscal Year 2016-17 Third Quarter Budget Status Report

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

9. Fiscal Year 2016-17 Third Quarter Grant Reimbursement Status Report

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

10. Environmental Mitigation Program Endowment Fund Investment Report

This item was pulled by Director Hennessey who inquired on the annual target return of funds amount.

Rodney Johnson, Deputy Treasurer of Treasury and Toll Roads, responded that the return of funds is a custom benchmark comprised from the asset allocation strategy over a period of ten years.

Darrell Johnson, Chief Executive Officer (CEO), stated that the benchmark is to measure relative performance and is not a target itself.

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

Regular Calendar

There were no Regular Calendar items scheduled.



Discussion Items

11. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- On June 29th, the Orange County Transportation Authority (OCTA) is hosting an open house for the Interstate 605/Katella Interchange Project at the Los Alamitos Community Center at 6:00 p.m. Staff will be on hand to provide information about the project.
- Angels Express will be back in service the rest of the week as the Angels host the Dodgers. During the months of July and August, kids 18 and under ride free on the Angels Express to all weekday home games starting at 7:07 p.m.

12. Committee Members' Reports

Director Spitzer inquired on OCTA's sexual harassment policy and how often training for executives and employees is provided.

Maggie McJilton, Executive Director of Human Resources and Organizational Development, responded that all managers are trained bi-annually and all regular employees every third year.

Director Spitzer inquired on who monitors the "Fraud Hotline" when complaints are received.

James Donich, General Counsel, stated any complaints are investigated by Internal Audit, and the current process is fully compliant with all laws.

13. Closed Session

There were no Closed Session items scheduled.



14. Adjournment

The meeting adjourned at 11:25 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, July 12, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

Andrew Do
Committee Chairman

Gina Claridge
Deputy Clerk of the Board



July 12, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Department of Homeland Security, Federal Emergency Management Agency, Region IX Grants Management Division, Financial Monitoring Review of 2014 and 2015 Transit Security Grant Program Funding

Overview

Region IX of the Grants Management Division of the Department of Homeland Security's Federal Emergency Management Agency has completed a financial monitoring review of Transit Security Grant Program funds awarded to the Orange County Transportation Authority in 2014 and 2015. No areas of non-compliance were noted as a result of this review.

Recommendation

Receive and file financial monitoring review letter from Region IX of the Grants Management Division of the Department of Homeland Security's Federal Emergency Management Agency, dated June 27, 2017, as an information item.

Background

The Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA), Region IX Grants Management Division conducted an on-site financial monitoring review (review) covering Transit Security Grant Program (TSGP) funding awarded to the Orange County Transportation Authority (OCTA) for fiscal years 2014 and 2015. Funding for these two fiscal years totaled \$1,115,500. The review was conducted and final results were provided in June 2017.

Discussion

The review found that financial and administrative operations at OCTA were adequate to ensure that DHS funds were properly accounted for and expenditures were in compliance with federal financial regulations and applicable funding parameters.

The results letter (Attachment A) noted that OCTA staff is to be commended and reiterated that no areas were found to be out of compliance with federal financial regulations. The reviewer offered only one recommendation for further improvement to OCTA's policies and procedures.

Summary

FEMA has conducted a financial monitoring review of TSGP funds awarded to OCTA and identified no areas of non-compliance.

Attachment

- A. Letter to Darrell Johnson from Karen E. Armes, Director, Grants Management Division, FEMA Region IX, dated June 27, 2017

Prepared by:



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

U.S. Department of Homeland Security
Region IX
1111 Broadway, Suite 1200
Oakland, CA 94607-4052

**FEMA**

JUN 27 2017

Darrell Johnson
Chief Executive Officer
Orange County Transportation Authority
550 S. Main Street
Orange, California 92863-1584

Dear Mr. Johnson:

The purpose of this letter is to report the results of the on-site financial monitoring review conducted June 19 - 21, 2017, by U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA), Region IX Grants Management Division (GMD). The review was conducted in accordance with the Code of Federal Regulations, OMB Circulars, and program guidance for the following Orange County Transportation Authority awards:

Award Number	Program Name	Award Amount
EMW-2014-RA-00010	Transit Security Grant Program	\$600,000
EMW-2015-RA-00012	Transit Security Grant Program	\$515,500

During the review, the monitor assessed whether the financial and administrative operations of Orange County Transportation Authority (OCTA) properly accounted for the receipt and expenditure of DHS funds; whether expenditures were in compliance with federal financial regulations; and if expenditures were in compliance with the applicable funding parameters for the grant awards reviewed. A review was conducted of the accounting of grant funds, documented policies, procedures, disbursement records, and expenditures charged.

A copy of the completed Financial Monitoring Protocol used to monitor these grants is included with this letter.

Areas Requiring Corrective Action:

You and your staff are to be commended as no areas were determined to be out of compliance with federal financial regulations.

Observation:

OCTA Contracts Administration and Materials Management (CAMM) Policies and Procedures include multiple references to meeting the requirements of U.S. Department of Transportation's Federal Transit Administration (FTA). OCTA may want to consider broadening the references to include "and other federal agencies, as applicable" during the next revision of the CAMM Policies and Procedures.

FEMA Region IX, Grants Management Division, looks forward to continuing to work with you and your staff. If you have any questions or need additional information, you may contact me directly at (510) 627-7132 or via e-mail at karen.armes@fema.dhs.gov or have your staff contact Michelle Weaver, Grant Services Branch Chief, at michelle.weaver@fema.dhs.gov or 510-627-7021. Region IX looks forward to working with you and your team.

Sincerely,



Karen E. Armes, Director
Grants Management Division
FEMA Region IX

Enclosures (2)

cc: Janet Sutter, Executive Director, Internal Audit, OCTA
HQ/RCO
Ahsha Tribble, Ph.D., Acting FEMA IX Regional Administrator
Steve Billings, Program Analyst, GPD
Official Grant File



July 12, 2017

To: Finance and Administration Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Fourth Quarter Fiscal Year 2016-17 Procurement Status Report

Overview

The fourth quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activities from April 1 through June 30, 2017 that were approved by the Board of Directors during this period. The fourth quarter procurement status report also projects future procurement activity for the first quarter as identified in the fiscal year 2017-18 budget.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) 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 fourth 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 fourth quarter of FY 2016-17, the Contracts Administration and Materials Management Department handled 508 different contractual documents. Of the total, 361 procurements, valued at \$58,492,363 were completed; the remaining procurements will be executed during the first quarter of FY 2017-18.

In the fourth quarter, the Board took action on 29 procurements. The procurements were split between 12 new agreements valued at \$12,165,282, two amendments valued at \$6,866,639, two cooperative agreements valued at \$9,205,060, three amendments to cooperative agreements valued at \$8,332,324, one purchase order valued at \$3,091,616, one sole source contract valued at \$250,000, and eight option terms amendments valued at \$96,366,672. 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 fourth quarter will be completed in the first quarter of FY 2017-18. Attachment A shows a list of Board-approved procurements during the fourth quarter.

Looking forward to the first quarter of FY 2017-18 (July through September, 2017), the Board committees will be asked to take action on several items such as:

- Consultant selection for the plans, specifications and estimates for the Anaheim Canyon Metrolink Station Improvement Project;
- Consultant selection for janitorial services at OCTA-owned facilities;
- Cooperative Agreement with the California Department of Transportation for the Interstate 5 High-occupancy Vehicle Improvement Project from State Route 55 to State Route 57; and
- Consultant selection for the preparation of plans, specifications and estimates for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.

The estimated value of these upcoming procurements is \$39,276,852. Attachments B through D identify procurement activity anticipated in the first quarter of FY 2017-18 by the committee that will review the items.

Summary

This report provides an update of the procurement activity for the fourth quarter of FY 2016-17, April through June 2017, as well as a look-ahead at anticipated procurement activity for the first quarter of FY 2017-18. Staff recommends that this report be received and filed as an information item.

Attachments

- A. Board-Approved Contracts – Fourth Quarter FY 2016-2017
- B. Regional Planning and Highways Committee – First Quarter Outlook
(July 1, 2017 – September 30, 2017)
- C. Transit Committee – First Quarter Outlook
(July 1, 2017 – September 30, 2017)
- D. Finance and Administration Committee - First Quarter Outlook
(July 1, 2017 – September 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

AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
W.G. Zimmerman Engineering	6-1493	Regional Modeling-Traffic Operations Support Staffing	5/1/2017	4/30/2019	\$400,000
Katz & Associates	6-1526	Public Awareness Campaign Services for the OC Streetcar Project	6/2/2017	5/31/2021	\$1,151,712
Creative Home dba CHI Construction	7-1553	Bus Parking Wheel Stops and Fence Repair at the Anaheim Bus Base	6/12/2017	9/30/2017	67,425
Clean Energy	7-1529	Hydrogen Gas Detection Upgrades and Ventilation System Modification at the Santa Ana Bus Base	6/21/2017	10/31/2017	80,405
BCA Watson Rice LLP	7-1569	On-Call General Auditing Services	7/1/2017	6/30/2020	Aggregate 450,000
Conrad LLP	7-1703	On-Call General Auditing Services	7/1/2017	6/30/2020	Aggregate 450,000
KNL Support Services	7-1704	On-Call General Auditing Services	7/1/2017	6/30/2020	Aggregate 450,000
Vavrinek, Trine, Day & Company LLP	7-1705	On-Call General Auditing Services	7/1/2017	6/30/2020	Aggregate 450,000
Marsh USA, Inc.	7-1585	Insurance Brokerage Services	7/1/2017	6/30/2022	520,000
Becnel Uniforms	6-1442	Coach Operators, Training Instructors and Field Supervisor Uniforms	6/14/2017	6/30/2020	821,852
Fehr & Peers	7-1523	Systemic Safety Analysis Report	8/21/2017	8/30/2019	350,000
Enterprise Rent-A-Car Company of Los Angeles LLC, dba Enterprise Rideshare	7-1546	Subsidized Commuter Vanpool Services and Measure M Project V Community Based Transit Circulators Program Services	7/1/2017	6/30/2020	8,323,888
TOTAL NUMBER OF CONTRACTS					12
TOTAL DOLLAR VALUE					\$12,165,282

AMENDMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
HNTB Corporation	5-3337	Amendment No. 4 Additional Design Services for the OC Streetcar Project	6/28/2017	12/31/2019	\$866,639
Parsons Transportation Group, Inc.	2-1513	Amendment No. 10 Additional Program Management Consultant Services for the I 405 Improvement Project from SR 73 to I 605	7/15/2017	7/31/2023	\$6,000,000
TOTAL NUMBER OF AMENDMENTS					2
TOTAL DOLLAR VALUE					\$6,866,639

COOPERATIVE AGREEMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Anaheim Transportation Network	7-1760	Establish Roles and Responsibilities for the Distribution of Federal Grant Funds	7/1/2017	6/30/2022	\$4,205,060
California Department of Transportation	7-1753	Oversight for Plans, Specifications and Estimates and to Advertise and Award the Construction Contract for the SR 55 Improvement Project between I 405 and I 5	7/20/2017	6/30/2021	5,000,000
TOTAL NUMBER OF COOPERATIVE AGREEMENTS					2
TOTAL DOLLAR VALUE					\$9,205,060

Board Approved Contracts - Fourth Quarter FY 2016-2017

COOPERATIVE AMENDMENTS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Orange County Sheriff's Department	5-3442	Amendment No. 4 Transit Police Services	7/1/2017	6/30/2020	\$7,538,093
County of Orange	4-1256	Amendment No. 1 Operation, Maintenance, Equipment Replacement and Financial Management of the Countywide Coordinated Communication System	7/1/2017	6/30/2019	\$674,231
Orange County Flood Control District	9-0570	Amendment No. 5 Provide Additional Project Support Services for the Railroad Grade Separation Projects Located at Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue	7/15/2017	8/31/2018	\$120,000
TOTAL NUMBER OF COOPERATIVE AMENDMENTS					3
TOTAL DOLLAR VALUE					\$8,332,324

PURCHASE ORDERS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Complete Coach Works	7-1507	Engine Installation Kits	4/27/2017	5/27/2018	\$3,091,616
TOTAL NUMBER OF PURCHASE ORDERS					1
TOTAL DOLLAR VALUE					\$3,091,616

SOLE SOURCE

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Los Alamitos Technical Associates, Inc.	7-1557	Develop and Implement Improvements to the LATATrax Software	6/22/2017	6/30/2022	\$250,000
TOTAL NUMBER OF SOLE SOURCE					1
TOTAL DOLLAR VALUE					\$250,000

OPTION YEARS

Prime Vendor	Contract #	Contract Description	Eff Date	Exp Date	Amount
Regional Center of Orange County	3-1625	Amendment No. 3 Exercise Second Option Term Reimbursement for Paratransit Services Provided to Regional Center of Orange County Consumers	7/1/2017	6/30/2018	Revenue \$2,888,980
Acacia Adult Day Services	3-1619	Amendment No. 5 Exercise First Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	535,500
Alzheimer's Orange County	6-1056	Amendment No. 1 Exercise Second Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	170,170
Alzheimer's Family Services Center	3-1620	Amendment No. 5 Exercise Second Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	813,925
Community SeniorServ	3-1622	Amendment No. 4 Exercise Second Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	605,793
Orange County Adult Achievement Center	3-1623	Amendment No. 5 Exercise Second Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	1,919,301

Board Approved Contracts - Fourth Quarter FY 2016-2017

Sultan Adult Day Health Care	3-1624	Amendment No. 4 Exercise Second Option Term to Share in the Cost of Providing Transportation Services	7/1/2017	6/30/2018	1,339,875
MV Transportation, Inc.	2-1865	Amendment No. 5 Exercise First Two-Year Option Term for the Management and Operation of ACCESS Service	7/1/2017	6/30/2019	90,982,108
TOTAL NUMBER OF AMENDMENTS					8
TOTAL DOLLAR VALUE					\$96,366,672

REGIONAL PLANNING and HIGHWAYS COMMITTEE - First Quarter Outlook (July 1, 2017 - September 30, 2017)

<u>Committee Date</u>	<u>Item Description</u>	<u>Estimated Value</u>	<u>Division</u>
July 6, 2017	Cooperative Agreement with the California Department of Transportation for the Interstate 5 High-Occupancy Vehicle Improvement Project from State Route 55 to State Route 57	\$1,900,000	Capital Programs
August 7, 2017	Amendment to the Cooperative Agreement with the City of Anaheim for the OC Bridges Railroad Separation Project	\$120,000	Capital Programs
	Amendment to the Cooperative Agreement with the City of Placentia for the OC Bridges Railroad Separation Project	\$161,824	Capital Programs
	Exercise second option term for On-Call Traffic Engineering Support	\$8,593,873	Planning
September 7, 2017	Consultant selection for the preparation of plans, specifications, and estimates for the State Route 55 Improvement Project between Interstate 405 and Interstate 5	\$11,735,925	Capital Programs

TRANSIT COMMITTEE -First Quarter Outlook (July 1, 2017 - September 30, 2017)

<u>Committee Date</u>	<u>Item Description</u>	<u>Estimated Value</u>	<u>Division</u>
July 13, 2017	Consultant selection for strategic consultation on federal transportation program development, regulatory, and funding processes	\$318,000	External Affairs
August 10, 2017	Amendment to Agreement with Enterprise Fleet Management for the purchase of leased coach operator vehicles	\$207,780	Transit
	Amendment to Agreement with Complete Coach Works for bus repairs and painting	\$260,000	Transit
	Agreement for pavement striping and markings at the Garden Grove Bus Base	\$100,000	Capitol Programs
	Consultant selection to prepare the plans, specifications, and estimates for Anaheim Canyon Metrolink Station Improvement Project	\$1,420,450	Capitol Programs
September 14, 2017	Consultant selection for janitorial services for facilities owned by the Orange County Transportation Authority	\$3,384,000	Transit

FINANCE AND ADMINISTRATION COMMITTEE - First Quarter Outlook (July 1, 2017 - September 30, 2017)

<u>Committee Date</u>	<u>Item Description</u>	<u>Estimated Value</u>	<u>Division</u>
July 12, 2017	No procurement actions on this agenda		
July 26, 2017	No procurement actions on this agenda		
August 23, 2017	Agreements for health insurance services	\$11,000,000	Human Resources and Organizational Development
September 13, 2017	Amendment to Agreement with ICIMS for new employee on-boarding software	\$75,000	Human Resources and Organizational Development
September 27, 2017	No procurement actions on this agenda		

91 Express Lanes Intermediate Access Study

Study Overview & Agenda

- Potential intermediate access point locations
- Multiple alternatives considered
- Two most promising
 - Direct access ramps at Fairmont Blvd.
 - At-grade access at Fairmont Blvd.
- Engineering impacts
 - Right-of-way
 - Feasibility
- Traffic operation impacts
 - 91 Express Lanes
 - General purpose lanes
- Conceptual financial analysis



Example of a Direct
Access Ramp:
I-90, Bellevue, WA



Example of an At-Grade
Access:
I-495, Fairfax County, VA

Background

- Study the feasibility of an intermediate access point to the 91 Express Lanes for both eastbound and westbound directions.
- Up to 330,000 daily vehicles travel SR-91 in Orange County
 - General purpose lanes: ~290,000
 - 91 Express Lanes: ~40,000
- Fifth general purpose lane added in 2012 (SR-55 to SR-241)
- More projects planned along SR-91 based on the current SR-91 Implementation Plan
 - Includes a diamond interchange at Fairmont Blvd.



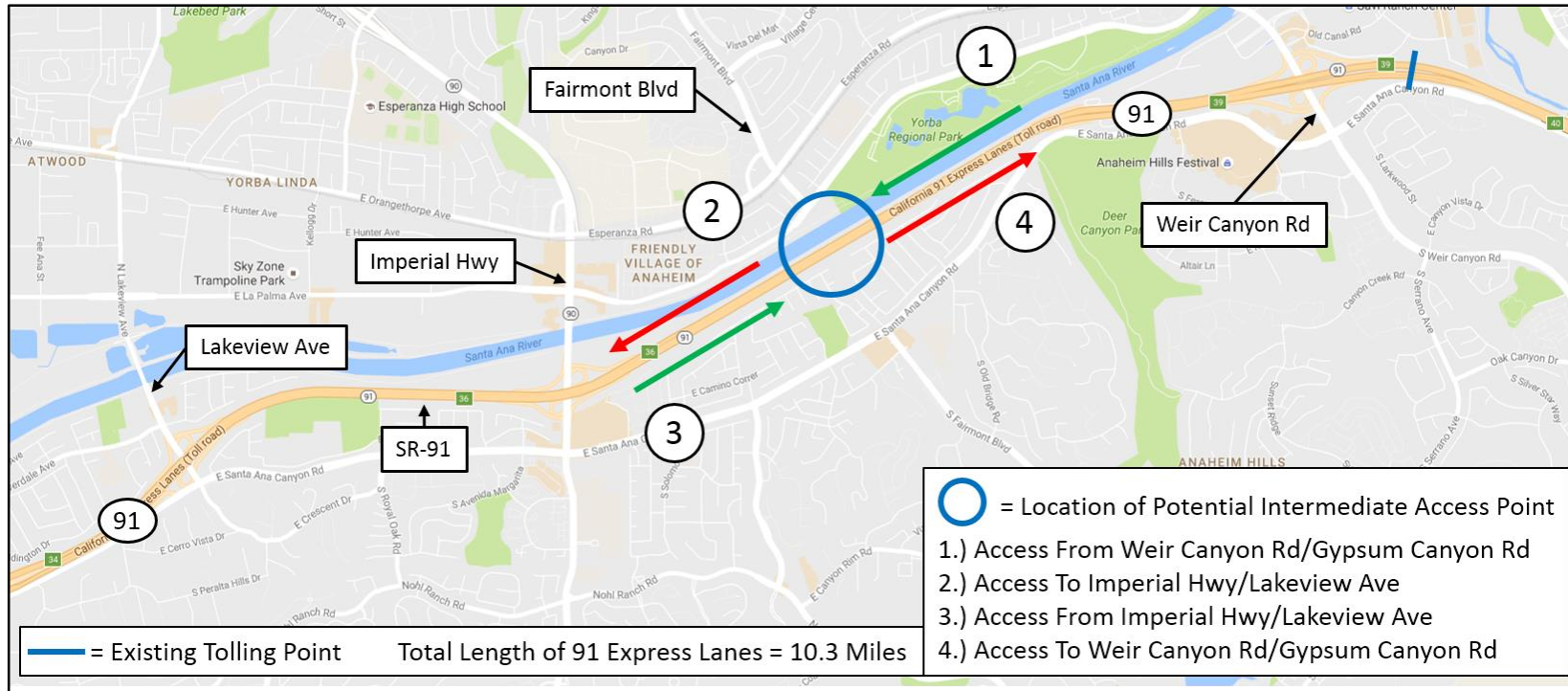
Westbound SR-91

Existing WB 91 Express Lanes Toll Gantry



Potential Intermediate Access Location

Fairmont Boulevard between Imperial Highway and Weir Canyon Road is the most reasonable location for an intermediate access point.



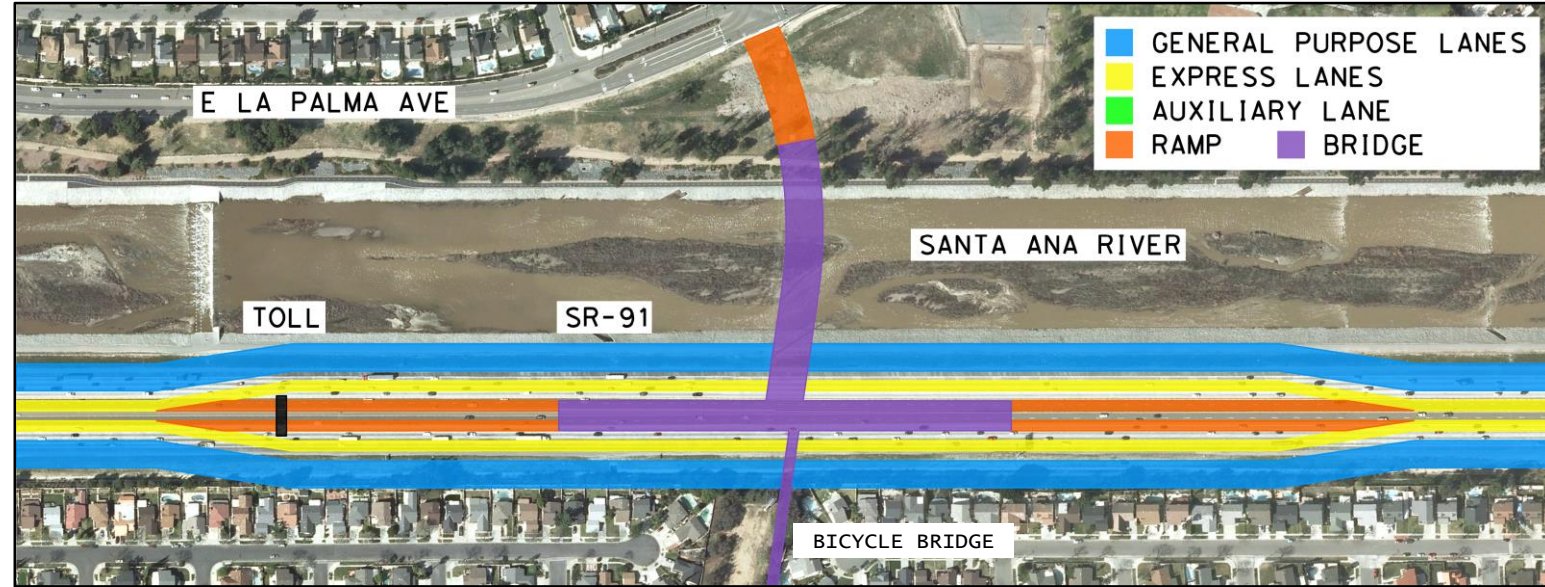
Alternative 1 – Fairmont DAR to 91 Express Lanes

Opportunities

- New direct 91 Express Lanes access to/from northerly Fairmont Blvd.
- New connector does not create SR-91 general purpose lane weaving conditions
- Fairmont Blvd. extension right-of-way available

Issues

- Construction cost: \$95 Million (2015)
- Requires structure over Santa Ana River
- 91 Express Lanes require widening for orderly operations
- New ramps require widening that may impact SR-91 outside shoulders and 91 Express Lanes enforcement area
- Retaining walls avoid residential takes along northbound SR-91
- Toll policy will require modification to provide segment based tolling



Alternative 2 – At-Grade Access to 91 Express Lanes

Opportunities

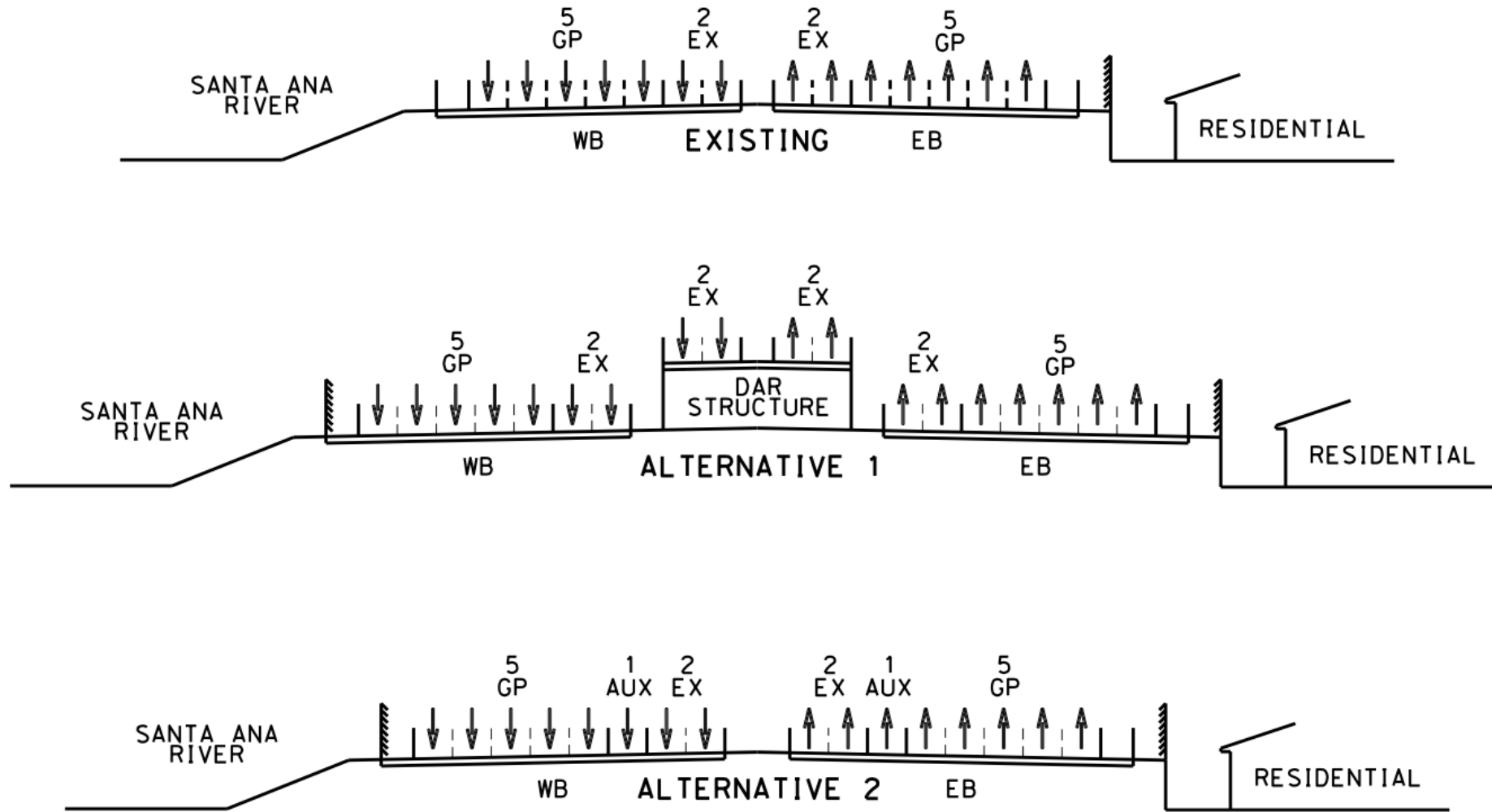
- New access to 91 Express Lanes from SR-91 general purpose lanes
- Minor right-of-way impact
- Similar access method to other regional managed lane facilities
- Lower initial construction costs

Issues

- Construction Cost: \$47 Million (2015)
- New tolling point east of Imperial Highway
- Toll policy will require modification for segment pricing
- Potential to create weaving conditions between 91 Express Lanes and SR-91 general purpose lanes
- 91 Express Lanes require widening for orderly operations and additional widening for new tolling gantries



Alternative Sections



Traffic Operations Impacts: Methodology

- 91 Express Lanes and general purpose lanes operations were modeled
 - Westbound AM peak
 - Eastbound PM peak
- Standard modeling tools
 - Orange County Transportation Analysis Model (OCTAM) travel demand model
 - VISSIM microsimulation: measures of effectiveness including speeds and throughput volume
- Intermediate access point is priced according to 91 Express Lanes rates
 - Westbound ingress/eastbound egress would only pay $\frac{1}{2}$ the 91 Express Lanes rates
 - Westbound egress/eastbound ingress would pay the full 91 Express Lanes rates
- Each alternative studied for 2040 conditions
 - Compared against 2040 No-build conditions without a Fairmont Blvd. access to 91 Express Lanes
 - AM Peak: 5:00 – 9:00AM
 - PM Peak: 3:00 – 7:00PM

Traffic Operations Impacts: Overall Findings

- 91 Express Lanes will operate near OCTA's operational capacity in the No-Build condition during peak hours.
- Capacity will be limited for new traffic to enter/exit the 91 Express Lanes at new access point.
- The number of vehicles using an intermediate 91 Express Lanes access point will be less than 150 vehicles/hour per ingress/egress movement in either direction.
- No substantial difference between the No-Build and Build conditions.
- Alternative 1 will cause a small amount of traffic to shift from Imperial Hwy/Weir Canyon Rd interchanges to Fairmont DAR.







Traffic Operations Impacts: Overall Findings

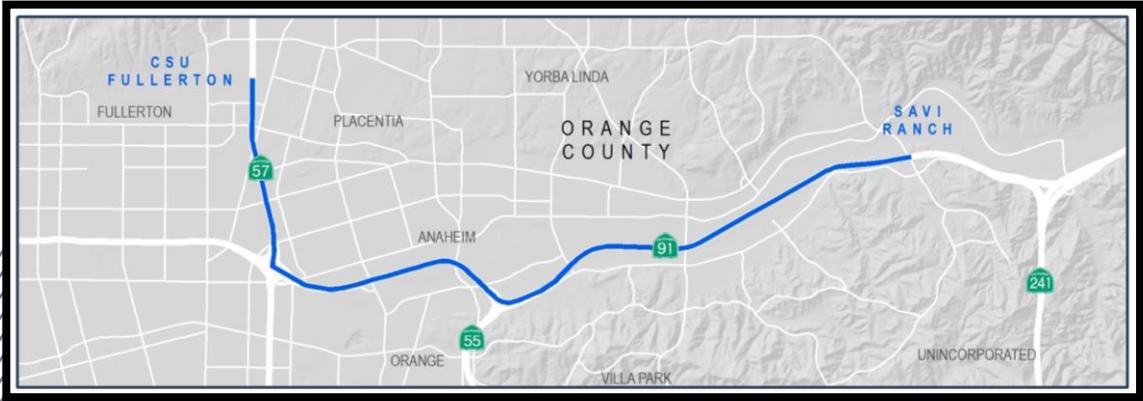
Operational Comparisons (2040 Conditions)

Operational Metric	No-Build	Build Alternative 1	Build Alternative 2
<i>AM Peak Period (5 - 9 AM)</i>			
Average Speed (mph) - WB Express Lanes	66.6	67.0 0.6%	65.8 -1.2%
Average Speed (mph) - WB GP Lanes	27	27 0.0%	27 0.0%
Percent demand served in study area	81.5%	81.8% 0.3%	82.0% 0.5%
<i>PM Peak Period (3 - 7 PM)</i>			
Average Speed (mph) - EB Express Lanes	62.6	61.6 -1.6%	62.4 -0.3%
Average Speed (mph) - EB GP Lanes	48	51 6.3%	50 4.2%
Percent demand served in study area	94.0%	94.1% 0.1%	94.1% 0.1%

Traffic Operations Impacts: Overall Findings







2040 AM Peak Westbound travel time comparisons (Savi Ranch to CS Fullerton, 11 miles):

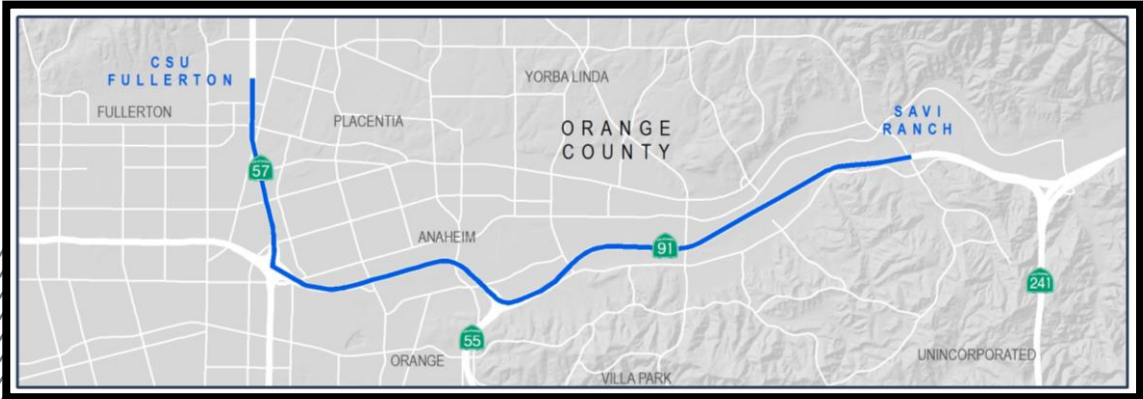
	No-Build	Alternative 1	Alternative 2
Existing Conditions	16 mins 	15 mins 	15 mins 
2040 Conditions	27 mins 	18 mins 	18 mins 



Traffic Operations Impacts: Overall Findings

2040 PM Peak Eastbound travel time comparisons (CS Fullerton to Savi Ranch, 11 miles):

	No-Build	Alternative 1	Alternative 2
Existing Conditions	26 mins 	22 mins 	26 mins 
2040 Conditions	46 mins 	37 mins 	44 mins 



Financial Results

- Modeled traffic volumes and estimated toll rates used to project net toll revenue.
- Estimated 40-year total additional revenue (YOE\$)
 - Alternative 1: \$600 million
 - Alternative 2: \$240 million
- Estimated payback period
 - Alternative 1: 20 years
 - Alternative 2: 26 years