Los Angeles County Metropolitan Transportation Authority

Orange County Transportation Authority

Riverside County Transportation Commission

San Bernardino Associated Governments

Ventura County Transportation Commission
### BOARD ROSTER
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

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Riverside: Ron Roberts  Robin Lowe*
Mayor Pro Tem  Council Member
2 votes  City of Temecula  City of Hemet

Daryl Busch  Greg Pettis*
Mayor  Council Member
City of Perris  Cathedral City

EX-OFFICIO MEMBERS

Southern California Association of Governments:

Gary C. Ovitt  Supervisor, 4th District
San Bernardino County

San Diego Association of Governments:

[CURRENTLY AWAITING APPOINTMENT]

Contact:
Linda Culp
Senior Transportation Planner

State of California:

Dale E. Bonner  Secretary of Business, Transportation and Housing Agency

Alternate:
[CURRENTLY AWAITING APPOINTMENT]

*Alternates represent either member

Revised 3-29-10
AGENDA DESCRIPTIONS
The agenda descriptions are intended to give notice to members of the public of a brief general description of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Authority may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Southern California Regional Rail Authority Consent Calendar Matters (Items 4-10) to be approved in one motion unless a Board Member requests separate 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. The Chairman reserves the right to discuss the items listed on the agenda in any order.

A person with a disability may contact the Board Secretary’s office at (213) 452-0255 or via email cookj@scrra.net at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

SUPPORTING DOCUMENTATION
The agenda, staff reports and supporting documentation are available from the Board Secretary, located at 700 S. Flower, 26th Floor, Los Angeles, CA 90017, and on the Metrolink website at www.metrolinktrains.com under the Board Agenda link.

PUBLIC COMMENTS ON AGENDA ITEMS
Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda, may do so by completing a Speaker’s Form and submitting it to the Board Secretary. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. When addressing the Board, please state your name for the record. Please address the Board as a whole through the Chair. Please note comments to individual Board members or staff are not permitted when addressing the Board. A speaker’s comments shall be limited to three (3) minutes.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA
Members of the public wishing to address the Board of Directors regarding any item not on the agenda, but within the subject matter jurisdiction of the Board, will be taken under Item 3 (Public Comment), and will be subject to the same guidelines as noted above.
1. Call to Order
2. Pledge of Allegiance
3. Public Comment

CONSENT CALENDAR

4. Approval of Minutes –
   a. August 27, 2010 Board Meeting
   b. September 24-25, 2010 Annual Board of Directors Workshop
   c. October 1, 2010 Special Board Meeting

   Staff recommends the Board approve the Minutes of the September 24-25, 2010 and
   August 27, 2010 regular meetings and October 1, 2010 special meeting.

5. Contract No. SP297-11 – Ultrasonic Rail Testing – Recommendation to Award –
   Sperry Rail Service

   To ensure operational safety and to meet SCRRA and FRA regulatory requirements, an
   internal rail testing system inclusive of all required nondestructive testing equipment is
   required for the detection of traffic-induced defects and manufacturing discontinuities in
   the rail head section. Staff recommends the Board authorize the Chief Executive Officer
to award Contract No. SP297-11, Ultrasonic Rail Testing, to the lowest responsive and
responsible bidder, Sperry Rail Service, in an amount not-to-exceed $393,285 for the
initial three-year term, with one two-year option to be exercised at the Authority’s
discretion. This award is subject to resolution of any protest timely filed.

6. Contract No. QM115-03 – Disadvantaged Business Enterprise (DBE)
   Administration and Labor Compliance Program Consulting Services – Short term
   Extension of Contract Term, Increase Contract Funding Authority Padilla &
   Associates, Inc. (Padilla), and Add Three Staff Positions

   Continuous administration of the Authority’s Disadvantaged Business Enterprise (DBE)
   and Labor Compliance programs is required as a condition of receiving funding from the
   Federal Transit Administration (FTA). Staff recommends the Board of Directors approve:

   1. The extension of the contract term on the existing Contract No. QM115-03 with
      Padilla and Associates, Inc. (Padilla) by six months to June 30, 2011; and

   2. An increase in contract funding authorization of $150,000 for a new not-to-exceed
      amount of $1,040,000 for this contract since 2003; and

   3. Three additional SCRRA staff positions to support the Disadvantaged Business
      Enterprise (DBE) and Labor Compliance requirements on an in-sourced basis to
      include the positions of a DBE Program Manager and two Labor Compliance Analyst
      positions. These staff positions will function under the direction of the Director,
      Strategic Sourcing, Contracts & Supply.
7. Amendment to Santiago Peak License Agreement – Increase in Funding Authority – American Tower L.P.
An increase in funding authority is required in order to execute an Amendment to current license agreement located at Santiago Peak. Staff recommends the Board authorize the Chief Executive Officer to execute an amendment to the license agreement between SCRRA and American Tower, L.P. at a rate of $3,588 per month to be effective in the future when new equipment is installed.

8. Request for Additional Work Order Authority with BNSF Railway Company (BNSF) for Signal Work to Accommodate Future Orange County Metrolink Service Expansion Projects (MSEP)
Additional work order authority with BNSF is required to provide flagging protection and relocate BNSF facilities to allow for construction of SCRRA track and signals. When completed, the SCRRA track will be used to provide train access in and out of the future Fullerton Station turn-back facility. Staff recommends the Board of Directors authorize the Chief Executive Officer to amend existing work order authority with BNSF by an amount of $450,000 to fund necessary flagging and signal relocations and installation on BNSF’s San Bernardino Subdivision to allow Metrolink trains access in and out of the future turn-back facility at Fullerton.

A report on a quarterly basis is provided for Board review regarding resolved and pending third-party operating liability and construction claims. There is no staff recommendation. The Board may receive and file this report.

Section VII of the Southern California Regional Rail Authority’s Annual Investment Policy requires that the Treasurer make a quarterly investment report to the Board of Directors, and Section 53646 of the California Government Code encourages local agencies to file this report. This report covers the first quarter ended September 30, 2010. There is no staff recommendation. The Board may receive and file this report.
REGULAR CALENDAR

11. Inventory Management Control – Request for Approval of Five Staff Positions
The transfer of contractor supplied services to SCRRA positions to consolidate the management, warehousing and distribution of maintenance of way and capital materials, parts and supplies, tools, equipment, warranty, repair and return policy, requires five additional SCRRA staff positions. Staff recommends the Board of Directors approve an additional five SCRRA staff positions to support the material management and inventory control and planning services for SCRRA operations. This staff will function under the direction of the Director, Strategic Sourcing, Contracts & Supply and will save over $375,000 annually from the current contracted out scope of services.
Presenter: Joe Henderlong, Director, Strategic Sourcing, Contracts & Supply

The Holiday Toy Express® is the Southern California Regional Rail Authority’s most extensive community outreach program to date. Production services are required on an annual basis to prepare and present the program. Staff recommends the Board authorize the Chief Executive Officer to amend Contract No. SP256-08 for Holiday Toy Express production services with Show Development Inc. to increase the contract authority in an amount of $94,550 for the 2010 Holiday Toy Express® program.
Presenter: Angela Starr, Public Information Officer

13. Chief Executive Officer’s Report
   ▪ Agency Update

14. Board Member Comments
   (i.e., Announcements, Requests to Staff, Direction for Future Agenda Items)

CLOSED SESSION

15. CLOSED SESSION
   a. Closed Session CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED and EXISTING LITIGATION – Pursuant to Subdivision (a) and (b) of Government Code Section 54956.9 - Anticipated and existing litigation arising out of the September 12, 2008 collision between a Metrolink train and a Union Pacific freight train on the Ventura County Line, near Chatsworth, CA, including but not limited to: Magdaleno v. SCRRA et al. PC043703; SCRRA and Connex Railroad LLC v. Magdaleno et al. CV10 6365SCRRA v. Connex - CV08-06987
b. Closed Session CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9 (1 potential case)

16. ADJOURNMENT
ITEM 4a

BOARD MEMBERS/ALTERNATES IN ATTENDANCE:

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<td>(1 vote) KEITH MILLHOUSE (Chair)</td>
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<td>(1 vote) BRIAN HUMPHREY</td>
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<td>(2 votes) PAUL GLAAB</td>
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EX-OFFICIO MEMBERS:

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STAFF PRESENT:

JOHN FENTON, Chief Executive Officer
AVERY GRIMES, Deputy Chief Executive Officer
GRAY CRARY, Chief, Capital Management Officer
HELEN PARKER, SCRRRA Counsel
TRUC MOORE, SCRRRA Counsel
OLGA YERO, Senior Executive Assistant/Board Secretary

Meeting minutes are presented in a format that corresponds with the Board Meeting Agenda, which is incorporated by reference with these minutes. SCRRRA Board Agendas are available online at www.metrolinktrains.com under the Board Agenda link, or from the Board Secretary at 213-452-0245.

1. Call to Order
   The regular Board of Directors meeting of the Southern California Regional Rail Authority Board of Directors were concurrently called to order at 10:04 a.m. at the

1 Director Antonovich joined the meeting during discussion of Item 15.
Southern California Association of Governments, 818 W Seventh Street, 12th Floor, Los Angeles, California. Chairman Millhouse presided over the meeting.

2. **Pledge of Allegiance**
   Director Humphrey led the group on the Pledge of Allegiance.

3. **Public Comment**
   Ms. Charlie McDaniel, from Riverside, CA, submitted a petition with close to 1,000 signatures opposing the recent fare changes affecting seniors, students and disabled passengers. She cited an example noting that the rate change for a passenger traveling from Riverside to LAUS amounts to $92.50 a month, and for a family that also purchases a student pass, this is close to $200 a month affecting that family’s income. She respectfully requested that the Board reconsider their previous decision and reinstate discounts and rates at previous levels.

**CONSENT CALENDAR**

Director Morris requested to pull Item 6 for discussion. Upon a motion by Director Eaton, seconded by Director Busch, the Board approved the Consent Calendar (Items 4-5 and 7-13). There was no opposition and the motion passed unanimously.

4. **Approval of Minutes**
   a. July 23, 2010 Board Meeting
   b. August 13, 2010 Special Board Meeting
   **ACTION:** The Board approved the Minutes of the July 23, 2010 regular meeting and August 13, 2010 special meeting.

   **ACTION:** The Board authorized the Chief Executive Officer to execute Contract No. C3107-11 for Tunnel 25 Lighting, Intrusion Detections and Fire/Life Safety Improvements to the lowest responsive and responsible bidder, Drilltech Drilling & Shoring, Inc., in the amount of $3,505,729.00, plus a fifteen percent contingency of $525,859.00 for a total amount not-to-exceed $4,031,588.00. This award is subject to resolution of any protest timely filed.

   **ACTION:** The Board authorized amendment to CA&P CON-10, Competitive Procurement to incorporate the design-build procurement process in accordance with PCC § 20209.5, et seq and FTA Circular 4220.1F, Section V. 3(h).

   **ACTION:** The Board authorized amendment to CA&P CON-1, Creation of Purchasing Agent, Delegation of Authority to Procure Goods and Services, and Delegation of
Financial Authority to authorize the Director of Strategic Sourcing, Contracts and Supply, to act as the Purchasing Agent of the Authority.

9. **SCRRRA’s Ethics Policy Updates**
   **ACTION:** The Board approved the proposed amendments to the Authority’s Ethics Policy.

10. **Contract No. SP286-10 – George Avery Grimes – Consultant Services for Organizational Assessment - Increase Funding Authorization**
    **ACTION:** The Board authorized the Chief Executive Officer to increase the contract funding authorization on Contract SP286-10 Consultant Services for Organizational Assessment with George Avery Grimes by $29,956.77 for a maximum cumulative payment not-to-exceed $80,000.

    **ACTION:** The Board adopted Resolution 10-59, delegating authority to the CEO to execute a new Master Agreement with the California Department of Transportation and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation and that SCRRA agrees to comply with all conditions and requirements set forth in this agreement and applicable statutes, regulations and guidelines for all state-funded transit projects.

12. **Authority to Negotiate for North County Transit District Dispatch Services and Positive Train Control System**
    **ACTION:** The Board authorized the Chief Executive Officer to negotiate an agreement with NCTD to provide dispatchers and supervisors to manage NCTD Coaster (San Diego Subdivision) and Sprinter (Escondido Subdivision) services utilizing, as applicable, SCRRA’s new computer aided dispatch and PTC systems and to take related actions as necessary to implement such services in the best interest of SCRRA.

13. **Workers’ Compensation Insurance for SCRRA Employees**
    **ACTION:** The Board authorized the Chief Executive Officer to enter into an agreement with Wausau Underwriters Insurance Company (“Wausau”) for Workers’ Compensation Insurance under the terms described in the staff report.

**CONSENT CALENDAR ITEM PULLED FOR DISCUSSION**

6. **Contract No. E731-07 – Aerial Base Mapping Services – Rail Surveyors & Engineers, Inc. (RSE) - Increase Funding Authorization**
   Director Morris noted that he has pulled this item to request that staff review services to be provided under this project further with the Board and the member agencies as the PTC Peer Review team has identified non-core elements within this project that may represent a potential savings. Mr. Crary explained that this item is an amendment to an existing contract with RSE from 2007 which supports the agencies providing a broad range of surveying, aerial photography, etc. and not specific to PTC. He further explained that the large component in support of the PTC project and supplemental
information will be discussed later in the agenda, noting that there are large elements of RSE’s work that’s utilized in other areas and the primary functions of their work supports rehabilitation, new capital and high-end projects such as the High Speed Rail program. Mr. Crary also noted that staff will take into consideration the Board’s and PTC Peer Review’s recommendations to curtail the work as it relates to PTC but reiterated that staff recommends approval of this item given the range of services provided.

Director Gilbreath noted that, as it relates to High Speed Rail, work for this project should not proceed until a Memorandum of Understanding or an agreement is in place. Mr. Crary concurred, noting that staff is currently working with OCTA and MTA to get the appropriate work orders in place prior to executing any work relating to this project.

ViceChair Katz asked for clarification on the impact delaying approval of this amendment would have on other work performed by RSE, not relating to PTC. Mr. Crary explained that staff would be able to continue to work with RSE under the current contract levels until a large project surfaces needing significant surveying work, and noted that staff does not anticipate large dollar amount projects until December 2010 or January 2011.

Director Lowe shared her concern as it relates to conducting work and spending funds on the High Speed Rail project without an agreement in place, and asked that staff return to the Board with a better outline of the services to be provided by RSE, noting that without this background information she could not approve the request to increase contract funding by $2.5 million at this time. Director Brown commented that this Board has been asked to take a more active role, but the Board cannot act with the type of information provided in the item, which is lacking, and requested that staff provide more detailed information as it relates to the scope of work, cost and options so that the Board can make an educated decision. Director Roberts requested that staff add more detailed information on the dollars allocated by project so that the Board may determine whether the work can be afforded.

Chairman Millhouse requested that staff return to the Board next month with more detailed information and that staff work with the TAC to get general consensus and fully brief them as to the work to be performed by RSE so that they can inform the Board members.

Upon a motion by Chairman Millhouse, seconded by Director Brown, the Board continued this item. There was no opposition and the motion passed unanimously.

ACTION: The Board continued this item and requested that staff return with a specific plan and detailed information on scope and cost per project. It was also requested that, if work is to be done as a joint effort with other agencies such as High Speed Rail, the MOU and/or agreement should be in place prior to approval of the work.
Director Knabe requesting that in the future he expects staff to avoid requesting approval after services have been performed, referencing Item 10.

Chairman Millhouse noted the Agenda would be reordered to continue with Item 15 (PTC Peer Review update and CTC meeting update).

**15. Chief Executive Officer Report**

**PTC Review Update:** Mr. Crary acknowledged and thanked Mr. Peter Cannito, member of the Peer Review Group who was in attendance representing the group, and Mr. Darrell Maxey, Director of Engineering and Construction, for his efforts in assembling a solid group for this review process with representatives from Amtrak, BNSF and UP who are intimately involved in PTC efforts for their own railroads. He briefly discussed key elements and questions considered by the group and reviewed the list of non-core elements identified (Attachment A), and explained the list identifies non-core elements totaling $39.5 million, staff would recommend pursuing some of the items and staff is continuing negotiating on cost. The PTC program is projected to cost approximately $201.6 million and he reviewed the funding matrix that shows funding sources. He noted that approximately $120 million Prop 1A and Prop 1B; in addition there's potential funding from the FRA grant which would provide some flexibility on the spending. A copy of the Peer Review report is available from the Board Secretary.

Mr. Cannito explained the distinction of core vs. non-core elements, noting that these non-core elements are those not absolutely necessary in order to implement PTC as part of the mandate, but it does not mean that these should not be considered at this time for implementation noting that Amtrak, BNSF and UP are including non-core items as part of their PTC program, and it’s really a management decision and part of the overall strategic initiative as it relates to timing. He thanked staff and the other members of the group for their commitment, and specifically the BNSF, UP and Amtrak for their full support and commitment to making the December 2012 date.

Chairman Millhouse asked TAC members if they had any other questions, but there were no other questions. Mr. Fenton commented that staff is very sensitive to the cost of this project, noting it is our intent to put a system in place that functions in the best cost effective manner. He shared his concerns with the current dispatch center and the need to have a new hardened train control/PTC facility, and noted that staff is considering multiple options such as relocating to the BNSF or UP facility while staying within budget. He further noted that staff will build a business case to justify each non-core element. Mr. Fenton also thanked the BNSF, UP and Amtrak for their support and cooperation during this process.

Director Antonovich noted he was very impressed with the Operations Center noting that he did not realize Metrolink’s dispatch center also handles 70% cargo from the ports. He encouraged board members to visit the dispatch center if they haven’t already done so, and shared that he was impressed with the work ethic of these individuals, adding that this is a major public-private partnership with services provided by this agency.
CTC Update: Mr. Crary reported that there has been a lot of activity to ensure that funding for PTC is in place, with emergency legislation moving through the State legislature and expected to get to the Governor’s desk by next week. He noted the Member Agencies have been very active and working collaboratively in this effort and staff following up with all the member agencies between the letter agreement between Metro and Metrolink. Mr. Crary acknowledged Patricia Bruno, recently appointed as SCRRRA’s Government and Regulatory Affairs Manager, who has been working closely with the Metro staff to ensure all areas are covered.

REGULAR CALENDAR

14. IFB No. DB001-11 - Pomona Campus - Design-Build Findings

Mr. Crary presented a brief PowerPoint providing background information, past Board actions on the two preferred sites, recommended project delivery method and reviewed the advantages of design-build and the PTC Peer Review Panel’s recommendations on a hardened train control/PTC Operations support project (Attachment B). Mr. Crary reviewed alternate recommendations as noted below:

Staff recommends the Board:
1. As permitted under PCC § 20209.5 and FTA Circular 4220.1F, Section V. 3(h), find that design-build is an appropriate methodology for project delivery for both the new Operations Center, including modifications to the existing Metrolink Operations Center (MOC) and the Maintenance Support Facility.
2. Delay the Invitation for Bid documents for the new Operations Center and MOC until the PTC program budget has been updated and staff can show that the program will remain within the $201.6 million budget and
3. Staff be directed to proceed with retrofit of the Maintenance Support Facility, which is funded separately from PTC through the rehabilitation program.

Upon a motion by Director Morris, seconded by Vice-Chair Katz, the Board approved the alternate recommendation, as detailed below. There was no opposition and motion passed unanimously.

ACTION: The Board:
1. As permitted under PCC § 20209.5 and FTA Circular 4220.1F, Section V. 3(h), found that design-build is an appropriate methodology for project delivery for both the new Operations Center, including modifications to the existing Metrolink Operations Center (MOC) and the Maintenance Support Facility.
2. Delayed the Invitation for Bid documents for the new Operations Center and MOC until the PTC program budget has been updated and staff can show that the program will remain within the $201.6 million budget and
3. Directed staff to proceed with retrofit of the Maintenance Support Facility

15. Chief Executive Officer’s Report

GE Update: Mr. Fenton reported that he teamed with the Air Quality Management District’s (AQMD) leadership and visited the GE Global Research Center in Albany,
New York during the first week in August. GE presented the key features and benefits of the next generation of passenger locomotives, noting compliance date for railroad industry is 2015. He explained the units are 10% more fuel efficient than our current fleet with a 70% reduction in particulate matter and 76% in reduction in NOX emissions. The cost per locomotive is $5.5 million and the AQMD has indicated that they would help provide funding toward the purchase of Tier IV locomotives, with anticipated delivery dates of 2013 or early 2014.

**Rotem Car Fleet – 20 car option:** Mr. Fenton reported that at last Friday’s Regionwide CEO meeting, the CEOs of the five member agencies expressed concerns whether they can fund the option on the Rotem cars at this time. We are still working together to identify potential funding sources, therefore Mr. Fenton noted that as of today he cannot make a recommendation at this time although this is a high priority. He noted the option must be exercised by November 30, 2010.

**Rotem Car Fleet – Testing:** Mr. Fenton reported that the Rotem car testing has been completed and consisted of dynamic brake testing, ride quality, noise and vibration testing on empty and loaded Rotem cars at operating speeds. Staff is currently evaluating results and anticipate finalizing the analysis the first or second week in October. Testing will continue in mid-October using a 5-car consist throughout the system to verify the GPS coordinates and for transportation to verify the impact of running times due to weight differences (38,000 lbs. more per car).

The training for operating crews will start on September 15 at Metrolink’s Central Maintenance Facility to fulfill FRA’s regulatory requirements for all new equipment.

Chairman Millhouse noted that Ms. Angie Starr, Director, Communications, will be coordinating a public launch to showcase the Rotem cars and information will be forthcoming depending on the completion of the testing.

**Safety Culture – SOFA Safety Summit:** Mr. Fenton reported that Metrolink continues to make progress in the effort to enhance its safety culture, noting we will be joining the FRA’s Switching Operations Fatality Analysis (SOFA) group, composed of FRA, rail industry and rail labor representatives. SOFA is a voluntary, non-regulatory safety partnership with the FRA that targets prevention of on-duty rail employee fatalities. He discussed efforts of the SOFA working group, and noted the goal is to create our own internal group to tailor the program to our own needs, bringing Metrolink into closer alignment with main stream rail industry safety initiatives.

Director Morris asked for clarification on the availability of the Tier IV locomotives, and Mr. Fenton explained there are currently four Caterpillar locomotives working at Colton and GE has also been working on this technology with a prototype. He explained part of the delay of putting these into service is the required testing these are subject to before they are put into revenue service. He noted that staff would be partnering to contribute towards enhancing the comfort and functionality of the
locomotives and pointed out that there are other benefits to these new locomotives besides meeting emission standards, such as the difference in fuel conservation, improved gearing ratios, higher Horse Power locomotives (4700 HP) which would allow for longer consists and more capacity during peak times. Mr. Fenton noted he is very appreciative of the support by the AQMD.

Director Morris asked if Mr. Fenton planned to return to the Board with a proposal, as this requires major capitalizing of the entire fleet. Mr. Fenton concurred, noting that this is a great financial commitment and referenced his earlier discussions on the importance of being selective on capital investments and he will be returning to the Board with a capital plan.

16. Building a Commitment to Excellence
The Chief Executive Officer updated the Board on Metrolink’s progress regarding the development of improved workflow and reporting practices to provide financial visibility and controls for the Agency’s key business processes, providing examples of improvements such as policies and controls to prevent invoicing without purchase orders, chartered a project to establish consistent project management principles for project management for all operating and capital projects, and converting grant tracking to database format. He noted staff is also working to align several data sources and databases to create a view that will allow better understanding and more efficient management of the budget. On the operating side, Mr. Fenton noted that we are moving to data driven service design and he cited some examples of different service offerings. He also shared an example of what one of the findings revealed, noting that with the current service design on a typical day our crews spend 51% on non-productive service and only 49% on revenue service. Staff continues to explore revenue producing situations which would increase our service offerings and reduce costs.

Mr. Fenton also provided an overview of the approach to best utilize Metrolink assets to grow ridership and increase revenue, noting staff is working on developing a short and long term plan to grow, noting that an analysis and design is underway to identify opportunities for new markets and to help improve our strategy in understanding our customers and the services they demand with pricing to maximize revenues. The Wild at Work corporate partnership opportunity is also being explored, as this would provide access to move than 8,000 companies targeting those companies closest to our stations. He referenced an article from the Wall Street Journal forwarded to the Board earlier this week, noting that in the future we must consider different levels of service to maximize revenue, such as business class and a bar car. Chairman Millhouse commented that these ideas and concepts are being explored and more detail will be presented at a future meeting.

A copy of the PowerPoint presented is available on the Metrolink website www.metrolinktrains.com.
There was discussion about the financial systems available in the agency, and a shared concern for the lack of a grant module. Director Roberts inquired about Oracle, noting that it never seems to produce anything and asked whether staff would be discontinuing use of this program. Mr. Fenton noted that staff hasn’t leveraged the systems that are available in the agency and he doesn’t envision returning to the Board requesting approval on a new system.

17. Board Member Comments
Chairman Millhouse commented that Mr. Fenton has been with the Agency for four months acknowledged his efforts and accomplishments in such a short period. He noted that coming from the private sector, Mr. Fenton is still in the learning process in respect to interacting with the TAC and review of agenda items and welcomed suggestions that may help Mr. Fenton in this transition.

CLOSED SESSION

18. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9 (2 potential cases)

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 (2 potential cases)

c. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED and EXISTING LITIGATION – Pursuant to Subdivision (a) and (b) of Government Code Section 54956.9 - Anticipated and existing litigation arising out of the September 12, 2008 collision between a Metrolink train and a Union Pacific freight train on the Ventura County Line, near Chatsworth, CA, including but not limited to: Fravola v. SCRRRA, Veolia Transportation Inc., Connex Railroad LLC, MTA - PC043734; Magdaleno v. SCRRRA, et al- PC043703; Jeremy Schneider v. SCRRRA, a public entity also known as Metrolink, Connex Railroad LLC, Veolia Transportation, Inc.- BC405966; Carolyn Rambo v. SCRRRA, a public entity also known as Metrolink, Connex Railroad LLC, Veolia Transportation, Inc. - BC405967; Albert Cox and Marianne Cox v. SCRRRA dba Metrolink, Veolia Environment, SA, Veolia Transportation Services, Inc, a division of Veolia Environment, dba Connex, Connex Railroad LLC. - BC406161; Steven Lindell v. SCRRRA, Veolia, Connex, and MTA - PC044349; Doug Smith v. SCRRRA dba Metrolink - PC044535; Gracilda Tejero Tiu, Jay Tiu, Pomino D. Tejero, and Victoria R. Tejero v. SCRRRA dba Metrolink, Veolia Transport Service Inc., Connex Railroad LLC, Estate of Robert M. Sanchez - BC407455; Kong Chao and Caryn Chao v. Veolia Transportation, Inc.; Connex Railroad, LLC; Estate of Robert M. Sanchez, deceased - BC400544; Michelle Baker, et al. v. SCRRRA, MTA, Veolia, Connex, Mass, Herzog, Bombardier, UPRR - BC404544; Janice M. Kish, et al v. SCRRRA, MTA, Veolia, Connex, Mass, Herzog, Bombardier, UPRR - BC404545; SCRRRA v. Connex - CV08-06987
### d. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
- Pursuant to Government Code Section 54957

**Title(s):**

<table>
<thead>
<tr>
<th>Title</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director, Capital Program Management</td>
<td>Manager, Accounting</td>
</tr>
<tr>
<td>Assistant Director, Operations</td>
<td>Manager, Budgets</td>
</tr>
<tr>
<td>C&amp;S Rehabilitation Manager</td>
<td>Manager, C&amp;S Engineering</td>
</tr>
<tr>
<td>C&amp;S Maintenance Manager</td>
<td>Manager, Civil Engineering</td>
</tr>
<tr>
<td>Chief Capital Management Officer</td>
<td>Manager, Contract Administration &amp; Procurement</td>
</tr>
<tr>
<td>Chief Customer Engagement Officer</td>
<td>Manager, Customer Relations</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Manager, Fare Collections Services</td>
</tr>
<tr>
<td>Communications Manager</td>
<td>Manager, Government Relations</td>
</tr>
<tr>
<td>Controller / Treasurer</td>
<td>Manager, Regulatory Affairs</td>
</tr>
<tr>
<td>Deputy Chief Executive Officer</td>
<td>Manager, Human Resources</td>
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<tr>
<td>Director, Business Process Auditing</td>
<td>Manager, Information Technology</td>
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<tr>
<td>Director, Communications</td>
<td>Manager, Marketing &amp; Development</td>
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<td>Director, Engineering &amp; Construction</td>
<td>Manager, Rail Corridor C&amp;E</td>
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<td>Director, Equipment</td>
<td>Manager, System Safety</td>
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<td>Director, Executive Projects</td>
<td>Manager, T&amp;S Maintenance</td>
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<td>Director, Operations</td>
<td>Manager, T&amp;S Rehabilitation</td>
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<tr>
<td>Director, Strategic Sourcing, Contracts and Supply</td>
<td>Market Research Manager</td>
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<tr>
<td>Director, System Maintenance</td>
<td>Operations Compliance Officer</td>
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<tr>
<td>Facilities &amp; Fleet Maintenance</td>
<td>Program Manager</td>
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<tr>
<td>Manager Field Operations</td>
<td>Risk Manager</td>
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<tr>
<td>Manager General Manager, Commuter Rail Operations</td>
<td>Rolling Stock Maintenance Manager</td>
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<tr>
<td>Grants &amp; Strategic Development Manager</td>
<td>Supervisor, Dispatch Operations</td>
</tr>
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</table>

The Board convened to Closed Session at 11:40 a.m. and reconvened in Open Session at 12:00 p.m. at which time Counsel announced the Brown Act did not require a report on any of the items listed.

### 35. ADJOURNMENT

There being no further business for consideration by the Board, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Olga Yero,
Board Secretary/Senior Executive Assistant
List of Non-Core Elements includes the following:

<table>
<thead>
<tr>
<th>Non-Core Work Element</th>
<th>Estimated Cost (in Millions)</th>
<th>Committed Costs</th>
<th>Contract</th>
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<tr>
<td>New Hardened Train Control/PTC Facility</td>
<td>8.5</td>
<td>0.8</td>
<td>Design/Build Delivery</td>
<td>August 27 Board</td>
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<tr>
<td>Portions of PTC Track Data Base &amp; Maps</td>
<td>5.8</td>
<td>4.3</td>
<td>E731-07</td>
<td>Reduce Remaining Scope &amp; Costs</td>
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<td>Signal Relocations, Install Derails, Remove Turnouts</td>
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<td>1.0</td>
<td>MEC, Bal. Beatty</td>
<td>Perform Safety Critical. Reduce Scope &amp; Costs 50%</td>
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<tr>
<td>Fiber &amp; Other Backhaul Communications</td>
<td>7.2</td>
<td>0.5</td>
<td>To Be Determined</td>
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<td>Leased Locomotives</td>
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<td>Vital Safety Server (VSS)</td>
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<tr>
<td>Re-Establish Mile Post and Tenth Milepost</td>
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<td>0.10</td>
<td>RSE/VTMI</td>
<td>Reduce Scope</td>
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<td>Total</td>
<td>39.5</td>
<td>6.7</td>
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<td>Estimated Scope Reduction $15 m</td>
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Pomona Campus
Design Build Findings

Item Number 14
August 27, 2010
Board Meeting
Background - Pomona Campus

- Facilities Needs Studies Conducted in ’07 and ’08
  1. Existing Facilities Deficient in Size, Location, Condition
  2. Need for Two Improved Centralized Facilities Identified

- New Facility Improvement Projects Recommended
  1. Maintenance Support Warehouse/Office – 60,000 sf
  2. “Hardened” Train Control/PTC Support Bldg. – 25,000 sf

- Recommended Centralized Location - Pomona
  1. Near Existing Operations Center and Pomona Station
  2. Near Fiber Backbone and Communication Towers
  3. Existing and Proposed Sites in Close Proximity with Ample Parking
Past Board Actions – on Two Preferred Sites

- **July 2009 - Train Control/PTC Bldg. Project**
  - Board Approves Acquisition of 3.25 acre Vacant Site for New 25,000 sf Hardened Train Control/PTC Building
  - Board Finds Proposed Project Categorically Exempt

- **Sept. 2009 - Maintenance Support Facility Project**
  - Board Approves Acquisition of 2.77 acre site with Existing 57,000 sf Warehouse/Office for Maintenance (Track, Signal, Communications) Support Facility
  - Board Finds Proposed Project is Categorically Exempt
Train Control/PTC Operations Support Facility (TCOSF) and Maintenance Support Facility (MSF) - Project Sites
Recommended Project Delivery Method for Pomona Campus Projects is Design-Build

- **Reasons for Recommending Design-Build**
  2. Relatively Small, Simple, Straightforward Building Projects
  3. Very Favorable Bidding Climate for Next 6 to 12 months

- **Advantages of Design-Build**
  1. Single Point of Responsibility for Project Delivery
  2. Designer/Builder Collaboration - Improves Quality
  3. Reduced Design and Construction Schedules
  4. Reduced Costs Associated with Design Errors & Omissions
Recommended Board Findings
(as Required by California PCC 20209.5)

The SCRRRA Board Finds that the Design-Build Method for the Pomona Campus Building Projects:

1. New Hardened Train Control/PTC/Ops Support (TCOSF)
2. Retrofit Maintenance Support Facility (MSF)
3. Minor Retrofit & Hardening of Existing Operations Center

Is in the Best Interest of SCRRRA Because:

1. Project Completion Will be Expedited.
2. Project Quality Improved
3. Overall Project Costs Will Be Reduced
Relevant PTC Peer Review Panel Recommendations

➢ The “Hardened” Train Control/PTC Operations Support Project (TCOSF) and MoC Hardening is categorized as a non-core PTC Element

1. TCOSF and MoC Hardening both support the PTC Program and would enhance reliability, security, and operations

2. Should be justified independently from the Federal PTC Requirements

3. Minor Retrofit & Hardening of Existing Operations Center (MOC)

4. Total Estimated Costs - $8.3 million for new TCOSF and $0.5 million for MoC Hardening
Recommended Alternate Board Action

1. Approve finding that Design-Build is an appropriate methodology for project delivery for both the New Operations Center (including modifications to the MOC) and the Maintenance Support Facility.

2. Delay IFB documents for New Operations Center until the PTC Program Budget has been updated and staff can show that the program will remain within the $201.6 million budget.

3. Proceed with the Maintenance Support Facility.
1. Call to Order
The SCRRA Board of Directors Annual Work Session and Board Meeting were called to order at 8:05 a.m. on Friday, September 24, 2010.

2. Pledge of Allegiance
Director Humphrey led the group in the Pledge of Allegiance.

3. Safety Briefing
Fred Jackson gave a brief overview of the important safety information with regard to the conference room. Safety surroundings, exits, evacuation procedures and emergency preparation.

4. Welcome Remarks
John Fenton, Chief Executive Officer welcomed everyone and gave a brief overview what would be discussed during the workshop.

5. Public Comment
None.
6. Introduction – Senior Leadership Team
   Mr. Fenton had each member of the Metrolink team introduce themselves.

7. Agenda Overview, Roles and Goals
   Mr. Jim Schultz opened the session by stressing that we must focus on our goals as an agency to maximize the outcome at the end of the day. He briefly discussed the framework of the work session and touched on the importance of our Goals.

REGULAR CALENDAR – WORK SESSION I

8. Unlocking the Potential of Metrolink
   Mr. John Fenton, Chief Executive Officer, identified the challenges the agency faces as well as highlighted the opportunities within the agency that promote it as a strategic transportation and business asset for the region. There was no written report. A copy of a power point presentation for this item is available on the website.

9. Strategic Business Framework
   Mr. John Fenton, Chief Executive Officer, discussed SCRRA’s comprehensive strategy with a coordinated approach to key stakeholder management. The group reviewed the Strategic Business Framework document created by SCRRA’s Senior Leadership Team which identifies the stakeholders, initiatives, strategies and action steps, charting the roadmap to operating excellence. There was no written report. A copy of a power point presentation for this item is available on the website.

10. Strategy for Growth, Planning and Execution
    The staff members as listed on the workshop agenda, presented an overview of the correlation between Operational Efficiencies, Marketing Driven Growth and Strategic Capital Planning. The presentation identified current and future opportunities for growth, on-going efficiency efforts and lay out of the types of decisions that lay ahead for Metrolink. There was no written report. A copy of a power point presentation for this item is available on the website.

11. Reflection and Roundtable
    During reflection and roundtable board members raised and discussed a number of issues:

    Director Bartlett suggested we focus on celebrating the customers for their loyalty and establish a rewards program. Director Brown suggested one day a year, free ride as a possibility. Director Busch suggested that the internet be used to promote discounts for online purchases of tickets and to remind customers that “we don’t charge for baggage.”

    Director Williams mentioned the graffiti along the right of way and recently learned that the cities are not allowed to access the right of way to clean it up. Director Brown stated that he believed there was an agreement with BNSF flagging service to provide
access. Mr. Fenton said he was not aware of the agreement and would look into working with the other railroads to resolve the problem.

Chairman Millhouse asked about the status of the automatic passenger count. He wanted to know when a proposal was coming back to the board. Mr. Fenton said that it is a capital improvement and that senior staff and the board need to look at the list of projects and decide as a team which projects have value to bring back to the Board.

Mitch Alderman, SANBAG, mentioned that earlier in the year, Mr. Eichler presented information on a survey that was conducted showing that the public confuses Metro and Metrolink and wanted to know what the status was regarding the rebranding issue. Mr. Fenton answered by saying that staff is currently working with a vendor and plan to come back to the Board in the near future with more information on rebranding.

Chairman Millhouse emphasized the need to work as a group and have system view. Mr. Fenton stated he was here to bring issues of importance to the Board’s attention, reemphasizing that everyone must work together and have candid conversations so that at the end of the day, we can stand united for what’s best for the organization and communities we support.

Copies of the PowerPoint presentations given during the presentations are available on the Metrolink website at www.metrolinktrains.com

12. Adjourn  The meeting was adjourned at 3:20 p.m.
### SCRRRA BOARD OF DIRECTORS MEETING AND STRATEGIC WORK SESSION – SATURDAY SEPTEMBER 25, 2010

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<td>(1 vote)</td>
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<td>METRO:</td>
<td>RICHARD KATZ (Vice-Chair) 1.5</td>
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<td>RON ROBERTS 1</td>
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<td>(2 votes)</td>
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*Director Glaab and Director Knabe arrived during item #3

1. **Call to Order** The second day of the SCRRRA Board of Directors Annual Work Session and Board Meeting was called to order at 8:15 a.m. on Saturday, September 25, 2010.

2. **Public Comment** None.

### REGULAR CALENDAR – WORK SESSION II

3. **Safety Culture – “In Tragedy There are No Silos”**
   Mr. Fenton discussed the principles of world class safety, highlighting foundational elements necessary to create a culture of engagement through all levels at SCRRRA. Mr. Fenton also discussed how we are establishing beneficial partnerships in safety with key stakeholders, and other safety experts, to ensure SCRRRA takes a leadership role in rail safety performance. There is no written report. A copy of a power point presentation for this item is available on the website.

4. **Incident Response – What is the role of the CEO and Board?**
   Staff outlined the role for the CEO and Board members in the event of a crisis. Also highlighted were the communication objectives for timely and effective communications. There is no written report. A copy of a power point presentation for this item is available on the website.
5. **Board Member Roundtable**  
Chairman Millhouse began the discussion by stating that Metrolink as seen amazing accomplishments over the last 2 years. He noted the importance of the Board members working through issues with their TAC representatives. That everyone feels that they have an opportunity to get input and provide substantive input before any one item reaches the full board. Director Katz suggested that more committee/sub-committees should be considered and suggested a legislative/regulatory committee. He suggested a marketing sub-committee would be advantageous as Metrolink’s goal is to increase ridership. Mr. Katz noted the importance of ensuring that the committees were viable and needed. Director Gilbreath stated that not only should we be accountable for safety, but for finances as well and suggested an Audit Committee.

Chairman Millhouse acknowledged the cost savings efforts that the agency has identified. He stated that the system is not fail safe, but that he believed Mr. Fenton was moving in the right direction toward increasing ridership while ensuring the safety of our passengers.

Director Katz stated that everyone talks about making this the safest railroad in the world. Our passengers and crews deserve nothing less. Mr. Katz said that the urgency that Mr. Fenton brings to Metrolink is important as there is still a lot to do. He said that the TAC/CEOs’ input in decisions is very important, but that we need to give Mr. Fenton the policy guidelines and then let him execute them. Mr. Fenton thanked staff for their hard work and the Board for taking the time to attend the workshop.

6. **Wrap Up – Questions and Answers**  
Chairman Millhouse said that it is important to look at safety redundancies. He asked that staff elaborate on enhanced protections implemented within the system (projects instituted since the Chatsworth case, like the alerter system). Mr. Millhouse stated that the Board needs to be aware of all operation investments.

Mr. Fenton responded by explaining that there were dozens of procedures that take place within the Agency on a daily basis such as daily briefings and efficiency testing. He noted, for example, that inward facing cameras were installed and changes to the alerter system were made.
CLOSED SESSION

The Board adjourned to closed session after an announcement that the Board would adjourn to Closed Session to discuss items as listed on the posted agenda in Items 7 (a) to (e) and will then return to Open session for additional agenda items.

7. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION – Pursuant to Subdivision (a) of Section 54956.9. Michael Freeman et al. v. SCRRA et al. – Case No. RIC472803

b. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION – Pursuant to Subdivision (a) of Section 54956.9. Estate of Brown et al. v. SCRRA et al. – Case No. KCO52988 and consolidated cases; Estate of Smith et al. v. SCRRA et al. and Christina Brown et al. v. SCRRA et al.

c. THREAT TO PUBLIC SERVICES OR FACILITIES – Pursuant to Government Code Section 54957: Consultation with agency representatives: Chief Executive Officer, Agency Counsel, (Section 54957)

d. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9 (1 or more potential cases)

e. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED and EXISTING LITIGATION – Pursuant to Subdivision (a) and (b) of Government Code Section 54956.9 – Anticipated and existing litigation arising out of the September 12, 2008 collision between a Metrolink train and a Union Pacific freight train on the Ventura County Line, near Chatsworth, CA, including but not limited to: Magdaleno v. SCRRA et al. PCO43703; SCRRA and Connex Railroad LLC v. Magdaleno et al. CV10 6365SCRRA v. Connex – CV08-06987

The Board re-convened in Open Session and Counsel indicated there were no reportable matters under the Brown Act.

CONSENT CALENDAR

Agenda items 9 and 10 were pulled for discussion. Upon motion by Director Gilbreath, seconded by Director Brown, the Board approved the balance of the Consent Calendar (Items 8 and 11). There was no opposition and the motion passed unanimously.

8. Authority to Execute a Lease for Headquarters Office
ACTION: The Board authorized the Chief Executive Officer to make the applicable finding of exemption from the California Environmental Quality Act and execute a lease
agreement with Los Angeles County Metropolitan Transportation Authority (Metro) for SCRRRA headquarters office space.


ACTION: The Board approved the staff recommendation that the proposed evaluation criteria, detailed in Attachment 1 to the staff report, specifying a weighting of 100% for technical qualifications, for Engineering and Technical Support for Rolling Stock Procurement, Maintenance and Overhaul activities.

CONSENT CALENDAR – ITEM 9 AND 10 DISCUSSION

9. Professional Services Contract – Charles E. Williams

Mr. Gray Crary, Chief, Capital Management Officer, provided background information on the item as detailed in the staff report. Director Williams wanted to know why this was a sole source contract and felt that there were other companies that do the same work and questioned why this was not going out to bid. Mr. Fenton explained that Mr. Charles E. Williams was being brought on to correct some deficiencies in the project management area and that this was a short term contract (1 year). He stated that Mr. Williams is capable, competent, proven performer and felt that this was an urgent matter to address.

Upon a motion by Director Knabe, seconded by Director Glaab, the Board approved staff’s recommendation and the motion passed unanimously.

ACTION: The Board found that a sole source award to Charles E. Williams is in the best interest of the Agency, and authorized the Chief Executive Officer to execute a sole source contract with Mr. Williams to provide consulting services aimed at improving strategic delivery of programs. Services are time and material with a not to exceed value of $225,000. Term of contract is one year.

10. 2010 Schedule for the Holiday Toy Express

Angela Starr, Public Information Officer, provided background information on the item as detailed in the staff report. Ms. Starr explained that this year’s Holiday Toy Express had to be scaled down from 47 cities over 15 nights to 12 cities over 6 nights due to budget constraints. The schedule and cost were discussed previously with the Executive Committee where the item was recommended unanimously for approval. Stations were chosen based on factors such as attendance, schedule of the trains, limiting commuter disruption and cost. Director Gilbreath felt that San Bernardino should be included in the pairing, to which Director Williams said she would forfeit Rancho Cucamonga for San Bernardino. Angie Starr, Public Information Officer, explained that last year the attendance at the San Bernardino Station was 400 while at Rancho Cucamonga it was 3,000. Ms. Starr explained that not only was the attendance an important factor in the decision making process, but coordinating train schedules to make this event happen was detailed and very difficult. The Board agreed that Moorpark and Camarillo would be included in the stops.
Upon a motion by Director Brown, seconded by Chairman Millhouse, the Board approved staff’s recommendation and included Moorpark/Camarillo. The motion passed unanimously.

ACTION: The Board approved a revised plan for this year’s Holiday Toy Express.

REGULAR CALENDAR


Mr. Gray Crary, Chief, Capital Management Officer, introduced the recommendations and noted that Mr. Davis was in the audience representing PTG and that Metrolink’s special counsel on this procurement, Steve Miller, was present for the presentation and questions. Mr. Crary indicated that negotiations had progressed, but were not complete and that drafts of the agreement had been shared internally with both the TAC and with member agency counsel. Mr. Crary provided background information on the item and referenced the detailed staff report and its recommendations as follows:

1. As required by State law, find that SCRRA’s RFP process made every effort to generate the maximum feasible number of proposals from qualified firms.
2. Authorize the Chief Executive Officer to complete negotiations and enter into a contract with Parsons Transportation Group (PTG) for Vendor/Integrator services relative to PTC, in the amount of $116,070,779 plus $4,100,000 in estimated sales taxes, subject to the terms set forth in this staff report and in a form approved by legal counsel.
3. Establish a contingency allowance for the contract with PTG in the amount of $4.25 million and authorize the Chief Executive Officer to execute change orders to the contract up to the contingency amount;
4. Authorize the Chief Executive Officer to include in the contract with PTG an option by which SCRRA will engage PTG to provide a PTC system, inclusive of a dispatch system, similar to that provided to SCRRA, to the North County Transit District (NCTD). The option will only be exercised if ongoing negotiations with NCTD are successful, and if the Boards of both agencies approve the exercise of the option at subsequent Board meetings. It is anticipated that NCTD will pay all costs incurred through the exercise of this option.

In response to a question from Chairman Millhouse, it was confirmed that there had been no protest to the solicitation. Issues discussed included the recommended risk allocation between the Vendor/Integrator and Metrolink including the timing and substance of indemnification obligations of Metrolink, the issues arising because PTG was the sole responder to a competitive solicitation, and the PTC implementation timetable. The recommendation is that the CEO be authorized to complete negotiations with PTG and execute a Vendor/Integrator contract with PTG. Mr. Crary explained that if there were substantive changes which arose in the negotiations the item could come back to the Board for further consideration.
Director Gilbreath indicated that she wanted to see the draft agreement and Director Brown indicated that he needed more time to review the issues with his member agency counsel and staff.

A motion to delay the vote for no more than one week on this item was made by Chairman Millhouse and seconded by Director Katz. The Board agreed unanimously to meet via teleconference for a special Board meeting in one week to consider the item.

ACTION: The Board approved a motion to bring the item back to a Special Board meeting in one week.

13. State and Federal Legislative Update
Ms. Patricia Bruno, Government & Regulatory Affairs Manager, informed the Board that the member agencies agreed to partially fund Positive Train Control with Prop 1A High Speed Rail Intercity funds. However, the bond sale has been delayed due to lack of an adopted state budget. Metrolink with member agencies, were successful in obtaining the Governor’s signature for SB 1371 which would establish a Letter of No Prejudice process for Prop 1A.

Ms. Bruno stated that last week Representative Elton Gallegly introduced HR 6150 which seeks to amend the Amtrak Act of 1997 by increasing the liability cap from $200 million to $500 million in some cases. The bill also proposes to make this provision apply retroactively to September 12, 2008. Staff would like the Board to consider adopting a position of opposition to this bill. There is no written report.

Upon a motion by Director Brown, seconded by Director Gilbreath, the Board approved staff’s recommendation, adding the requirement to work with the Author, and the motion passed unanimously.

ACTION: The Board approved staff’s recommendation to adopt a position of opposition and work with Author on HR 6150.

14. CEO Report
Mr. John Fenton began discussing his meeting with the Rotem representatives and said that he received help in identifying a business class car. He noted that a business class ticket would cost more and that the cars were somewhat nicer. Mr. Fenton said that the prices of the business class car were $140,000 more than the standard car. Mr. Fenton reviewed the purchase option opportunity which would allow the agency to purchase an additional 20 cars at a cost of $1.67 million per car if the option is exercised. If the option is not exercised, the total cost per car would increase to $2.6 million. He stated that he has been working with the CEOs of the member agencies to work out financing for the Rotem cars, but that there was no money in the budget to finance the project.
Director Roberts noted that under Mr. Fenton’s proposals which will result in redesign resulting in increased ridership and the need for additional cars, said that it makes sense to get the additional CEM cars vs. rehab the current fleet. Mr. Fenton talked about looking at the potential of leasing the Bombardier fleet which would create an additional revenue stream but cautioned that there were constraints such as parking at the stations. Mr. Fenton suggested that a task-focused TAC group might be a good approach to working out the details.

15. **Board Member Comments**
   None.

16. **ADJOURNMENT**
   There being no further business for consideration by the Board, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,

Joanne Cook
Board Secretary
ITEM 4c

BOARD MEMBERS PARTICIPATING BY TELECONFERENCE:  VOTES

VCTC:  KEITH MILLHOUSE (Chair)  1
       (1 vote)  BRIAN HUMPHREY

METRO:  DON KNABE  1.50
        (4 votes)  ARA NAJARIAN  1.50
                   JAIME DE LA VEGA¹  1

OCTA:  ART BROWN  1
       (2 votes)  PAUL GLAAB  1

SANBAG:  PAUL EATON  2
         (2 votes)

RCTC:  DARYL BUSCH  1
       (2 votes)  ROBIN LOWE  1
                    GREG PETTIS

BOARD MEMBERS PARTICIPATING FROM THE SCRRA LOCATION:

METRO:  RICHARD KATZ¹

OTHER ATTENDEES PARTICIPATING BY TELECONFERENCE:

John Fenton, Chief Executive Officer, SCRRA
Steven Miller, Special Counsel, Hanson Bridgett LLP
Helen Parker, SCRRA Counsel
Sheldon Peterson, OCTA TAC Member
Michael Litchsi, OCTA TAC Member
Mitch Alderman, SANBAG TAC Member
Deborah Barmack, Executive Director, SANBAG
Alex Clifford, Executive Officer, High Speed Rail, Metro
Mary Travis, TAC Member VCTC
Michael Levin, representing LTK
Bob Davis, representing Parsons

¹ Vice Chair Richard Katz joined the meeting in person during Closed Session. His alternate, Mr. de la Vega cast a vote on Item 3.
OTHER ATTENDEES PARTICIPATING FROM SCRRRA LOCATION:

Avery Grimes, Deputy Chief Executive Officer, SCRRRA
Gray Crary, Chief, Capital Management Officer, SCRRRA
Joe Henderlong, Director, Strategic Sourcing, Contracts & Supply, SCRRRA
Dennis Marzec, General Manager, Commuter Rail Operations, SCRRRA
Darrell Maxey, Director, Engineering & Construction, SCRRRA
Lia McNeil-Kakaris, Principal Contract Administrator
Angie Starr, Director, Communications
Sharita Coffelt, Media and Public Relations Officer
Olga Yero, Chief of Staff
Joanne Cook, Board Secretary

Meeting minutes are presented in a format that corresponds with the Board Meeting Agenda, which is incorporated by reference with these minutes. SCRRRA Board Agendas are available online at www.metrolinktrains.com under the Board Agenda link, or from the Board Secretary at (213) 452-0255.

1. Call to Order

The October 1, 2010 Special Meeting of the Board of Directors was called to order via teleconference by Chairman Millhouse at 10:05 a.m. The Secretary called roll and confirmed a quorum.

2. Public Comment

At this time Chairman Millhouse inquired if any members of the public wished to address the Committee regarding any items not listed on the agenda, within the subject matter jurisdiction of the Committee.

REGULAR CALENDAR


Mr. Gray Crary, Chief, Capital Management Officer, provided background information on the item and previous action by the Board on September 25, 2010. He explained that the information provided to the Board previously is still accurate, and that there is very little remaining to be negotiated with Parsons to date. He believed that it should be completed in the next 4-5 days. Drafts of the agreement were also sent out to the Board of Directors, the Technical Advisory Committee and Member Agencies’ Legal Counsel, and he noted that staff has not received any direct comments to date. Mr. Crary reviewed staff’s recommendations as noted in the written staff report, clarifying that the current recommendations have not changed from the recommendations presented to the Board at its meeting of September 25, 2010.

Upon a motion by Director Art Brown, seconded by Chairman Keith Millhouse, the Board approved staff’s recommendation and the motion passed unanimously.
ACTION: The Board approved staff’s recommendation regarding the PTC Contract No. H1636-10. The Board found that SCRRA’s RFP process made every effort to generate the maximum feasible number of proposals from qualified firms; The Board authorized the Chief Executive Officer to complete negotiations and enter into a contract with Parsons Transportation Group (PTG) for Vendor/Integrator services relative to PTC, in the amount of $116,070,779 plus $4,100,000 in estimated sales taxes, subject to the terms set forth in this staff report and in a form approved by legal counsel; The Board established a contingency allowance for the contract with PTG in the amount of $4.25 million and authorized the Chief Executive Officer to execute change orders to the contract up to the contingency amount; and authorized the Chief Executive Officer to include in the contract with PTG an option by which SCRRA will engage PTG to provide a PTC system, inclusive of a dispatch system, similar to that provided to SCRRA, to the North County Transit District (NCTD). The option will only be exercised if ongoing negotiations with NCTD are successful, and if the Boards of both agencies approve the exercise of the option at subsequent Board meetings. It is anticipated that NCTD will pay all costs incurred through the exercise of this option.

4. Chief Executive Officer’s Report
   ▪ Agency Update – Mr. Fenton stated that he had no report at this time.

5. Board Member comments
   None.

CLOSED SESSION

6. Closed Session

   CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED and EXISTING LITIGATION – Pursuant to Subdivision (a) and (b) of Government Code Section 54956.9 - Anticipated and existing litigation arising out of the September 12, 2008 collision between a Metrolink train and a Union Pacific freight train on the Ventura County Line, near Chatsworth, CA, including but not limited to: Magdaleno v. SCRRA et al. PCO43703; SCRRA and Connex Railroad LLC v. Magdaleno et al. CV10 6365SCRRA v. Connex - CV08-06987

   The Board convened to Closed Session at 10:21 a.m. and reconvened in Open Session at 10:39 a.m. at which time Counsel announced the Brown Act did not require a report.

7. ADJOURNMENT
   There being no further business for consideration by the Board, the meeting was adjourned at 10:40 a.m.
Respectfully submitted,

Joanne Cook  
Board Secretary
To ensure operational safety and to meet SCRRA and FRA regulatory requirements, an internal rail testing system inclusive of all required nondestructive testing equipment is required for the detection of traffic-induced defects and manufacturing discontinuities in the rail head section.

Recommendation

Staff recommends the Board authorize the Chief Executive Officer to award Contract No. SP297-11, Ultrasonic Rail Testing, to the lowest responsive and responsible bidder, Sperry Rail Service, in an amount not-to-exceed $393,285 for the initial three-year term, with one two-year option to be exercised at the Authority’s discretion. This award is subject to resolution of any protest timely filed.

Alternatives

The Board could reject all bids and direct staff to re-issue the Invitation for Bid (IFB).

Background

Non-destructive rail flaw testing is performed a minimum of three times a year to meet SCRRA and FRA regulatory requirements to locate pending internal rail defects.

SCRRA issued an Invitation for Bid (IFB) on August 16, 2010. The solicitation was posted on the Metrolink website, advertised in publications in the five member counties and notices were sent directly to firms registered on the Metrolink website. Twenty-one firms requested the solicitation. Two sealed bids were received by the September 22, 2010 deadline as follows:
Sperry Rail Service met all the obligations of this procurement, including certification to comply with the Buy America requirements in accordance with 49 USC §5323(j)(1) and 49 CFR Part 661.11 and has previously performed satisfactorily under prior contracts with the Authority. Therefore, Sperry Rail Service, the lowest responsive and responsible bidder, is recommended for award.

Pursuant to Race-Neutral DBE policy directives issued by the U.S. DOT in response to the ninth circuit U.S. Court of appeals decision in Western States Paving Co. v. Washington State Department of Transportation and the FTA’s Guidance, the SCRRA utilizes race-neutral measures to meet its overall DBE goals and objectives. As such, a contract-specific DBE goal was not established for this DOT-assisted contract, and Bidders were not required to utilize DBEs as a condition of award of the contract.

**Budget Impact**

Funding for ultrasonic rail testing is available in the FY10/11 rehabilitation budget that includes local and federal funds. Federal funds are provided under U.S. DOT FTA Grants.

Prepared by: Richard Walker, Director System Maintenance and Rehabilitation
Richard Chiou, Contract Administrator
Joseph Henderlong, Director Strategic Sourcing, Contracts & Supply

John E. Fenton
Chief Executive Officer
TO: Board of Directors  
FROM: Chief Executive Officer  
SUBJECT: Contract No. QM115-03 – Disadvantaged Business Enterprise (DBE) Administration and Labor Compliance Program Consulting Services – Short term Extension of Contract Term, Increase Contract Funding Authority Padilla & Associates, Inc. (Padilla), and Add Three Staff Positions

Issue
Continuous administration of the Authority’s Disadvantaged Business Enterprise (DBE) and Labor Compliance programs is required as a condition of receiving funding from the Federal Transit Administration (FTA).

Recommendation
Staff recommends the Board of Directors approve:

1. The extension of the contract term on the existing Contract No. QM115-03 with Padilla and Associates, Inc. (Padilla) by six months to June 30, 2011; and
2. An increase in contract funding authorization of $150,000 for a new not-to-exceed amount of $1,040,000 for this contract since 2003; and
3. Three additional SCRRA staff positions to support the Disadvantaged Business Enterprise (DBE) and Labor Compliance requirements on an in-sourced basis to include the positions of a DBE Program Manager and two Labor Compliance Analyst positions. These staff positions will function under the direction of the Director, Strategic Sourcing, Contracts & Supply.

Alternatives
The Board may:

1. Modify the amount of the requested contract funding authorization; or
2. Decline to approve all the additional staff positions; or
3. Approve a reduced number of staff positions; or
4. Recommend that the DBE and Labor Compliance function remain outsourced.

Background
On February 28, 2003, the Board awarded a competitively solicited Contract No. QM115-03 for three years with a single two-year option term to Padilla & Associates, Inc. (Padilla)
for Disadvantaged Business Enterprise (DBE) and Labor Compliance Program Consulting Services. On February 22, 2008, the Board approved a two-year extension on the Contract. The term of the two-year extension expired on March 31, 2010. The contract was extended an additional nine months under the Purchasing Agents authority in April 2010 and the contract now expires on December 31, 2010.

Labor compliance program assistance was also provided by Padilla under Contract No. QM115-03. One of the tasks under Contract QM115-03 was to develop and implement a Labor Compliance Program. After the Labor Compliance Program was put into place a separate contract was awarded by the Board specifically for those services. As a result of a competitive procurement, the Board, in December 2004, awarded Contract No. QM120-05 for labor compliance monitoring services to be performed on a per project basis under contract task orders to Padilla. That contract expired June 30, 2009 and was replaced with QM131-09 Labor Compliance Monitoring Services for Commuter Railroad Projects. The term of QM131-09 is for three years with a two-year option. The current contract will expire on June 30, 2012.

DBE Program

In 1999, the Authority’s Board of Directors adopted a DBE Policy and Program that met the requirements of 49 CFR Part 26 which were subsequently accepted by FTA Region IX. Since the approval of the DBE Program and Policy, the Authority has developed and adopted annual DBE participation goals in accordance with the requirements of 49 CFR Part 26.

Padilla administers the ongoing needs of the existing Disadvantaged Business Enterprise (DBE) Policy under Contract No. QM115-03 to ensure the development and approval of both the annual and contract specific goals, assist in vendor visits as may be required by Los Angeles Cluster Group certifying agencies, provide monthly and quarterly reporting of DBE participation, review DBE participation submitted by offerors, provide appropriate training to Authority staff and contractors staff and provide other guidance and assistance as may be required to administer a DBE program that fully complies with all federal requirements. Padilla prepared SCRRA’s Waiver of Limited Application for submission to U.S. Dot General Counsel (Secretary of Transportation) for approval to implement a modified race conscious program. SCRRA is awaiting a response on the Waiver of Limited Application. Currently Padilla has three (3) staff positions (Project Manager, Sr. Compliance Officer and Compliance Analyst), who oversee this program.

Although this business model satisfied all of the regulator requirements of U.S. Department of Transportation (DOT), 49 CFR Part 26, it created a layer between the DBEs and SCRRA’s Sourcing & Contracts division (S&C). S&C’s mission is to go beyond just ensuring non-discrimination and a level playing field. S&C needs to more actively help to remove barriers to the participation of DBE’s in DOT-assisted contracts, and to assist the development of firms that can compete successfully in the market place.

Labor Compliance Program

Under Contract No. QM131-09, Padilla administers SCRRA’s Labor Compliance Program, which includes outreach and compliance monitoring while meeting all federal, state and local mandated regulations. The ongoing Labor Compliance services that Padilla provides
further ensures that the Authority’s contractors/consultant(s) comply with all applicable laws and regulations governing the payment of prevailing wages. Currently Padilla has five (5) staff positions (Sr. Labor Compliance Officer, Labor Compliance Analyst, Project Manager, Labor Compliance Support – 2).

An analysis conducted by SCRRA staff indicates that program management of the DBE and Labor Compliance program can be consolidated. In addition to the potential increase of DBE participation by bringing the administration of the DBE in-house and consolidating some of the Labor Compliance functions, it would result in a reduced number of labor resources (three – DBE and five Labor FTE’s), currently provided by Padilla to three full-time staff positions in-house SCRRA is estimated to realize an overall annual savings of $198,000.

Staff is working with the Human Resources Division (HR) in developing position descriptions for one DBE Program Manager and two Labor Compliance Analyst positions. Upon board approval, recruitment for these positions will be in accordance with the SCRRA HR policies. In order for a seamless transition for stakeholders, a transition period of up to six months is required to implement the race conscious program pending approval of the Waiver of Limited Application.

Therefore, staff is requesting the Board approve the extension of Contract No. QM115-03 by six months, increase the funding authorization in the amount of $150,000 for continued DBE administration compliance consulting services, and the three staff positions.

Padilla has been made aware of staff’s intentions to bring both the DBE and Labor Compliance administration in-house. Once the full transition of both programs is complete, staff will terminate both contracts for convenience as part of the terms and conditions outlined in each contract.

**Budget Impact**

Funding for the DBE administration compliance program consulting services is in the Fiscal Year 2010-11 Contract Administration and Procurement Division budget. Staff will endeavor to minimize any increased expenses related to transitioning to an in-house program administration.

Prepared by: Jennifer M. Sims, C.P.M, Manager, Contract Administration and Procurement
Roslyn M. Lewis, Senior Contract Administrator
Joseph Henderlong, Director, Strategic Sourcing, Contracts & Supply

John E. Fenton
Chief Executive Officer
TRANSMITTAL DATE: October 14, 2010
MEETING DATE: October 22, 2010
ITEM 7

TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: Amendment to Santiago Peak License Agreement – Increase in Funding Authority – American Tower L.P.

Issue
An increase in funding authority is required in order to execute an Amendment to current license agreement located at Santiago Peak.

Recommendation
Staff recommends the Board authorize the Chief Executive Officer to execute an amendment to the license agreement between SCRRA and American Tower, L.P. at a rate of $3,588 per month to be effective in the future when new equipment is installed.

Alternative
There are no viable alternatives because this tower is necessary in order to facilitate the new microwave system to support redundant paths to Fullerton, the Eastern Maintenance Facility, and to replace the link to Pomona Station. More tower space is required for the associated microwave antennas. The equipment building also requires an increase of leased space to account for the added microwave radios and supporting battery plant. There is insufficient funding authority for this license due to errors in prior calculations by both parties.

Background
On February 11, 2002 the SCRRRA Board approved the original license of the radio site location on Santiago Peak above Trabuco Canyon in Orange County. The original term was 25 years, including an initial five-year term and four automatic renewal periods of five years each. The rental payment was $934 per month, adjusted by an “annual escalator” amounting to the greater of 5% or the percentage increase in CPI. The current rate is $1,188.

In June 2010, staff prepared a Board report indicating a new rate of $1,210 for an amendment that adds new equipment at the tower site. This figure was incorrect when it was recommended by staff and approved by the Board on June 25, 2010. The report
should have indicated an increase of $1,210 to the current rate. This increase is due to the addition of three (3) 8’ dishes at the tower site.

In August 2010, American Tower L.P. indicated that they erred in calculating their rate for the new equipment. Instead of $50 per linear foot for the (3) 8’ dishes, the rate should have been calculated at $100 per linear foot. The monthly rate under the amendment should now be calculated as an increase of $2,400 to the current rate.

In October 2010, staff verified with American Tower L.P. that the current rate is $1,188 (annually escalated from the original $934/month). Staff also verified that the $2,400 increase is to be added to the current $1,188, to bring us to a new monthly rate under the amended license agreement of $3,588. This rate is subject to the same annual escalator, to take effect when the communications equipment is installed as part of the Orange County Expansion Project. No increased payments are due yet because the new equipment has not yet been installed.

**Budget Impact**

Funding for the communications infrastructure upgrades is provided through a variety of federal, state, and local funds. The license costs are ongoing expenses funded within the annual Operating Budget.

Prepared by: Jerone Hurst, Communication System Specialist  
Dan Guerrero, Manager of Signals and Communications  
Steve Holman, Buyer  
Joseph Henderlong, Director, Strategic Sourcing, Contracts & Supply

John E. Fenton  
Chief Executive Officer
TRANSMITTAL DATE: October 14, 2010
MEETING DATE: October 22, 2010
ITEM 8

TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: Request for Additional Work Order Authority with BNSF Railway Company (BNSF) for Signal Work to Accommodate Future Orange County Metrolink Service Expansion Projects (MSEP)

Issue
Additional work order authority with BNSF is required to provide flagging protection and relocate BNSF facilities to allow for construction of SCRRA track and signals. When completed, the SCRRA track will be used to provide train access in and out of the future Fullerton Station turn-back facility.

Recommendation
Staff recommends the Board of Directors authorize the Chief Executive Officer to amend existing work order authority with BNSF by an amount of $450,000 to fund necessary flagging and signal relocations and installation on BNSF’s San Bernardino Subdivision to allow Metrolink trains access in and out of the future turn-back facility at Fullerton.

Alternatives
There are no alternative ways to perform this work because BNSF labor agreements and the Shared Use Agreement with SCRRA require BNSF employees to perform the signal work on BNSF property.

Background
OCTA’s MSEP contemplates an additional six Metrolink round trips on the Orange Subdivision between Fullerton and Laguna Niguel beginning March 2011. The necessary improvements for the increased service require the BNSF to perform signal work and flagging protection in Fullerton due to the proximity to live tracks and needed coordination between BNSF’s San Bernardino Subdivision and OCTA’s MSEP on the Orange Subdivision.

On March 27, 2009, the Board approved a work order with BNSF in the amount of $1,165,717 for signal work at Fullerton to accommodate MSEP construction that was based on the then-current track configuration. On October 23, 2009, the Board amended the work order authority adding $324,761 for a total work order amount of $1,490,478 to reflect track and signal design changes that altered the BNSF scope of work at Fullerton.

Construction of BNSF’s signal relocations began earlier this year. The BNSF has incurred higher than expected costs because of additional flagging requirements. The relatively narrow right-of-way and
duration of SCRRRA track construction activities contributed to the increase in the flagging hours needed to properly protect workers and trains. These additional flagging costs total $236,950.

Further, two additional signal houses must be relocated as they were determined to be in conflict with SCRRRA construction once a detailed survey was made. Additional signal work including relocating these signal houses totals $213,050.

Together, these additional flagging and signal relocation costs total an additional $450,000 for a total work order amount of $1,940,478.

MSEP construction at Fullerton will involve both SCRRRA contracted track/signal work and BNSF signal work. BNSF labor agreements and the Shared Use Agreement with SCRRRA require BNSF employees perform work on BNSF property. BNSF, under the requested work order will: (1) relocate existing signal houses located on the south side of their main tracks, (2) install cable to associated switches and signals, (3) perform final in-service testing, and (4) provide flag protection for SCRRRA track and signal contractors working adjacent to BNSF track.

**Budget Impact**

The work order is funded in the SCRRRA’s FY 2009-10 New Capital budget as a component of the MSEP.

Prepared by: Bryan Payne, Assistant Director, Capital Program Management

JOHN E. FENTON
Chief Executive Officer
TRANSMITTAL DATE: October 14, 2010
MEETING DATE: October 22, 2010
TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: Quarterly Update on Liability Claims/Suits – Quarter Ended June 30, 2010

Issue
A report on a quarterly basis is provided for Board review regarding resolved and pending third-party operating liability and construction claims.

Recommendation
There is no staff recommendation. The Board may receive and file this report.

Background
Operations-related Insurance Program
Potential liabilities arise from incidents involving passengers and third parties as a result of Metrolink operations. The summary below is an update of Metrolink claims associated with these incidents from March 31, 2010 through June 30, 2010.

A. Open suits/claims from previous quarter: 449
B. New claims presented during this quarter: 23
   (Suits filed during this quarter: 2)
C. Total open claims/suits during this quarter (A+B): 472
D. Claims/suits closed during this quarter: 120
E. Claims/suits carried forward to next quarter (C minus D): 352
During the fourth quarter a total of $3,877,066.44 was expended in settlements. Of this amount $2,825,450.73 was received in reimbursements, for a final expenditure of $1,051,615.71.

As of June 30, 2010, the Agency’s total expenditure stands at $35,587,712.35. Of this amount $29,772,686.70 was reimbursed, leaving a total yearly expenditure of $5,815,025.65.

Conclusion

SCRRA’s General Liability policy is an indemnity-type policy. This means SCRRA pays the settlement amount for claims above SCRRA’s self-insured retention, then submits a payment amount to our carriers, who reimburse the agency 100% of those amounts.

With the exception of the Glendale and Chatsworth incidents, the number of claims filed from inception to date is at a reasonable level. Payout to date is considered acceptable.

Budget Impact

This report does not have a budgetary impact.

Prepared by: W. Greg Graves, Risk Manager

[Signature]

JOHN E. FENTON
Chief Executive Officer
TRANSMITTAL DATE: October 14, 2010
MEETING DATE: October 22, 2010
TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: ProForma Quarterly Investment Report
Quarter Ended September 30, 2010

Issue

Section VII of the Southern California Regional Rail Authority’s Annual Investment Policy requires that the Treasurer make a quarterly investment report to the Board of Directors, and Section 53646 of the California Government Code encourages local agencies to file this report. This report covers the first quarter ended September 30, 2010.

Recommendation

There is no staff recommendation. The Board may receive and file this report.

Background

SCRRA is currently managing a portfolio of $62 million, which is managed in two parts. The first is leveraged lease proceeds restricted by the Board for the life of the lease(s). The interest earnings generated on these funds produce a revenue stream utilized for the renovation and rehabilitation of rolling stock. The balance of the portfolio is comprised of operating revenue and funds provided by member agencies to subsidize operating and capital programs.

We continue to work diligently with our portfolio manager ensuring that our investments remain prudent, and the economic impact to the Agency mitigated as much as can be in this current market. The securities maintained in our portfolio were highly rated at purchase. In the event a security’s credit rating falls below Agency policy we will closely monitor the security in order to mitigate risk to the Agency. Under the current investment policy, the Treasurer in consultation with the portfolio manager will determine if these securities require disposition in order to mitigate the risk and manage the Agency’s assets.

Attachment “A” provides a listing of the investment portfolio categorized by restricted and unrestricted investments as of September 30, 2010. It also provides a summary list of investments including a chart representing the entire portfolio broken down by investment...
class to indicate compliance with SCRRRA’s investment policy. The activity of the portfolio in the fourth quarter is summarized below.

**Total Portfolio**

On September 30, 2010, the total value of SCRRRA’s investment portfolio was $62 million of which $36 million was in unrestricted investments and $26 million was considered restricted. The restricted funds have been set aside by the Board to produce a revenue stream for rolling stock renovation and rehabilitation. Interest income generated from the portfolio for the first quarter totaled $295,299 which reflects an annualized yield of 1.74% on an average value of $60.5 million. Interest earnings as it relates to this ProForma report reflects an estimate for monies invested in LAIF. At the time of this report, LAIF interest earned is not available for the quarter ended September 30, 2010. Upon receipt of final LAIF earnings, the report will be updated to reflect actual earnings for the quarter.

**Activity on Restricted Investments**

Restricted investments totaled $26 million on September 30, 2010.

Total interest earned on restricted investments for the first quarter totaled $164,521 translating into an annualized yield of 2.65%.

**Activity on Unrestricted Investments**


Interest earnings attributable to unrestricted investments totaled $130,778 for the quarter. This translates into an annualized yield of 1.21%.

**Portfolio Compliance**

The composition of the portfolio as of September 30, 2010 complies with all the provisions of SCRRRA’s Annual Investment Policy. The chart included in Attachment “A” displays the composition of the Authority’s portfolio at September 30, 2010.

**Cash Sufficiency**

Staff has reviewed the anticipated cash requirements for the next six months and determined that the current portfolio provides sufficient liquidity to meet the cash requirement over this period.
Budget Impact

There is no budget impact arising from this item.

Prepared by: Young Jin Paik, Accountant
Patricia Kataura, Controller/Treasurer

JOHN E. FENTON
Chief Executive Officer
# Southern California Regional Rail Authority
## Investment Portfolio
### September 30, 2010

### Restricted Investments
<table>
<thead>
<tr>
<th>Cash Equivalents:</th>
<th>Maturity Date</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Credit Ratings</th>
<th>Yield to Maturity</th>
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</thead>
<tbody>
<tr>
<td>Columbia Treasury Reserves Mutual Fund # 351</td>
<td>On Demand</td>
<td>80,681.14</td>
<td>80,681.14</td>
<td>Aaa AAAm</td>
<td>0.13%</td>
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<tr>
<td>Columbia Treasury Reserves Mutual Fund # 208</td>
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<td>-</td>
<td>Aaa AAAm</td>
<td>0.00%</td>
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<tr>
<td>BofA Money Market Reserves # 4378</td>
<td>On Demand</td>
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<td>6,962,553.38</td>
<td>Aaa AAAm</td>
<td>0.13%</td>
</tr>
<tr>
<td><strong>Total Restricted Investments</strong></td>
<td></td>
<td>7,043,234.52</td>
<td>7,043,234.52</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Investment Pool
| Local Agency Investment Fund | On Demand | 9,141,348.16 | 9,141,348.16 | NR | NR | 0.56% |
| **Total Restricted Investments** | | 10,167,110.00 | 10,167,110.00 | | |

### Corporate:
| Met Life Global Funding | 08/19/10 | - | - | Aa3 | AA- | 3.80% |
| Arden Realty LP | 09/01/11 | 4,935,350.00 | 5,187,755.00 | Aa2 | AA+ | 5.55% |
| Arden Realty LP | 09/01/11 | 2,053,260.00 | 2,075,102.00 | Aa2 | AA+ | 4.34% |
| General Electric Capital Corporation | 06/15/12 | 3,178,500.00 | 3,237,675.00 | Aa2 | AA+ | 4.39% |
| **Total Restricted Investments** | | 10,167,110.00 | 10,167,110.00 | | |

### Unrestricted Investments
<table>
<thead>
<tr>
<th>Cash Equivalents:</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Credit Ratings</th>
<th>Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia Treasury Reserves Mutual Fund # 351</td>
<td>On Demand</td>
<td>-</td>
<td>-</td>
<td>Aaa AAAm</td>
</tr>
<tr>
<td>Columbia Treasury Reserves Mutual Fund # 208</td>
<td>On Demand</td>
<td>-</td>
<td>-</td>
<td>Aaa AAAm</td>
</tr>
<tr>
<td>BofA Money Market Reserves # 4378</td>
<td>On Demand</td>
<td>1,446,459.75</td>
<td>1,446,459.75</td>
<td>Aaa AAAm</td>
</tr>
<tr>
<td>Supplemental Executive Retirement Plan</td>
<td>On Demand</td>
<td>212,576.61</td>
<td>182,163.42</td>
<td>NR</td>
</tr>
<tr>
<td>Premium Checking</td>
<td>09/30/10</td>
<td>8,537,425.24</td>
<td>8,537,425.24</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Unrestricted Investments</strong></td>
<td></td>
<td>10,167,110.00</td>
<td>10,167,110.00</td>
<td></td>
</tr>
</tbody>
</table>

### Investment Pool:
| Local Agency Investment Fund | On Demand | 18,699,691.41 | 18,699,691.41 | NR | NR | 0.56% |
| **Total Unrestricted Investments** | | 35,943,692.62 | 35,943,692.62 | | |

### Portfolio Total:
| | **$62,295,385.30** | **$62,712,131.38** |

### Interest Earnings:
- Quarter Ended 09/30/10: **$295,299** (1.74%)
- Fiscal Year To Date 09/30/10: **$295,299** (1.74%)

---

*Attachment A
Agenda Item 10
Transmittal Date: October 18, 2010*
SCRRA INVESTMENT POLICY COMPLIANCE
Investment Portfolio

<table>
<thead>
<tr>
<th>Investment Instruments</th>
<th>Dollar Invested</th>
<th>Percentage of Portfolio</th>
<th>Investment Policy Maximum Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Mkt Funds</td>
<td>8,702,270.88</td>
<td>13.97%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Premium Checking</td>
<td>8,537,425.24</td>
<td>13.70%</td>
<td>50.00%</td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>771,359.61</td>
<td>1.24%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Medium-Term Maturity Corporate Securities</td>
<td>16,443,290.00</td>
<td>26.40%</td>
<td>30.00%</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>27,841,039.57</td>
<td>44.69%</td>
<td>$40 Million</td>
</tr>
<tr>
<td>Total</td>
<td>$62,295,385.30</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

SCRRA PORTFOLIO COMPOSITION
As of September 30, 2010

- Local Agency Investment Fund: 49%
- Money Mkt Funds: 14%
- Premium Checking: 14%
- U.S. Treasuries: 1%
- Medium-Term Maturity Corporate Securities: 26%
TO:    Board of Directors
FROM:    Chief Executive Officer
SUBJECT:    Inventory Management Control – Request for Approval of
Five Staff Positions

Issue
The transfer of contractor supplied services to SCRRA positions to consolidate the
management, warehousing and distribution of maintenance of way and capital materials,
parts and supplies, tools, equipment, warranty, repair and return policy, requires five
additional SCRRA staff positions.

Recommendation
Staff recommends the Board of Directors approve an additional five SCRRA staff positions
to support the material management and inventory control and planning services for
SCRRA operations. This staff will function under the direction of the Director, Strategic
Sourcing, Contracts & Supply and will save over $375,000 annually from the current
contracted out scope of services.

Alternatives
The Board may:
1. Decline to approve all the additional staff positions; or
2. Approve a reduced number of staff positions; or
3. Recommend that the material management and inventory control functions remain
outsourced.

Background
SCRRA contracts with Veolia Transportation Maintenance Infrastructure (VTMI) under
Contract No. MS214-09, and Contract No. MS222-09R with Mass Electric Construction
Services (MECC), to provide parts and supplies, warehousing, inventory and distribution
services. This business model does not allow SCRRA direct control of purchases and
management of inventory. Additionally, this business model requires the two separate
entities to have separate warehouses, and facilities to provide these services.
An analysis conducted by SCRRA staff indicated that in-sourcing the purchasing, inventory control and material management function currently being provided by VTMI and MECC, would allow SCRRA to consolidate the management, warehousing and distribution of maintenance of way and capital materials, parts and supplies, tools, equipment, warranty, and repair and returns. This consolidation has the benefit of reducing the number of labor resources (seven), currently provided by the contractor to five full time staff positions. These services currently cost SCRRA $810,500 per year. Other anticipated savings would be generated from reduction in agency vehicle costs and associated support equipment. The direct SCRRA staff costs for 5 inventory employees is estimated to be $434,700. Thus comparable services will be provided at a savings of $375,000.

Currently, VTMI and MECC under each of their contracts have a Materials Supervisor on staff to oversee the management of SCRRA’s Inventory for their respective department. Each Material Supervisor supervises two Material Handlers/Operators that work in the warehouse or yard and perform routine inventory management tasks. MECC also has one Administrative Assistant that supports the Material Supervisor. The current total Contractor Inventory Management Staff equals seven (7) positions.

Bringing the Inventory Management function in-house will require five staff positions and only one Materials Supervisor, who will oversee the Signals & Communication (S&C) and Track & Structures (T&S) inventories and four Material Handler/Operators to support both departments as well as provide support of routine inventory management tasks as required. An evaluation of the current storage locations is currently being conducted by Material Management staff in order to determine the most strategic location(s) for this type of material storage. Currently, material is stored at three different locations and staff intends to consolidate into one location for efficiencies.

These five newly added positions for material management and inventory control will function under the direction of the Director, of the Strategic Sourcing, Contracts and Supply Division. The Materials Management mission will be to provide accurate and timely receipt, stocking and distribution of materials and supplies to the Systems Maintenance, Operations and Engineering and Construction Divisions; to maintain approved targeted inventory control levels, minimize inventory carrying costs, and assist these divisions in the processing and tracking of warranty-quality materials, repair & return and core management processing, and to assist in the disposition of spent assets.

To meet the implementation deadline of January 1, 2010, SCRRA staff notified VTMI and MECC in accordance with the requirements of their contracts of SCRRA’s intent to reduce the scope of services starting with the second half of FY 2010/11. Since both of these contracts are funded annually, staff will be requesting a reduced service plan from both VTMI and MECC in the upcoming fiscal years. Staff is working with the Human Resources Division (HR) in developing position descriptions for the five inventory management positions. Upon board approval, recruitment for these positions will be in accordance with the SCRRA HR policies.
By bringing the VTMI/MECC material management functions in-house, the SCRRA will reduce contractor’s head count and operating costs, prevent or minimize obsolete inventory; provide greater input to the planning process to establish new standards, and the timeframe to economically establish those standards; increase inventory turn time, reduce total inventory value and optimize the disposal of obsolete inventory. This will be a seamless transition for stakeholders, and SCRRA is estimated to realize an overall annual direct expenses savings of $376,000, in the agency’s Operating and Capital Budgets, as well as, the ability to control all inventory purchases and correct any inventory management deficiencies.

The Equipment inventory management program currently being provided under Contract No. OP120-03 with Bombardier will remain unchanged at this time.

**Budget Impact**

Funding for the additional five staff positions would be available through the direct reduction of contractor staffing included in the FY2010-11 operating and capital budget. Funding for future years will be requested in the proposed budgets for those years.

Prepared by: Dennis Marzec, General Manager, Commuter Rail Operations
Joseph M. Henderlong, Director, Strategic Sourcing Contracts and Supply
Lia McNeil-Kakaris, Principal Contract Administrator

JOHN E. FENTON
Chief Executive Officer
TRANSMITTAL DATE: October 14, 2010
MEETING DATE: October 22, 2010

TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: Contract No. SP256-09 – Holiday Toy Express® Production Services – Increase in Contract Authority – Show Development, Inc.

Issue

The Holiday Toy Express® is the Southern California Regional Rail Authority’s most extensive community outreach program to date. Production services are required on an annual basis to prepare and present the program.

Recommendation

Staff recommends the Board authorize the Chief Executive Officer to amend Contract No. SP256-08 for Holiday Toy Express production services with Show Development Inc. to increase the contract authority in an amount of $94,550 for the 2010 Holiday Toy Express® program.

Alternatives

The Board may:

1. Modify the amount of the contract funding authorization; or
2. Decline to increase the funding authorization.

Background

For the past thirteen years the Holiday Toy Express has been an SCRRRA tradition that has provided outreach to the community and has been greatly welcomed. It is the agency’s most extensive community outreach program (to date), receives significant media coverage and accounts for a large portion of the toys collected by the Southern California Firefighters “Spark of Love” toy drive. In addition to the annual stops at Metrolink's stations in the five member agency counties, The Holiday Toy Express started a new tradition in 2006 with the addition of a special stop inside the Marine Corps Base at Camp Pendleton.

At the July 2008 meeting, the Board awarded Contract No. SP256-09 for Holiday Toy Express to Show Development Inc. for a base period of two years with two one-year
options in an amount not-to-exceed $300,000 for the base period. The first year option was exercised under the Purchasing Agent’s Authority without an increase in contract authority extending the contract term to October 31, 2011. Staff is requesting an increase of $94,550 to cover the costs of the 2010 Holiday Toy Express® Program to cover Show Development Inc.’s production services as listed in Attachment A.

Show Development Inc. has provided production services for this program over the past ten years on an as-needed basis. This vendor provides specialized professional services, with a unique combination of technical and creative services along with knowledge of railroad operations and safety in a railroad environment.

At the September 2010 meeting, the Board approved a modified/reduced program for the Holiday Toy Express this year as follows:

- The Metrolink train, decorated with festive lights and décor as in past years, will stop at a total of 12 stations over six (6) nights instead of the original 47 stations over a 15-night period.
- Member Agencies and station cities will host a uniquely “themed” community event with the Holiday Toy Express train as the “backdrop” at each designated Metrolink station. Event can include local marching bands, dancers, plays, booths, etc.
- Santa Claus will arrive at the designated stations on The Holiday Toy Express.
- Introductions by elected officials may be made from the flat car (due to dwell time, safety constraints and scheduling, no guests will be allowed to ride the train this year.)
- Metrolink will continue its partnership with ABC7/Spark of Love Toy Drive and communities can be encouraged to bring a toy or stuffed animal for collection.

<table>
<thead>
<tr>
<th>Date:</th>
<th>Holiday Toy Express Stops:</th>
<th>Hosted by Station Cities and:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sat. Dec. 4</td>
<td>Burbank (opening night) &amp; Glendale</td>
<td>MTA</td>
</tr>
<tr>
<td>Sun. Dec. 5</td>
<td>Palmdale &amp; Santa Clarita</td>
<td>MTA</td>
</tr>
<tr>
<td>Sat. Dec. 11</td>
<td>N. Main Corona &amp; Fullerton</td>
<td>RCTC &amp; OCTA</td>
</tr>
<tr>
<td>Sun. Dec. 12</td>
<td>San Bernardino &amp; Rancho Cucamonga</td>
<td>SANBAG</td>
</tr>
<tr>
<td>Sat. Dec. 18</td>
<td>Irvine &amp; Camp Pendleton</td>
<td>OCTA</td>
</tr>
<tr>
<td>Sun. Dec. 19</td>
<td>Moorpark &amp; Camarillo</td>
<td>VCTC</td>
</tr>
</tbody>
</table>

**Budget Impact**

At the Board Workshop on September 25, 2010, the Board authorized a budget of $145,000 to cover the operating and contract costs for the Holiday Toy Express® program. Funding for the Holiday Toy Express production services is included in the Communications and Marketing Department FY2010-11 operating budget. Funding for future years will be requested in the operating budgets for those years.
Prepared by: Angela M. Starr, Director, Communications
            Lia McNeil-Kakaris, Principal Contract Administrator
            Joseph M. Henderlong, Director, Strategic Sourcing Contracts and
            Supply

JOHN E. FENTON
Chief Executive Officer
### Holiday Toy Express®

#### Cost Breakdown

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>2010 Estimate 5 night run Operating Costs</th>
<th>Contract # Program Costs</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction &amp; Operation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set design &amp; construction - labor only</td>
<td>$20,000</td>
<td>SP256-09</td>
<td>Includes workers comp</td>
</tr>
<tr>
<td>Train Operation - Labor</td>
<td>$10,000</td>
<td></td>
<td>Includes workers comp</td>
</tr>
<tr>
<td>Exterior lighting and technical package</td>
<td>$18,000</td>
<td></td>
<td>Rental</td>
</tr>
<tr>
<td>Strike (Clean-up)</td>
<td>$3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misc. expendables (w/receipts)</td>
<td>$1,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat Car Lease</td>
<td>$5,500</td>
<td></td>
<td>Storage from last year to event day</td>
</tr>
<tr>
<td><strong>Construction Subtotal</strong></td>
<td>$57,900</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Decorative Elements**         |                                       |                         |                                              |
| All Materials                   | $10,000                                |                         | Construction materials, Electrical repairs, Replacement parts, costume alterations. |
| **Decorative Elements Subtotal**| $10,000                                |                         |                                              |

| **Entertainment/Show**          |                                       |                         |                                              |
| Santa Costumes                  | N/A                                    |                         | Existing                                     |
| Contractors Fee                 | $15,000                                |                         |                                              |
| Talent (Santa Claus)-2 performers | $2,000                                |                         | 2 per night                                  |
| Snow Machines                   | $4,000                                 |                         | No video monitors                            |
| Props and Set Pieces            | $1,500                                 |                         | Motives                                      |
| Voice Over Talent               | $1,000                                 |                         |                                              |
| **Entertainment/Show Subtotal** | $23,500                                |                         |                                              |

<p>| <strong>Misc</strong>                       |                                       |                         |                                              |
| Train operator's meals          | $539                                   |                         | $11 x 7 x 7 nights (6 events nights plus test) |
| Banners                        | $600                                   |                         |                                              |
| Kabuki throws and Confetti      | $1,000                                 |                         |                                              |
| Candy Canes &amp; Scarves           | $1,000                                 |                         | Scarves Existing                             |
| <strong>Misc Subtotal</strong>               | $3,139                                 |                         |                                              |</p>
<table>
<thead>
<tr>
<th>Description of Work</th>
<th>2010 Estimate 5 night run</th>
<th>Contract # SP-256-09</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing &amp; Communications</td>
<td></td>
<td></td>
<td>2010 Comm. plan includes: Social Media, PSA's, Radio Messaging, IVR recording, Call Center-Holiday Toy Express, Conductor Announcements, City Websites</td>
</tr>
<tr>
<td>Design &amp; some print cost</td>
<td>$5,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Manager</td>
<td>$6,500</td>
<td></td>
<td>Internal Hours (Claudia &amp; Charlene)</td>
</tr>
<tr>
<td>Posters</td>
<td>N/A</td>
<td></td>
<td>Cities and agencies to print</td>
</tr>
<tr>
<td>Station City Flyers for outreach</td>
<td>N/A</td>
<td></td>
<td>Cities and agencies to print</td>
</tr>
<tr>
<td>School outreach</td>
<td>N/A</td>
<td></td>
<td>Cities and agencies to print</td>
</tr>
<tr>
<td>Schedules</td>
<td>N/A</td>
<td></td>
<td>Cities and agencies to print</td>
</tr>
<tr>
<td><strong>Marketing &amp; Comm. Subtotal</strong></td>
<td><strong>$12,250</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event/Mrk/Comm. Total</td>
<td><strong>$12,250</strong></td>
<td><strong>$94,539</strong></td>
<td></td>
</tr>
<tr>
<td>Passenger Services (FSR/CSR)</td>
<td><strong>$7,178</strong></td>
<td></td>
<td>Three FSR's @ each station – 6 nights</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Train Crew Labor</td>
<td><strong>$8,130</strong></td>
<td></td>
<td>One - Eight Hour Crew @ OT Rates/Night.</td>
</tr>
<tr>
<td>Mechanical</td>
<td><strong>$13,340</strong></td>
<td></td>
<td>Servicing/Cleaning &amp; Prep. of Train Set.</td>
</tr>
<tr>
<td>Fuel (2.5 gal/mi @ $2.40/gal)</td>
<td><strong>$4,038</strong></td>
<td></td>
<td>560.9 Total Miles,(1 extra day)</td>
</tr>
<tr>
<td>Freight RR Track Chrgs.</td>
<td><strong>$119</strong></td>
<td></td>
<td>BNSF track use @$0.94/train mile-127.1 miles.</td>
</tr>
<tr>
<td>Security</td>
<td><strong>$7,896</strong></td>
<td></td>
<td>One Sergeant, Two Deputies, One Law Enforcement Tech for 6 Hours.</td>
</tr>
<tr>
<td><strong>Operations Total</strong></td>
<td><strong>$33,520</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HOLIDAY TOY EXPRESS SUBTOTALS</strong></td>
<td><strong>$52,948</strong></td>
<td><strong>$94,539</strong></td>
<td></td>
</tr>
<tr>
<td>Sponsorships</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP</td>
<td><strong>$2,500</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sponsorships Total</strong></td>
<td><strong>$2,500</strong></td>
<td></td>
<td>Union Pacific</td>
</tr>
<tr>
<td><strong>HOLIDAY TOY EXPRESS TOTAL</strong></td>
<td><strong>$144,987</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>