



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones
Joe Muller
Michelle Steel

Orange County Transportation Authority
Headquarters
Conference Room 07
550 South Main Street
Orange, California

Wednesday, May 13, 2020 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.

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

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

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

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

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



AGENDA

Finance and Administration Committee Meeting

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

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to boardofdirectors@octa.net

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

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **30 minutes prior to the start time of the Board and Committee meeting date.**



Call to Order

Roll Call

Pledge of Allegiance

Committee Chairman Hennessey

1. Public Comments

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 2 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.

2. Approval of Minutes

Approval of the minutes of the Finance and Administration Committee meeting of April 22, 2020.

3. Fiscal Year 2019-20 Third Quarter Grant Reimbursement Status Report
Sam Kaur/Andrew Oftelie

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2019-20, covering January through March 2020.

Recommendation

Receive and file as an information item.



4. Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement

Kirk Avila/Darrell E. Johnson

Overview

The 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. An amendment is needed to account for the reimbursement of shared operating costs incurred by the Riverside County Transportation Commission for the period July 1, 2020 through June 30, 2021.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of \$1,130,500, for the reimbursement of shared operational expenses through June 30, 2021.

5. Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services

Sam Kaur/Andrew Oftelie

Overview

On June 11, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Laguna Beach for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the City of Laguna Beach with additional funds from the Coronavirus Aid, Relief, and Economic Security Act.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of \$599,381, for the pass through of Coronavirus Aid, Relief, and Economic Security Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,199,381.



6. Sole Source Agreement for Health Insurance Brokerage Services
Bea Maselli/Maggie McJilton

Overview

In order to continue participation in the California State Association of Counties Excess Insurance Authority's purchasing insurance pool for employee health and welfare insurance benefits, pool members are required to have Alliant Insurance Services, Inc. as their primary broker of record. A proposal was solicited and received from Alliant Insurance Services, Inc. as a sole source procurement for health insurance brokerage services. Board of Directors' approval is required for the firm to provide the services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$342,000, for a three-year initial term, effective June 1, 2020 through May 31, 2023, with one, two-year option term, to provide health insurance brokerage services.

Regular Calendar

There are no Regular Calendar items scheduled.

Discussion Items

7. Fiscal Year 2020-21 Budget Workshop Follow-up
Victor Velasquez/Andrew Oftelie

Budget staff is available for follow-up questions, issues, or concerns that may have arisen at and/or since the budget workshop conducted with the Board on May 11, 2020.

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, May 27, 2020**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Conference Room 07, Orange, California.



**Committee Members Present
Via Teleconference:**

Michael Hennessey, Chairman
Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones
Joe Muller
Michelle Steel

Staff Present

Darrell E. Johnson, Chief Executive Officer
Laurena Weinert, Clerk of the Board
Gina Ramirez, Deputy Clerk of the Board
James Donich, General Counsel (teleconference)
OCTA Staff and Members of the General Public

Committee Members Absent

None

Call to Order

The April 22, 2020, regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Hennessey at 10:31 a.m.

Roll Call

The Deputy Clerk of the Board conducted an attendance Roll Call and announced that there was a quorum of the Finance and Administration Committee.

Pledge of Allegiance

Director Hernandez led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

2. Metrolink Update: Performance Overview, COVID-19 Response, Budget Development

Committee Chairman Hennessey introduced Stephanie Wiggins, Chief Executive Officer of Metrolink.

Ms. Wiggins acknowledged Director Do as the Vice Chairman of the Metrolink Audit and Finance Committee and presented a PowerPoint presentation as follows:

- Service Performance – February 2020;
- Ridership Update – February 2020;
- Tier 4 locomotives in Revenue Service;



2. (Continued)

- February 2020 Highlights;
- Coronavirus 19 (COVID-19): Impact and Response;
- Orange County Line Ridership;
- Inland Empire/Orange County Ridership;
- 91-Perris Valley Line Ridership;
- COVID-19 Key Actions;
- Recovery Plan Framework;
- Fiscal Year 20 Cost Containment Strategies;
- Operating Surplus;
- Continuing Appropriations Request; and
- Next Steps.

A discussion ensued regarding pedestrian and trespasser strikes, the retiring of Tier 0 locomotives, safety and cleaning enhancements, and ridership impacts.

Consent Calendar (Items 3 through 8)

3. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to approve the minutes of the Finance and Administration Committee meeting of April 8, 2020.

4. Fiscal Year 2019-20 Internal Audit Plan, Third Quarter Update

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to receive and file the Orange County Transportation Authority Internal Audit Department Fiscal Year 2019-20 Internal Audit Plan, Third Quarter Update.



5. Approval of the Fiscal Year 2020-21 Local Transportation Fund Claim for Public Transportation and Community Transit Services

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to:

- A. Approve the Orange County Transit District Fiscal Year 2020-21 Local Transportation Fund Claim for public transportation services in the amount of \$165,118,625, and for community transit services in the amount of \$8,753,906, for a total claim amount of \$173,872,531.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

6. Approval of the Fiscal Year 2020-21 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to:

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2020-21 Local Transportation Fund Claim for public transportation services in the amount of \$1,205,587.
- B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

7. Third Quarter Fiscal Year 2019-20 Procurement Status Report

Darrell E. Johnson, Chief Executive Officer (CEO), provided opening comments and introduced Andrew Oftelie, Chief Financial Officer, who reported the corrections verbally and stated staff will update the item and inform the Board of Directors in a transmittal going forward to the April 27, 2020 Board of Directors Meeting.

Staff Report:

Page 2, Paragraph 1, Second sentence, beginning with...“five construction change orders valued at \$27,986,960...” the amount should read \$13,586,960.



7. (Continued)

Attachment A:

Page 2, under "CONTRACT CHANGE ORDERS, OC 405 Partners, Contract Change Order No. 61"... the amount \$16,000,000 should read \$1,600,000, which changes the "TOTAL DOLLAR VALUE" of the Contract Change Orders from \$27,986,960 to \$13,586,960.

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to receive and file as an information item.

8. Cooperative Agreement with the Riverside County Transportation Commission for the State Route 91 Corridor Operations Project

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 7-0, to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-0-2227, to define roles and responsibilities between the Orange County Transportation Authority and the Riverside County Transportation Commission, in the amount of \$15,000,000, for the construction of the State Route 91 Corridor Operations Project between the Green River on-ramp and southbound State Route 241 toll road.

Regular Calendar

9. Orange County Transportation Authority Investment and Debt Programs Report - March 2020

Sean Murdock, Director of Finance and Administration, provided an overview of the item as follows:

- The Overview of the Orange County Transportation Authority (OCTA) Investment dashboard;
- Downgrades due to Coronavirus;
- Portfolio Liquidity;
- Portfolio Diversification; and
- OCTA staff will continue to be vigilant in managing the portfolio and continue to work with our investment managers to protect OCTA's investments.

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



10. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2019

Janet Sutter, Executive Director of Internal Audit, introduced Jennifer Richards from Crowe, LLP, who would be available to answer any questions the Committee members may have regarding the item.

Ms. Sutter referenced Attachment A & C to the Staff Report findings. She also highlighted the results regarding the maintenance of effort.

A motion was made by Director Do, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to:

- A. Direct staff to monitor implementation of corrective actions proposed by the cities.
- B. Direct staff to review observations and develop recommendations, as appropriate, for Board of Directors' consideration related to the City of Anaheim's compliance with the Measure M2 Ordinance and Eligibility Guidelines.

11. Orange County Transportation Authority Fiscal Year 2020-21 Budget Workshop Preview

Victor Velasquez, Manager of Financial Planning and Analysis, provided a PowerPoint presentation on the following:

- Budget Themes;
- Coronavirus (COVID-19) Impacts;
- Budget Overview;
- Budget Sources and Uses;
- Total Budget by Program; and
- Next Steps.

A motion was made by Director Hernandez, seconded by Director Steel, and following a roll call vote, declared passed 7-0, to review the fiscal year 2020-21 proposed budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors' meeting on May 11, 2020.

Discussion Items

12. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

Coronavirus Update

- OCTA continues to be flexible and proactive to the daily challenges faced due to the COVID-19 pandemic.
- In the coming days, OCTA will be rolling out two efforts for the employees and the public.
- The first campaign will focus on employees at operating bases, and it will highlight the importance of personal responsibility regarding following the health guidelines recommended by public health officials.
- The second campaign is based on new guidance released last Friday by the Federal Transit Administration and will focus on social distancing for passengers.
- This effort will use signage on the buses to remind passengers to distance themselves, and staff will try and limit the number of passengers when possible by providing additional buses on busier routes, called trippers.

405 Fire

- This morning the Interstate 405 was shut down at Talbert Avenue in Fountain Valley after the falsework on the bridge caught fire. (As of 10:30 a.m., all southbound lanes are open and one northbound lane open).
- The cause of the fire is unknown, and OCTA staff, OC405 partners, and the authorities are on-scene investigating. There are no known injuries currently.
- The Talbert bridge was demolished in September, and workers were putting up falsework as part of the reconstruction.
- Staff will keep the Board apprised of any impacts.



13. Committee Members' Reports

Committee Chairman Hennessey inquired about receiving an interim report from our economic forecasters.

Andrew Oftelie, Chief Financial Officer, responded that staff has scheduled the three universities to present in June and July. He also stated the universities are likely to ask for an extension given the financial status of the economy.

Committee Chairman Hennessey discussed the poll the Orange County Business Council completed, and stated companies are keeping employees at home, which might be considerably different than where OCTA was before COVID-19.

Mr. Johnson, CEO, stated the poll claims about 30% of businesses would continue to offer some type of telecommuting going forward, which could potentially have some impact on everything from the freeway, streets, roads, and commuter rail. He also stated OCTA will restore service on-demand.

14. Closed Session

There were no Closed Session items scheduled.

15. Adjournment

The meeting was adjourned at 11:35 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, May 13, 2020**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Conference Room 07, Orange, California.

ATTEST

Gina Ramirez
Deputy Clerk of the Board

Michael Hennessey
Committee Chairman



May 13, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2019-20 Third Quarter Grant Reimbursement Status Report

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2019-20, covering January through March 2020.

Recommendation

Receive and file as an information item.

Discussion

The Orange County Transportation Authority (OCTA) has secured grant funding from federal and state grant agencies to deliver programs, projects, and services to improve mobility in Orange County. The use of these funds is consistent with capital programming policies approved by OCTA's Board of Directors. The Quarterly Grant Reimbursement Status Report summarizes awarded/executed, current, pending close-out, and closed grant agreements.

Awarded/Executed Grant Agreements:

OCTA executed one formula and two discretionary grants during the third quarter, which are summarized below.

Federal fiscal year (FFY) 2019 Federal Transit Administration (FTA) Section 5310 Enhanced Mobility for Seniors and Disabled:

OCTA executed an FTA grant agreement to secure \$2 million in FTA Section 5310 funds allocated to OCTA for FFY 2019. The funds will be used to support the capital costs of contracting for ACCESS services.

Fiscal Year (FY) 2020 Federal Emergency Management Agency (FEMA) – Hazard Mitigation Grant Program:

On behalf of FEMA, the California Governor's Office of Emergency Services (Cal OES) makes grants available to local and state public agencies for programs to help plan for and mitigate impacts that can pose risks, threats, and vulnerabilities to California's people, property, economy, and environment. Cal OES awarded OCTA \$93,750, in competitive Hazard Mitigation Grant Program funding. The grant award will support the development of OCTA's first Local Hazard Mitigation Plan within the OC Bus service area and the Los Angeles - San Diego -San Luis Obispo Rail Corridor within Orange County.

Transit Security Administration (TSA) - National Explosives Detection Canine Team Program:

OCTA will receive approximately \$75,750, between January to June 2020 to support the three TSA-certified explosives detection canine teams assigned to the OCTA Transit Police Service.

Current Grant Agreements:

OCTA's FTA formula grant agreements total ten and FTA discretionary grant agreements total four (Attachment A).

The ten FTA formula grant agreements have a total federal amount of \$284.2 million. A total of \$266.7 million has been reimbursed, leaving a balance of approximately \$17.5 million. The balance of these ten FTA formula grant agreements will primarily fund the OC Streetcar, fixed-route bus procurements, rideshare and vanpool programs, Laguna Niguel/San Juan Capistrano passing siding project, and rail rehabilitation projects.

The four FTA discretionary grant agreements have a total federal amount of \$166.8 million. This includes the full funding grant agreement award of \$148.9 million. A total of \$44.2 million has been reimbursed, leaving a balance of \$122.6 million. The balance of these four FTA discretionary grant agreements will primarily fund the OC Streetcar and slope stabilization improvements on the railroad right-of-way from the City of Laguna Niguel to the City of Lake Forest. The balance will also fund security camera surveillance systems for commuter rail stations and transit facilities located in the cities of Anaheim, Garden Grove, Laguna Niguel/Mission Viejo, Orange, and Santa Ana.

The total FTA formula and discretionary grant agreements amount to \$451 million. The total amount reimbursed through the third quarter under these grant agreements is \$310.8 million, leaving a balance of \$140.2 million.

OCTA also has 34 active state and Federal Highway Administration (FHWA) formula grant agreements (Attachment B) and 18 active state discretionary grant agreements (Attachment C).

The 34 state and FHWA formula grant agreements total \$202.5 million. The total amount reimbursed through the third quarter under these other grant agreements is \$155 million, leaving a balance of \$47.5 million.

The 18 state discretionary grant agreements total approximately \$22.9 million. A total of \$9.1 million of these discretionary grant agreements has been reimbursed, leaving a balance of \$13.8 million. These state discretionary grant agreements have a defined grant expiration date. Project expenses must be fully paid and reimbursed prior to the grant agreement expiration date.

This report activity is as of March 31, 2020, and any grants with a deadline between the quarter end and the date this report is published will be fully reimbursed and closed out. This activity will be reflected in next quarter's report. Additionally, for these grants, staff anticipates each of the remaining balances to be fully reimbursed prior to the grant agreement expiration date.

Grant Agreements Pending Close-Out:

There are three grant agreements totaling \$28 million which are pending close-out in the third quarter of FY 2019-20. All invoices for these grant agreements have been submitted to the external funding agency for reimbursement, and OCTA is pending final payment and/or approval of close-out documentation. These grant agreements are summarized in Attachment D.

Closed Grant Agreements:

There are five grant agreements totaling \$10.8 million that were closed out in the third quarter of FY 2019-20. These grant agreements are summarized in Attachment E.

Summary

This report provides an update of the grant agreement funded activities for the third quarter of FY 2019-20, January through March 2020. Staff recommends this report be received and filed as an information item.

Attachments

- A. Third Quarter Grant Reimbursement Status Report, January through March 2020, Federal Transit Administration Formula and Discretionary Grant Agreements
- B. Third Quarter Grant Reimbursement Status Report, January through March 2020, State and Federal Highway Administration Formula Grant Agreements
- C. Third Quarter Grant Reimbursement Status Report, January through March 2020, State Discretionary Grant Agreements
- D. Third Quarter Grant Reimbursement Status Report, January through March 2020, Grant Agreements Pending Close-Out
- E. Third Quarter Grant Reimbursement Status Report, January through March 2020, Closed Grant Agreements

Prepared by:



Sam Kaur
Department Manager,
Revenue and Grants Administration
714-560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

Third Quarter Grant Reimbursement Status Report
January through March 2020

Federal Transit Administration Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR (FFY)	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
FTA Section 5307 - Urbanized Area Formula Grant Program						
	1	CA-90-Y942	\$ 57,746,966	\$ 57,623,333	\$ 123,633	August 2020
	2	CA-90-2027	53,878,508	53,532,927	345,581	June 2021
	3	CA-90-Z174	55,129,189	55,095,991	33,198	December 2020
	4	CA-2016-032	55,400,721	54,919,692	481,029	September 2021
	FTA Section 5307 Grant Subtotal		\$ 222,155,384	\$ 221,171,943	\$ 983,441	
FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA):						
	5	CA-95-X131	\$ 2,102,650	\$ 1,814,098	\$ 288,552	June 2020
	6	CA-95-X254	5,657,000	5,146,832	510,168	September 2020
	7	CA-95-X286	6,621,000	5,167,556	1,453,444	October 2021
	8	CA-2017-072	31,567,405	21,222,629	10,344,776	October 2021
	FTA Section 5307 Flexed Grant Subtotal		\$ 45,948,055	\$ 33,351,115	\$ 12,596,940	
FTA Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities Grant Program						
	9	CA-2020-037	\$ 2,178,051	\$ 0	\$ 2,178,051	May 2020
	FTA Section 5310 Grant Subtotal		\$ 2,178,051	\$ 0	\$ 2,178,051	
FTA Section 5316 - Jobs Access and Reverse Commute (JARC) Grant Program						
	10	CA-37-X113	\$ 13,962,491	\$ 12,178,363	\$ 1,784,128	December 2022
	FTA Section 5316 Grant Subtotal		\$ 13,962,491	\$ 12,178,363	\$ 1,784,128	
	Federal Transit Administration Formula Grants Total		\$ 284,243,981	\$ 266,701,421	\$ 17,542,560	
	FEDERAL FISCAL YEAR (FFY)	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
FTA Section 5309 - Discretionary Capital Grant Program						
	11	CA-04-0078	\$ 7,021,300	\$ 6,302,251	\$ 719,049	September 2020
	12	CA-04-0122	4,845,999	1,381,614	3,464,385	December 2020
	13	CA-05-0269	6,000,000	5,952,588	47,412	July 2020
	FTA Section 5309 Grant Subtotal		\$ 17,867,299	\$ 13,636,453	\$ 4,230,846	
FTA Section 5309 - Discretionary Capital Grant Program (FFGA)						
	14	CA-2019-018	\$ 148,955,409	\$ 30,549,840	\$ 118,405,569	June 2023
	FTA Section 5309 FFGA Grant Subtotal		\$ 148,955,409	\$ 30,549,840	\$ 118,405,569	

Third Quarter Grant Reimbursement Status Report
January through March 2020

Federal Transit Administration Formula and Discretionary Grant Agreements					
Federal Transit Administration Discretionary Grants Total		\$	166,822,708	\$	44,186,293
				\$	122,636,415
Total Federal Transit Administration Formula and Discretionary Grant Agreements		\$	451,066,689	\$	310,887,714
				\$	140,178,975

Funding Source Notes:

- FTA Section 5307 - Urbanized Area Formula Grant Program: Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.
- FTA Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities Grant Program: Formula funding to states for the purpose of assisting nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities.
- FTA Section 5316 - Jobs Access and Reverse Commute (JARC) Grant Program: Grants provide funds to support new transit services and to establish mobility management programs to assist low-income individuals.
- FTA Section 5309 - Discretionary Capital Grant Program: Grants provide for projects that improve efficiency and coordination of transportation systems.
- FTA Section 5309 - Discretionary Capital Grant Program (FFGA): Grants provide for projects that improve efficiency and coordination of transportation systems.

Third Quarter Grant Reimbursement Status Report

January through March 2020

ATTACHMENT B

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Prop 1B Intercity Rail Improvement (IRI)						
1	2018	Laguna Niguel to San Juan Capistrano Passing Siding (Construction)	\$ 2,000,000	\$ 0	\$ 2,000,000	February 2022
PROP 1B IRI Subtotal			\$ 2,000,000	\$ 0	\$ 2,000,000	
Federal Highway Administration Grant Program - Congestion Mitigation & Air Quality (CMAQ)						
2	2012	I-5 HOV ¹ Segment 1, Ave Pico to Vista Hermosa (PS&E ²)	\$ 4,246,000	\$ 3,362,977	\$ 883,023	June 2020
3	2013	I-5 HOV Segment 1, Ave Pico to Vista Hermosa (ROW ³)	8,000,000	4,009,067	3,990,933	June 2020
4	2015	I-5 from the Orange/San Diego County Line to Avenida Pico (PA/ED ⁴)	450,000	431,447	18,553	June 2022
5	2015	I-5, SR-55 to SR-57 (PS&E)	2,800,000	2,352,003	447,997	June 2022
CMAQ Subtotal			\$ 15,496,000	\$ 10,155,494	\$ 5,340,506	
Federal Highway Administration Grant Program - Regional Surface Transportation Program (RSTP)						
6	2013	I-5, I-405 to SR-55 (PA/ED)	\$ 8,000,000	\$ 6,479,204	\$ 1,520,796	June 2020
7	2014	I-5 Segment 2, Oso Pkwy to Alicia Pkwy (PS&E)	10,000,000	9,763,215	236,785	June 2021
8	2015	I-5 Segment 1, SR-73 to Oso Pkwy (PS&E)	9,101,000	8,773,058	327,942	June 2022
9	2015	I-5 Segment 3, Alicia Pkwy to El Toro Rd (PS&E)	8,044,000	7,611,504	432,496	June 2022
10	2015	SR-91, SR-57 to SR-55 (PA/ED)	7,000,000	4,160,146	2,839,854	June 2022
11	2016	SR-57, Orangewood to Katella Ave (PA/ED)	2,500,000	1,717,037	782,963	June 2021
12	2017	SR-55, I-5 to SR-91 (PA/ED)	5,000,000	3,775,829	1,224,171	June 2022
RSTP Subtotal			\$ 49,645,000	\$ 42,279,992	\$ 7,365,008	
Federal Highway Administration Grant Program - State Transportation Block Grant (STBG)						
13	2016	I-405, SR-73 to I-605 (Construction)	\$ 1,000	\$ 0	\$ 1,000	June 2021
14	2018	I-5, SR-55 to SR-57 (Construction)	1,340,000	3,473	1,336,527	June 2022
15	2018	SR-55, I-405 to I-5 (PS&E)	13,800,000	10,438,189	3,361,811	June 2023
STBG Subtotal			\$ 15,141,000	\$ 10,441,662	\$ 4,699,338	
Low Carbon Transit Operations Program (LCTOP) - California Department of Transportation (CALTRANS)						
16	2017	Bus Bicycle Racks	\$ 766,345	\$ 151,580	\$ 614,765	May 2020
17	2018	Bravo! Route 529 Start-Up & Operations	4,787,534	3,122,242	1,665,292	July 2020
18	2019	Battery Electric Buses, Bus Depot Upgrades & Charging Infrastructure	2,523,000	0	2,523,000	June 2023
19	2019	Bravo! Main Street Operations	2,912,976	0	2,912,976	November 2024
20	2019	College Fare Program for Fullerton	381,523	0	381,523	August 2022
21	2019	College Fare Program for Golden West	215,279	36,305	178,974	August 2022
22	2019	College Fare Program for Santa Ana College	393,198	0	393,198	August 2020
23	2019	Travel Training	685,000	69,428	615,572	July 2022
CAP & TRADE LCTOP Subtotal			\$ 12,664,855	\$ 3,379,555	\$ 9,285,300	

1. HOV - High-Occupancy Vehicle
2. PS&E - Plans, Specifications, and Estimates
3. ROW - Right of Way
4. PAVED - Project Approval/Environmental Document

Third Quarter Grant Reimbursement Status Report

January through March 2020

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU): Projects of National and Regional Significance (PNRS)						
	24	2013	Lakeview Ave Grade Separation (Construction)	\$ 9,709,030	\$ 9,519,323	\$ 189,707
	SAFETEA-LU-PNRS Subtotal			\$ 9,709,030	\$ 9,519,323	\$ 189,707
State Proposition 1B: Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)						
	25	2015	Raymond Ave Grade Separation Project (Construction)	\$ 44,234,008	\$ 43,664,137	\$ 569,871
	PROP 1B PTMISEA Subtotal			\$ 44,234,008	\$ 43,664,137	\$ 569,871
State Proposition 1B: Trade Corridor Improvement Fund (TCIF)						
	26	2013	Lakeview Ave Grade Separation (Construction)	\$ 26,704,499	\$ 25,198,162	\$ 1,506,337
	PROP 1B TCIF Subtotal			\$ 26,704,499	\$ 25,198,162	\$ 1,506,337
State Transportation Improvement Plan (STIP) Programming, Planning & Monitoring (PPM)						
	27	2019	PPM Program	\$ 1,481,000	\$ 0	\$ 1,481,000
	STIP PPM Subtotal			\$ 1,481,000	\$ 0	\$ 1,481,000
State Transportation Improvement Program (PTA)						
	28	2016	Orange Transportation Center Parking Structure (Construction)	\$ 13,762,000	\$ 10,264,970	\$ 3,497,030
	STIP PTA Subtotal			\$ 13,762,000	\$ 10,264,970	\$ 3,497,030
Senate Bill 1: State of Good Repair						
	29	2018	Heating-Ventilation Unit Replacements at Anaheim Base Maintenance	\$ 92,023	\$ 89,152	\$ 2,871
	30	2019	iShuttle Replacement Buses	5,580,604	0	5,580,604
	31	2020	El Dorado Cutaway Bus Replacement	1,891,651	0	1,891,651
	32	2020	iShuttle Replacement Buses	3,062,751	0	3,062,751
	33	2020	Replacement of Emergency Standby Generators	800,000	0	800,000
	SB1 SGR Subtotal			\$ 11,427,029	\$ 89,152	\$ 11,337,877
FTA Section 5304 - Sustainable Communities						
	34	2020	Freeway Bus Rapid Transit Concept Study	\$ 210,602	\$ 0	\$ 210,602
	FTA Section 5304 Subtotal			\$ 210,602	\$ 0	\$ 210,602
	Total State and Federal Highway Administration Formula Grant Agreements			\$ 202,475,023	\$ 154,992,446	\$ 47,482,576

Third Quarter Grant Reimbursement Status Report
January through March 2020

State Discretionary Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Active Transportation Program (ATP)						
1	2020	Safe Travels Education Program (STEP) Campaign	\$ 500,000	\$ 0	\$ 500,000	July 2022
ATP Subtotal			\$ 500,000	\$ 0	\$ 500,000	
California Air Resources Board (CARB)						
2	2018	Facility Upgrades	\$ 157,147	\$ 0	\$ 157,147	June 2020
3	2018	Hydrogen Station	5,486,895	3,330,517	2,156,379	June 2020
4	2018	Ten Zero-Emission Hydrogen Fuel Cell Buses	6,338,000	4,887,950	1,450,050	June 2020
CARB Subtotal			\$ 11,982,042	\$ 8,218,467	\$ 3,763,575	
Air Quality Management District (AQMD) Grant Program and Mobile Source Air Pollution Reduction Review Committee (MSRC)						
5	2018	Hydrogen Detection	\$ 642,000	\$ 0	\$ 642,000	July 2020
6	2019	La Habra Union Pacific Rail Bikeway	91,760	0	91,760	November 2023
7	2019	OC Flex	1,146,000	0	1,146,000	May 2020
MSRC Subtotal			\$ 1,879,760	\$ 0	\$ 1,879,760	
Highway Safety Plan (HSP) - California Office of Traffic Safety (OTS)						
8	2020	Bicycle & Pedestrian Facilities Program	\$ 100,000	\$ 0	\$ 100,000	October 2020
OTS Subtotal			\$ 100,000	\$ 0	\$ 100,000	
Systemic Safety Analysis Reporting Program (SSARP)						
9	2016	Systemic Safety Analysis Report	\$ 315,000	\$ 295,855	\$ 19,145	May 2020
SSARP Subtotal			\$ 315,000	\$ 295,855	\$ 19,145	
Transit Security Grant Program (TSGP) - State Office of Homeland Security						
10	2017	Be The One Campaign	\$ 75,000	\$ 63,764	\$ 11,236	August 2020
TSGP Subtotal			\$ 75,000	\$ 63,764	\$ 11,236	
Transit Security Administration (TSA) - National Explosives Detection Canine Team Program (NEDCTP) - Department of Homeland Security						
11	2019	Transportation Security Administration Canine	\$ 151,500	\$ 141,498	\$ 10,002	May 2020
12	2020	Transportation Security Administration Canine	75,750	0	75,750	June 2020
TSA K9 Subtotal			\$ 227,250	\$ 151,494	\$ 85,752	
Senate Bill 1: Local Partnership Program (LPP)						
13	2018	Garden Grove Blvd Signal Synchronization (Construction)	\$ 1,353,000	\$ 0	\$ 1,353,000	December 2023
14	2018	Katella Ave Signal Synchronization (Construction)	2,449,000	0	2,449,000	December 2023
15	2018	Los Olisos Blvd Signal Synchronization (Construction)	1,117,000	0	1,117,000	December 2023
16	2018	Main Street Signal Synchronization (Construction)	1,926,000	0	1,926,000	December 2023
SB1 LPP Subtotal			\$ 6,845,000	\$ 0	\$ 6,845,000	

Third Quarter Grant Reimbursement Status Report
January through March 2020

State Discretionary Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Senate Bill 1: Adaptation Planning Grants (APG)						
17	2019	Orange County Rail Infrastructure Defense Against Climate Change	\$ 461,771	\$ 63,801	\$ 397,971	February 2021
SB1 APG Subtotal			\$ 461,771	\$ 63,801	\$ 397,971	
Senate Bill 1: Planning Grants (PL)						
18	2019	Safe Routes to School Action Plan	\$ 264,000	\$ 128,543	\$ 135,457	February 2021
SB1 PL Subtotal			\$ 264,000	\$ 128,543	\$ 135,457	
Caltrans State Planning and Research Grant (SPR)						
19	2018	SR-39 Beach Boulevard Corridor Study	\$ 345,000	\$ 176,914	\$ 168,086	May 2020
SPR Subtotal			\$ 345,000	\$ 176,914	\$ 168,086	
Total State Discretionary Grant Agreements			\$ 22,994,823	\$ 9,098,837	\$ 13,895,986	

Third Quarter Grant Reimbursement Status Report
January through March 2020

Grant Agreements Pending Close-Out						
	FISCAL YEAR (FY)	FUNDING SOURCE	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE
1	2011	CMAQ ¹	Lakeview Ave Grade Separation (ROW ²)	\$ 16,407,023	\$ 16,407,023	\$ 0
2	2012	CMAQ	Lakeview Ave Grade Separation (ROW Utility Relocation)	72,070	72,070	0
3	2012	RSTP	Lakeview Ave Grade Separation (ROW)	11,527,563	11,527,563	0
Total Grant Agreements Pending Close-Out				\$ 28,006,656	\$ 28,006,656	\$ 0

1. CMAQ - Congestion Mitigation and Air Quality
2. ROW - Right of Way

Third Quarter Grant Reimbursement Status Report
January through March 2020

Closed Grant Agreements						
	FISCAL YEAR (FY)	FUNDING SOURCE	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE
1	2017	ATP	Orange County Active Transportation Plan (PS&E ¹)	\$ 280,000	\$ 279,999	\$ 1
2	2016	CAP & TRADE LCTOP ²	Bravo! Route 529 Bus Acquisition	3,045,578	3,045,578	0
3	2015	MSRC	Bicycle Corridor Improvement	836,413	567,501	268,912 ³
4	2018	SB1 SGR ⁴	Ten Zero-Emission Hydrogen Fuel Cell Buses	5,640,382	5,640,382	0
5	2018	SCAQMD ⁵	Ten Zero-Emission Hydrogen Fuel Cell Buses	1,000,000	1,000,000	0
Total Closed Grants				\$ 10,802,373	\$ 10,533,460	\$ 268,913

1. PS&E - Plans, Specifications, and Estimates
2. LCTOP - Low Carbon Transit Operations Program
3. Project cost savings of \$268,912 reverted back to Mobile Source Reduction Credit (MSRC)
4. SGR - State of Good Repair
5. SCAQMD - South Coast Air Quality Management District



May 13, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement

Overview

The 91 Express Lanes Riverside County Transportation Commission/ Orange County Transportation Authority Facility Agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. An amendment is needed to account for the reimbursement of shared operating costs incurred by the Riverside County Transportation Commission for the period July 1, 2020 through June 30, 2021.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of \$1,130,500, for the reimbursement of shared operational expenses through June 30, 2021.

Discussion

In order to facilitate the exchange of funds between the two agencies, the 91 Express Lanes Riverside County Transportation Commission (RCTC) / Orange County Transportation Authority (OCTA) Facility Agreement (ROFA) was executed in November 2015. This agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. Under the terms of ROFA, both agencies are to establish an annual fiscal year amount for the funding and payment of joint operating costs each year. Staff has identified the shared operational expenses and has assigned responsibility for the administration and payment of these expenses. An amendment to the ROFA is required, in the amount of \$1,130,500, to reimburse RCTC for joint operating costs incurred

**Amendment to the 91 Express Lanes Riverside County Page 2
Transportation Commission / Orange County Transportation
Authority Facility Agreement**

through June 30, 2021, by RCTC. Due to the novel coronavirus pandemic, operating costs have been reduced as the result of the decrease in trips and customer transactions. Some of the operating costs that were reduced include credit card processing fees, transponder purchases, and collection services.

Funding for Amendment No. 5 to Agreement No. C-5-3828 is included in OCTA's proposed Fiscal Year 2020-21 Budget, 91 Express Lanes Account.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3828 between OCTA and RCTC, in the amount of \$1,130,500, for the reimbursement of shared operational expenses through June 30, 2021.

Attachment

- A. Riverside County Transportation Commission – Orange County Transportation Authority Facility Agreement No. C-5-3828 Fact Sheet

Prepared by:



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Virginia Abadessa
Director, Contracts Administration and
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**Riverside County Transportation Commission –
Orange County Transportation Authority Facility
Agreement No. C-5-3828 Fact Sheet**

1. September 28, 2015, \$515,793, approved by Board of Directors (Board).
 - Authorized payment to the Riverside County Transportation Commission (RCTC) for reimbursement of tenant improvements for the 91 Express Lanes Anaheim Office.
 - Authorized facility agreement with RCTC pertaining to funding exchanges for rent, leasehold improvements, and any shared improvements implemented by the Orange County Transportation Authority and RCTC.
2. October 26, 2016, Amendment No. 1 to Agreement No. C-5-3828, \$0.00, approved by Contracts Administration and Materials Management.
 - Amendment set forth terms pertaining to the construction of tenant improvements to, and the payment of rent for, the Customer Service Center in conjunction with operation of the RCTC 91 Express Lanes.
3. March 27, 2017, Amendment No. 2 to Agreement No. C-5-3828, \$431,308, approved by the Board.
 - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2018.
4. June 25, 2018, Amendment No. 3 to Agreement No. C-5-3828, \$2,078,750, approved by the Board.
 - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2019.
5. May 24, 2019, Amendment No. 4 to Agreement No. C-5-3828, \$917,000, approved by the Board.
 - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2020.
6. May 22, 2020, Amendment No. 5 to Agreement No. C-5-3828, \$1,130,500, pending Board approval.
 - Amendment for the reimbursement of shared operational expenses for the 91 Express Lanes through June 30, 2021.

Total committed to Agreement No. C-5-3828: \$5,073,351.



May 13, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services

Overview

On June 11, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Laguna Beach for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the City of Laguna Beach with additional funds from the Coronavirus Aid, Relief, and Economic Security Act.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of \$599,381, for the pass through of Coronavirus Aid, Relief, and Economic Security Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,199,381.

Background

The City of Laguna Beach (City) and its municipally-owned Laguna Beach Municipal Transit Lines (LBMTL) are eligible to receive funding from the Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program Funds, FTA Section 5339 Bus and Bus Facilities Program funds, State Transit Assistance funds, State of Good Repair funds provided through Senate Bill 1 and Cap and Trade funds.

Based on the transportation services provided by LBMTL, additional federal grant funding is generated that can be utilized to support transportation services within Orange County. The Orange County Transportation Authority (OCTA), as the direct grant recipient, has the option to utilize the additional funds directly for

OCTA-related transportation services or to provide the additional funds to the City to support the services provided by LBMTL.

OCTA has historically utilized federal and state funds for OCTA-related projects and provided an equivalent amount of unrestricted local funds to the City to support the transportation services provided by the LBMTL. The amount of state funds can vary from year to year as program levels are determined by the state legislature as part of the annual state budget process. Federal funds are apportioned based on the service levels reported by the transit operators to the national transit database (NTD) system and remain reasonably consistent with the funding levels identified in the long-term federal legislation. On June 11, 2018, the OCTA Board of Directors (Board) approved a cooperative agreement for the pass through of unrestricted local funds to the City for fiscal year (FY) 2018-19 through FY 2022-23.

In March 2020, the United States Senate introduced the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the recent novel coronavirus outbreak. The CARES Act would provide OCTA with a stimulus of \$225 million for economic relief caused by this pandemic. As a sub-recipient, the City is also eligible to receive a portion of OCTA's share. Similar to regular FTA Section 5307 funds, OCTA will also utilize the federal funds and provide equivalent amount of unrestricted local funds.

Discussion

The CARES Act provides stimulus to individuals and businesses in response to the economic distress resulting from the novel coronavirus. The City is an eligible transit operator under OCTA to receive FTA funds. CARES Act apportionments are allocated per FTA with the same formula as regular FTA Section 5307 funds, therefore the City is qualified as a sub-recipient of these funds. The City annually submits NTD data to FTA and OCTA. The NTD data enables OCTA to calculate the federal formula grant funding available to the City. OCTA used the City's reported revenue miles, passenger miles, and operating costs reported in FY 2017-18 to determine the City's portion. OCTA calculated the estimated amount of CARES Act funding available to the City, totaling \$599,381. This amount exceeds the estimated maximum amount in the cooperative agreement.

Amendment No. 1 is to provide the City with its share of the CARES Act funding, in the amount of \$599,381, which increases the maximum cumulative obligation from \$2,600,000 to \$3,199,381.

Fiscal Impact

There is no anticipated financial impact to OCTA. OCTA is the recipient and would pass through funds to the City. The payments will occur through the Orange County Transit District fund.

Summary

Staff requests Board approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-8-1679 between the OCTA and the City, in the amount of \$599,381, for the pass through of funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,199,381.

Attachment

A. City of Laguna Beach Cooperative Agreement No. C-8-1679 Fact Sheet

Prepared by:

Approved by:



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Andrew Oftelie
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**City of Laguna Beach
Cooperative Agreement No. C-8-1679
Fact Sheet**

1. June 11, 2018, Cooperative Agreement No. C-8-1679, \$2,600,000, approved by the Board of Directors (Board).
 - City of Laguna Beach, funding agreement for public transit services in the City of Laguna Beach funded with unrestricted local funds in exchange for State and Federal funds.
 - Effective November 8, 2018 through June 30, 2023.
2. May 22, 2020, Amendment No. 1 to Cooperative Agreement No. C-8-1679, \$599,381, pending approval by the Board.
 - Amendment to provide for the pass through of unrestricted local dollars in the amount equal to the City of Laguna Beach's share of CoronaVirus Aid, Relief, and Economic Security Act revenues.

Total commitment to City of Laguna Beach, Agreement No. C-8-1679: \$3,199,381.



May 13, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Sole Source Agreement for Health Insurance Brokerage Services

Overview

In order to continue participation in the California State Association of Counties Excess Insurance Authority's purchasing insurance pool for employee health and welfare insurance benefits, pool members are required to have Alliant Insurance Services, Inc. as their primary broker of record. A proposal was solicited and received from Alliant Insurance Services, Inc. as a sole source procurement for health insurance brokerage services. Board of Directors' approval is required for the firm to provide the services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$342,000, for a three-year initial term, effective June 1, 2020 through May 31, 2023, with one, two-year option term, to provide health insurance brokerage services.

Discussion

The Orange County Transportation Authority (OCTA) uses a broker of record to assist the Benefits Section of the Human Resources Department to implement and maintain OCTA's benefit programs for its employees. These services are required to maximize benefits for OCTA employees and contain costs for both OCTA and its employees.

The broker of record provides the following services in addition to marketing and placing coverage: assists OCTA in developing comprehensive, cost-effective health and welfare programs, supports and assists OCTA in resolving any health insurance carrier problems, informs of new legislation that may affect OCTA, performs research and analysis as requested, develops benefit communication pieces, and assists with open enrollment as requested.

OCTA entered into a Joint Powers Agreement with the California State Association of Counties Excess Insurance Authority (CSAC EIA) in 2016 to participate in a purchasing insurance pool with other California counties and public entities for employee health and welfare insurance benefits.

Alliant Insurance Services, Inc. (Alliant) is the exclusive broker of record for all CSAC EIA Public Agency risk-sharing programs. Alliant has exclusive rights to consult, underwrite, distribute, and service all CSAC EIA programs and its members. The delivery of CSAC EIA programs is contractually provided based on the knowledge and expertise of the Alliant program and service teams.

CSAC EIA requires that OCTA and other pool members utilize Alliant as the primary broker of record. This is a normal rule of engagement for entry into risk-sharing pools/programs. The selection of a broker outside of Alliant is considered OCTA's intent to withdraw from CSAC EIA employee benefits programs.

On April 1, 2016, the OCTA Board of Directors (Board) selected Burnham Benefits Insurance Services (Burnham) as the broker of record to assist the Human Resources Department to implement and maintain OCTA's benefit programs for its administrative and Transportation International Communications Union employees. Alliant granted an exception for the health insurance contract with Burnham, as OCTA had just joined the health program on January 1, 2016. OCTA was unaware of this exception when it entered into a contract with Burnham and only recently learned of this when OCTA expressed to CSAC EIA that it would be competitively procuring a new contract for health insurance brokerage services. The contract with Burnham will be replaced by the sole source agreement with Alliant.

It is in OCTA's best interest to remain a member of the CSAC EIA insurance pool and therefore, contract with Alliant as its primary broker of record.

Procurement Approach

This procurement was handled in accordance with OCTA's Board-approved policies and procedures for a sole source procurement.

Alliant is the exclusive broker of record for all CSAC EIA Public Agency risk-sharing programs and the sole entity to consult, underwrite, distribute, and service all CSAC EIA programs and its members. Therefore, Alliant is the sole source firm that can provide broker and consulting services for the Human Resources Department to implement and maintain employee benefit programs. Alliant has represented CSAC EIA since 1979 and the firm's core clientele are

public agencies, including several located in Southern California. Based on its technical ability and financial status, Alliant is deemed responsible.

Alliant's proposal was reviewed by staff from the Contracts Administration and Materials Management (Camm) and Human Resources Department to ensure compliance with the contract terms and conditions, as well as the technical requirements.

In accordance with OCTA's sole source procurement procedures, a sole source over \$50,000 requires OCTA's Internal Audit Department (Internal Audit) to conduct a price review of Alliant's proposed pricing. The OCTA project manager's independent cost estimate is approximately 23 percent higher than Alliant's quoted pricing. In addition, Alliant's quoted pricing is lower than what OCTA currently pays Burnham. Therefore, the quoted price is deemed fair and reasonable.

Based on the above, the award is recommended to Alliant.

Fiscal Impact

The project is included in OCTA's Fiscal Year 2019-2020 Budget, Benefits Section of Human Resources, Account No. 1340-7519-A2307-FBE, and is funded through the Local Transportation Fund.

Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$342,000, to provide health insurance brokerage services.

Attachment

None.

Prepared by:



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