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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<th>County</th>
<th>Member</th>
<th>Alternate</th>
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| Ventura: | Keith Millhouse *(Chair)*  
1 vote  
City of Moorpark | Brian Humphrey  
Commission Member  
VCTC |
| Los Angeles: | Richard Katz *(Vice-Chair)*  
4 votes  
Member,  
Metro Board of Directors  
City of Los Angeles  
Mayor Appointee | Jaime de la Vega  
Deputy Mayor,  
City of Los Angeles |
| | Michael Antonovich  
Supervisor, 5th District  
County of Los Angeles | Robert T. Bartlett  
Appointed by Metro |
| | Don Knabe  
Supervisor, 4th District  
County of Los Angeles  
Chairman, Metro Board of Directors | Beatrice Proo  
Appointed by Metro |
| | Ara Najarian  
Council Member  
City of Glendale | Maureen Micheline  
Transportation Deputy  
Metro |
| San Bernardino: | Paul Eaton  
2 votes  
Mayor  
City of Montclair | Awaiting appointment* |
| | Patrick Morris  
Mayor  
City of San Bernardino | Diane Williams*  
Council Member  
City of Rancho Cucamonga |
| Orange: | Paul Glaab  
2 votes  
Council Member  
City of Laguna Niguel | Awaiting appointment* |
| | *Awaiting appointment* | |
Riverside: Ron Roberts  
Mayor Pro Tem  
City of Temecula  
2 votes  

Daryl Busch  
Mayor  
City of Perris  

Greg Pettis*  
Council Member  
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:  
Michael Miles  
Director, Caltrans District 7  

*Alternates represent either member  
Revised 1-5-11
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 5-9) 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 Chair 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**

4. **Election of Officers**

**CONSENT CALENDAR**

5. **Approval of Minutes – December 10, 2010 Special Board Meeting**
   Staff recommends the Board approve the Minutes of the December 10, 2010 Special Board of Directors Meeting.

6. **Lim & Nascimento Engineering (LAN) – Consent to Assignment**
   Due to the acquisition of LAN by AECOM Technology Services, Inc. (ATS) consent to assignment of all the previously awarded contracts is required. Staff recommends the Board authorize the Chief Executive Officer to consent to assignment of the following contracts from LAN to AECOM Technical Services, Inc. (ATS):
   1. Contract No. E736C-09 – Project Management Construction Management and Staff Assistance Services
   2. Contract No. CM101-06 – Construction Management Services

7. **Contract No. E737B-08 – On-Call Professional Engineering Design Services - DMJM-HARRIS, INC - Consent to Assignment**
   Due to the acquisition of DMJM-Harris, Inc. by AECOM Technology Services, Inc. (ATS) consent to assignment of all the previously awarded contracts is required. Staff recommends the Board authorize the Chief Executive Officer to consent to assignment of Contract No. E737B-08 – Professional Engineering Design On-Call Services with DMJM Harris to AECOM Technical Services, Inc. (ATS)

8. **ProForma Quarterly Investment Report - Quarter Ended December 31, 2010**
   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 second quarter ended December 31, 2010. The Board may receive and file this report.

   Janitorial Services are needed for continued maintenance of SCRRRA facilities and layover sites. Staff recommends the Board authorize the Chief Executive Officer to amend Contract No. MS217-06 for janitorial services with Come Land Maintenance Co., Inc. to increase the contract funding authorization by $75,000 for a new total not-to exceed amount of $570,100 and to extend the period of performance by three months from February 28, 2011 until May 31, 2011.
REGULAR CALENDAR


   Continued professional engineering and technical services are needed to support a wide variety of rolling stock acquisition, maintenance, and overhaul projects for SCRRRA's Metrolink commuter rail system. Staff recommends the Board authorize the Chief Executive Officer to:
   1. Award Contract No. E738-11, Engineering and Technical Support for Rolling Stock Acquisition, Maintenance, and Overhaul to STV Incorporated (STV); and
   2. Authorize negotiations with STV for an acceptable contract; and
   3. Should the negotiations with STV not succeed, authorize negotiations with each of the firms in rank order until a contract is negotiated.
   4. The term of the contract shall be for a base term of three years with one two-year option. Work under this contract will be authorized through contract task orders. A total not-to-exceed amount of $7,000,000 is requested for the initial term. Award is subject to resolution of any protest timely filed.

Gray Crary, Chief Capital Management Officer

11. **Chief Executive Officer’s Report**
   - Agency Update

12. **Staff Recognition**

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

CLOSED SESSION

14. **Closed Session**
   a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** - Pursuant to subdivision (a) of Government Code Section 54956.9 – Brotherhood of Locomotive Engineers and Trainmen (BLET) vs. SCRRRA and Veolia/Connex - State: Case No. BC424287 and Federal: CV 09-8286

   b. **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. SCRRRA et al. PCO43703; SCRRRA and Connex Railroad LLC v. Magdaleno et al. CV10 6365SCRRRA v. Connex - CV08-06987

   c. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Pursuant to Subdivision (b) of Section 54956.9 and Subdivision (c) of Section 54956.9 (2 potential cases)
d. **CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION** – Pursuant to Subdivision (a) of Section 54956.9. Estate of Brown et al. v. SCRRRA et al- Case No. KCO52988 and consolidated cases; Estate of Smith et al. v. SCRRRA et al. and Christina Brown et al. v. SCRRRA et al.

15. **ADJOURNMENT**
MINUTES OF THE SCARRA
SPECIAL BOARD OF DIRECTORS MEETING
DECEMBER 10, 2010

ITEM 5

BOARD MEMBERS/ALTERNATES IN ATTENDANCE

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<td>VCTC:</td>
<td>KEITH MILLHOUSE (Chair)</td>
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<td>BRIAN HUMPHREY</td>
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<td>METRO:</td>
<td>MICHAEL ANTONOVICH</td>
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<td>RICHARD KATZ (Vice Chair)</td>
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<td>GREG PETTIS</td>
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Meeting minutes are prepared in a format that corresponds with the Board Meeting Agenda, which is incorporated by reference with these minutes. SCRRA 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 SCRRA Board of Directors Meeting was called to order on Friday, December 10, 2010 at 10:03 a.m.

2. **Pledge of Allegiance**
   Chairman Millhouse led the group in the Pledge of Allegiance.

3. **Public Comment**
   At this time Chairman Millhouse inquired if any members of the public wished to address the Board regarding any items not listed on the agenda, within the subject matter jurisdiction of the Board. There being no requests to speak, the Public Comment period was formally closed.
CONSENT CALENDAR
Upon a motion by Director Brown and seconded by Director Najarian the Board approved the consent calendar (Items 4-11). There was no opposition to the motion and the motion passed unanimously.

4. Approval of Minutes –
   a. November 12, 2010 Board Meeting
   b. November 19, 2010 Special Board Meeting
   ACTION: The Board approved the minutes of the November 12, 2010 Board Meeting and the November 19, 2010 Special Board Meeting.

5. Purchase Order No. PO384-11 – Office Supplies, Furniture & Technology Items – Recommendation to Award – Office Depot, Inc.
   ACTION: The Board authorized the Chief Executive Officer to award Purchase Order No. PO384-11 to Office Depot, Inc. for a total not-to-exceed contract authorization of $140,000 for a period of fourteen (14) months.

   ACTION: The Board authorized the Chief Executive Officer to award non-competitive Contract No. PO385-11 for the purchase of four CEM couplers from Voith Turbo, Inc., for a not-to-exceed amount of $204,635.46.

   ACTION: The Board approved the proposed evaluation criteria specifying a weighting of 60% technical qualifications and 40% for cost to retain a firm(s) to provide janitorial services. The proposed criteria are consistent with the Evaluation Criteria Policy adopted by the Board in February 25, 2005.

8. Approval of Evaluation Criteria – Request for Proposal No. MS231-11 – Landscape Maintenance Services
   ACTION: The Board approved the proposed evaluation criteria specifying a weighting of 60% technical qualifications and 40% for cost to retain a firm(s) to provide landscape maintenance services. The proposed criteria are consistent with the Evaluation Criteria Policy adopted by the Board in February 25, 2005.

   ACTION: The Board received and filed this report.

    ACTION: The Board authorized the Chief Executive Officer to increase the contract funding authorization for PO No. S1100326 with DNA for digital photography, production and media relations services by an amount of $60,000 for a not-to-exceed amount of $102,642.86.
11. **2011 Board of Directors Calendar**

**ACTION:** The Board approved and adopted the 2011 Board and Committee meeting schedule. All meeting in 2011 will be held at Los Angeles Metropolitan Transportation Authority (Metro) located at One Gateway Plaza, 3rd Floor, Los Angeles, CA 90012. Please refer to Metrolink’s website for updated information. [www.metrolinktrains.com](http://www.metrolinktrains.com)

**REGULAR CALENDAR**

12. **Contract No. PO379-11 – Recommendation to Award – Locomotive Diesel Fuel and Trackside Fueling Services – Southern Counties Oil Company and IPC (USA), Inc.**

Mr. Joe Henderlong, Director, Strategic Sourcing, Contracts & Supply, explained that under this staff recommendation, two contract awards were being considered, one for direct trackside fueling services to locomotives as well as at the various terminals that we would draw from San Bernardino and Los Angeles, and the other for purchase of locomotive diesel fuel. He explained that the agency received many more bids than in the past, to the extent that the increased competition has allowed us to increase the discount for the program by .0023 cents a gallon which annualized is approximately $30K in savings per year to the agency.

**ACTION:** The Board of Directors:
1. Authorized the Chief Executive Officer to award Contract No. PO379A-11 to Southern Counties Oil Co. dba SC Fuels (SC Fuels), the lowest responsive and responsible bidder for the purchase of locomotive diesel fuel. The term of the contract will be for a base period of two years with an additional one-year option, in an amount not-to-exceed $40,000,000 for the base period; and
2. Designated the Chief Executive Officer, or his designee, as the SCRRA staff representative with the exclusive authority to approve and execute an FPA on the SCRRA’s behalf; and
3. Authorized the Chief Executive Officer to award Contract No. PO379B-11 to IPS (USA), Inc., the lowest responsive and responsible bidder for trackside fueling services. The term of the contract will be for a base period of two years with an additional one-year option, in an amount not-to-exceed $2,000,000 for the base period.

These awards are subject to resolution of any protests timely filed.

13. **Contract C3101-09, Metrolink Service Expansion and Grade Crossing Safety Improvements (MSEP/OCX), Herzog Contracting Corporation – Anaheim Storage Track & Fairhaven Ave. Closure**

Mr. Gray Crary, Chief Capital Management Officer, explained that this change order request is for the MSEP/OCX projects and that Herzog Construction is doing the primary civil work for these projects. He went on to say that there were two components to the change order, one to build the Anaheim storage facility and the second is for the reconfiguration of Fairhaven. Mr. Crary further explained that we were asking for authority for $1.8M for both projects.
ACTION: The Board authorized the Chief Executive Officer (CEO) to amend Contract No. C3101-09, MSEP/OCX, with Herzog Contracting Corporation (Herzog), and authorized execution of two Change Orders in the amount of $1,465,085. These Change Orders are within the total contract funding authorization of $46,490,431.34.


Mr. Gray Crary explained that this project is for the Orange County communications rehabilitation and is funded by OCTA rehabilitation funds. The project enhances the communications abilities in Orange County and there will be control points to the fiber optic lines as well as putting in microwave towers in Fullerton and Laguna. He further explained that there would be enhancements to some equipment in the mountain top communications areas.

ACTION: The Board authorized the Chief Executive Officer to award Contract No. C3106-11 for the Orange County Communications Rehabilitation Project to the lowest responsive and responsible bidder, Adesta Limited Partnership (Adesta), in the amount of $13,597,105.80, plus a fifteen percent contingency of $2,039,565.87, for a total amount not-to-exceed $15,636,671.67. Award is subject to resolution of any protest timely filed.


Mr. Gray Crary explained that this contract allows the reconstruction of platform 7 and the canopies and also provides ADA compliant ramps. He stated that this was the first step in a multi stage program that would ultimately result in other platform upgrades once funding is available. Mr. Crary explained that it was a robust bidding environment and that the predominant areas of undercutting competitor’s prices were on the electrical work on the steel for the canopies. He stated that there was an excellent spread amongst the bidders and recommended award of the contract to FTR. Director Morris questioned if we were going to be looking at a solar option for the canopies. Mr. Crary explained that we had not ventured into that but certainly could. He mentioned that this option would be researched and considered for future canopies. Vice Chair Katz suggested that although this option is not currently being considered, the work performed should be done in such a way that it does not preclude this option in the future.

Vice Chair Katz further asked if staff had considered opportunities in our right of ways for fiber optics that could the agency sell or lease as a revenue generator. Mr. Crary stated that the agency was installing a fiber optic backbone and our goal is to get from Burbank junction all the way out to the MOC. He stated that there was some fiber optics in place in Orange County that we would be utilizing and that we would be tapping into with the contract that was just approved.

Director Morris asked if there was any consideration in regards to Wi-Fi on board the trains so that our passengers don’t have to rely on other manual manipulation of their
computers? Mr. Crary explained that the equipment department had already begun to look at options for this and evaluating the costs.

ACTION: The Board found that the project is statutorily exempt from the California Environmental Quality Act (CEQA) and authorized the Chief Executive Officer to award Contract No. C3109-11 for Los Angeles Union Station Platform 7 to the lowest responsive and responsible bidder, FTR International, Inc., in the amount of $8,480,172.32, plus a fifteen percent contingency of $1,272,025, for a total amount not-to-exceed $9,752,197.32. This award is subject to resolution of any protest timely filed.

Mr. Gray Crary explained that this is a construction project where we put the whole project together, track, civil work, interconnect to the local municipality, traffic controls, and all the grade crossing protection into one package. Both Broadway/Brazil and Chevy Chase are included in on construction package as requested previously by the Board, in an effort to get the market to bid the price down. This is an action to execute the funding agreement

ACTION: The Board authorized the Chief Executive Officer to execute the baseline and funding agreements.

17. SCRRRA Committees’ Restructuring and Revised Roles and Responsibilities
Mr. John Fenton began by explaining that in August 2010 we suspended the working committees for review. He further explained that there is a need for more governance and input from the Board and therefore recommended the new committee structures be put in place, which would result in four new standing committees as described. The committee appointments will be made in January 2011.

Chairman Millhouse explained that the Executive Committee discussed the structures that are currently proposed and tried to establish a more efficient mechanism for the Board. Vice Chair Katz suggested that adding the past chair as Chairman Emeritus to the Executive Committee was something that should be considered as this would benefit future discussions.

Director Morris wanted to take time to compliment the staff and Executive Committee on outlining the structure and noted that it was clearly well thought out. He questioned membership on more than one committee as the committee meetings on the second Friday of each month are being held simultaneously.

Ms. Olga Yero, Chief of Staff, explained that the Executive and Audit Committees would meet following the other two committees on the fourth Friday of each month. Two committees would meet in the morning which would be the Safety and Operations and the Planning and Finance Committee and the Executive and Audit Committees would meet following thereafter.
Chairman Millhouse stated that this structure will be subject to some fine tuning and that if there are unforeseen issues the schedule could be readjusted as needed. Mr. Fenton suggested that when each member is considering which committee they would like to place themselves on that they consider placing themselves on a committee that deals with issues that may be new to Board members. He believed this would lend itself to more “thinking outside the box” and questions asked that might not be asked because of adherence to the status quo.

**ACTION:** The Board of Directors approved the suggested restructure of the Committees and revised committee roles and responsibilities.

18. **Update on the External Audit Report and Function of the External Audit**

Staff gave an update on the status of the fiscal 2010 audit and presented an overview of the SCRRA external audit function. The presentation discussed the requirements and benefits of a financial audit and the differences between the internal audit function and the external audit. Staff reported that the CAFR would be presented at the next Board meeting in January. There is no written report with this item and no action required.

**ACTION:** The Board received and filed this report.


Mr. Fenton introduced Ms. Denise Callahan from Macias to review her findings. Ms. Callahan first took time to thank all the staff, management, vendors and contractor staff that participated in all the reviews that we performed. She extended a special thanks to Olga Yero, Chief of Staff, who acted as liaison ensuring communication and coordination with Macias and the Metrolink staff. She offered special thanks to John Fenton for supporting the internal audit function and spearheading efforts to correct the issues as identified.

Ms. Callahan gave a brief overview of the common issues. She said that among the project, grants management and inventory management reports, there were four common internal control issues that were present at the agency. They are review and authorization, oversight, data accuracy and accountability. Another common issue among the reports was the need to utilize existing information systems as well as in the case of grants management, the need to have an information system to track grants.

Ms. Callahan stated that 40 solutions were offered for Metrolink’s consideration and the purpose of those solutions was to assist the agency in strengthening the internal control environment, improve efficiency and effectiveness and in the case of inventory and grant management, are solutions to help the agency revamp its current way of doing business. She explained that some of the key solutions that were described in the reports include controls and protocols for grant set up, tracking, reporting and requesting reimbursement on expenditures. Controls and protocols were inventory management that are consistent with best practices, reorganizing agency functions and reassigning staff responsibilities for project and grant management. Establishing
performance requirements in material management vendor contracts, and the types of
data that should be contained in new project and grant management reports.

Director Glaab asked if internally, the agency has a complete picture of the inventory
process and does Metrolink do the purchasing of parts for any of the three current
contractors or does the contractor do the purchasing of those items?

Ms. Callahan responded that at the time of the review, the contractors did the
purchasing and there was one key person that was actually responsible for materials
management. She stated that since there is a great deal of equipment/materials that is
purchased by the agency, additional resources are needed to have effective oversight.

Mr. Joe Henderlong explained that since the approval from the Board to bring in-house
some of the VTMI/MEC positions, the agency has hired 3 of the material handlers and
a supervisor. The transition plan has been discussed and we are on track. Prior to
this, all future purchases for materials have been halted.

Director Morris asked if Asset Works software was being utilized and how long it would
take to put the inventory into the software? Mr. Henderlong explained that the fixed
assets from Oracle had been transferred into Asset Works in August. He stated that
the agency was currently in the process of ensuring identification of all items in Asset
Works as it is the primary mechanism by which to manage the inventory as well as
replenish the inventory for purchases. Mr. Henderlong stated that since August, the
agency has reduced the overall total inventory that was on the books by close to
$250K.

Mr. Fenton explained that we have been working with Denise since he arrived and took
immediate action to mitigate key issues that were in the reports. He stated that a key
is to always go back to process, improving internal controls and process and viewing it
from a system enterprise view instead of as individual departments and look at
interconnectivity. Mr. Fenton said that all the items that have been listed by Macias
have either been completed, are in the process or we have a strategy in place to try to
deal with it.

Director Morris asked if a new grants manager on the team and if a grants
management policy was in place? Mr. Fenton responded by explaining that we were in
the process of searching for a good candidate. He explained that we were still working
on the policy and will bring it to the Board upon completion.

ACTION: The Board received and filed this report.

20. Safety Video – “In A Tragedy, There Are No Silos”

Mr. Fenton stated that one of the things that has been important as we go forward is to
continue to work on enhancing our safety culture. This is our first video that we
produced; we created a tool kit that’s going out to all of our managers, employees and
contractor co-workers; He presented the video: “In a Tragedy There Are No Silos”.
21. Chief Executive Officer’s Report - Agency Update

DBE Transition Update

Ms. Jennifer Sims, Manager of Contract Administration and Procurement, reported that in October the Board approved a contract amendment with Padilla and Associates to provide the DBE Program Management and consulting services on a month to month basis not to exceed 6 months in order to bring this task in-house. She explained that Mr. Henderlong is continuing to work with Human Resources to finalize the job descriptions and anticipates the job announcements to be posted within a few weeks. Ms. Sims continued by stating that all of our current contracts with DBE reporting requirements have been entered into Planet Bids, our online bidding system and Planet Bids has agreed to upload all of the historical data that these contractors have submitted to Padilla and Associates. The next step with Padilla and Associates is to retrieve all of the inactive files, review them for completeness and then archive them. The active files will be brought over as soon as those vacancies are filled. Ms. Sims said that we continue to participate in outreach events throughout the 5 county area and we will be hosting an outreach event as well as a “How to Do Business with Metrolink” workshop next month. All of the member agencies will be invited as well as other certifying agencies.

Communications Update

Ms. Angie Starr, Director of Communications, reported that the Holiday Toy Express had been very successful to date.

Ms. Starr also discussed the success of the Guardian Fleet rollout which included mayors from local communities, county supervisors, several city council members, members of the CTC, etc. She stated that several media outlets were in attendance and there was an excellent turnout for the event at each location.

Mr. Bob Turnauckas, Chief Customer Engagement Officer, reported on the Wild at Work Thanksgiving Campaign. He noted that it was our first and very successful online campaign. The campaign contributed to a great four day weekend, Thursday (Thanksgiving Day) was 18% higher than it was last year. The Friday after Thanksgiving it was 11% over the same time last year and the San Bernardino line reached an all time high of 4,500 riders. The holiday weekend service was supported with a very strong communication plan from the communications department and the promotion contributed to the highest Metrolink ridership over the Thanksgiving period. A new Wild at Work campaign had also begun and runs through January 2nd.

Mr. Turnauckas explained that another online special that was taken advantage of was Groupon, which is a website that offers a daily featured business discount. The goal is to gather a significant amount of people to group together to leverage the product to get a lower price. We are promoting this for the holiday season, December 18th through January 2nd.
Mr. Turnaukkas said that everything we do moving forward is planned and well thought out with a very solid business plan for the remainder of this fiscal year as well as next. He stated that we signed an agreement with the San Diego Sprinter so that we can allow connectivity for Metrolink riders which would allow them to ride all the way down to Orange County and connect to the inland area of San Diego.

The agency is doing a pilot program at the Burbank Airport where we will staff some of our field services personnel and bring a kiosk in the terminal and staff it during the dates of December 15-17th and also the 20-23rd to find individual travelers and promote Metrolink. We are excited about the new Rotem cars and now we are looking at our e service standards. He explained that we are looking at bringing in one of the leaders in customer service to help train and educate employees regarding customer services and sales. They will help retain the business and help sell and promote the train services. In addition to the many changes and improvements, we will be establishing a secret shopper program to help to measure the performance of our employees.

Director Morris asked about the depth of our discounts and how do people secure tickets with ease for those discount days? Mr. Turnaukkas responded by saying that we are collecting historical data and have identified those dates between the 18th of December and January 2nd the ridership is lower. We will select those specific dates and do a spot promotion and will not be done way in advance. We will target the individual ticket sale after the monthly passes are sold so there is no overlap. We will strategically align ourselves so we can fill those need dates and not displace revenue. He stated that we are trying to model the purchase of tickets after what airlines do. You go online, print your tickets. We are working very closely with the operations team and conductors so that they are aware that these are the tickets that will be used. The tickets will have specific information to help to prevent fraud.

Mr. Turnaukkas explained that we would be launching phase 2 of Wild at Work program, where we will be able to offer rider rewards so that riders will get discount coupons as a Metrolink rider for various businesses up and down our lines. He stated that in doing this we will able to capture the e-mail addresses so that we can do monthly surveys. Our ultimate goal is to measure our service levels on the train every month and set some strong measureable goals.

Agency Update

Mr. Fenton mentioned that the Dodgers last year had 3.75 million people attend their games and they are the only major league baseball park in the country not being served by mass transit. He stated that he and Mr. Art Leahy, Chief Executive Officer, Metro, met with the Dodgers and had a discussion regarding potentially running special train service that would connect to the bus service that would go back and forth from Dodger stadium. Mr. Fenton explained that there were several other ideas such as professional team emblems on the locomotives, using celebrity voices for station stop announcements (ex. Tommy Lasorda) and public service announcements on the train. Also being considered is renumbering our locomotives after famous sports stars. In
addition, in exchange for the Dodgers to be allowed to advertise on our trains, they would advertise in their programs Metrolink information in any written material.

Mr. Fenton also mentioned that a California Transportation Commission (CTC) Tour was scheduled for December 15th where we will be hosting several members of the CTC and invited the Board members. He stated that we are still working on an Executive Dashboard and explained that its purpose would be to set metrics and have some analysis and review. Key performance indicator categories that we are considering are safety, timeliness for on time performance and give greater visibility into project management. Under efficiency and effectiveness we have IT, project management, productivity, fare box recovery ratio and fiscal responsibility (budget vs. actual) and several quality metrics that looks at customer satisfaction. We will start to become much more metric driven so that we can make more intelligent decisions about what we do on a go forward basis.

22. Board Member Recognition
Chairman Millhouse took this time to recognize the Board members who will be leaving the Board in December. Members leaving the board and being honored where:
Director Art Brown
Director Robin Lowe
Director Patricia Gilbreath (Not present)
Director Richard Dixon (Not present)

23. Board Member Comments
There were no additional comments given by the Board members.

CLOSED SESSION

24. 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. SCRRRA et al. PCO43703; SCRRRA and Connex Railroad LLC v. Magdaleno et al. CV10 6365SCRRRA v. Connex - CV08-06987

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Subdivision (b) of Section 54956.9 (3 or more potential cases)

c. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION – Pursuant to Subdivision (a) of Section 54956.9. Estate of Brown et al. v. SCRRRA et al- Case No. KCO52988 and consolidated cases; Estate of Smith et al. v. SCRRRA et al. and Christina Brown et al. v. SCRRRA et al.
The Board convened to Closed Session at 11:50 a.m. for closed sessions as listed on the agenda and reconvened in Open Session at 12:27 at which time Counsel announced the Brown Act did not require a report on any of the items listed.

25. **ADJOURNMENT**
   There being no further business for consideration by the Board, the meeting was adjourned at 12:28.

Respectfully submitted,

\[Joanne Cook\]

Joanne Cook  
Board Secretary
To: Board of Directors  
From: Chief Executive Officer  
Subject: Lim & Nascimento Engineering (LAN) – Consent to Assignment  

Issue  
Due to the acquisition of LAN by AECOM Technology Services, Inc. (ATS), consent to assignment of all the previously awarded contracts is required.  

Recommendation  
Staff recommends the Board authorize the Chief Executive Officer to consent to assignment of the following contracts from LAN to AECOM Technical Services, Inc. (ATS):  

1. Contract No. E736C-09 – Project Management Construction Management and Staff Assistance Services  
2. Contract No. CM101-06 – Construction Management Services  

Alternatives  
The Board may decline to consent to the contract assignment only if there are reasonable grounds to do so.  

Background  
The Southern California Regional Rail Authority (SCRRRA) requires the services of project and construction management firms to perform project management and technical services on an as-needed basis, monitor work during the construction of capital projects, control changes in scope, cost and enforce construction schedules to support a wide variety of small and large capital and rehabilitation projects for SCRRRA’s Metrolink commuter rail system.  

LAN has provided these services under Contract No. E736C-09 awarded by the Board in April 2009 for three years through August 24, 2012 for a contract authorization amount of $14,500,000; and Contract No. CM101-06 awarded by the Board in January 2006 in an amount of $13,000,000. The contract expires January 24, 2011.
The above contracts require SCRRA’s consent to any assignment, but such consent shall not be unreasonably withheld. LAN notified the SCRRA of the impending acquisition of the firm by ATS. On December 15, 2010, ATS provided written correspondence informing the SCRRA that ATS acquired substantially all of the assets of LAN and that it will assume the responsibility for the completion of all services and will continue to honor and perform required services according to the terms and conditions of the assigned contracts.

AECOM has successfully performed design, project management and construction management work for SCRRA under previously awarded contracts. The firm is financially solid. Consequently, there does not appear to be any disadvantage or financial risk to SCRRA resulting from the proposed assignment. ATS has also committed to performing all of the services according to the terms and conditions of the contract.

**Budget Impact**

There is no change to the current contract price and no impact to the current budget.

Prepared by: Bryan Payne, Assistant Director, Construction Project Management
Lia McNeil-Kakaris, Supervisor, Contracts & Administration
Joseph E. Henderlong, Director, Strategic Sourcing, Contracts and Supply

JOHN E. FENTON
CHIEF EXECUTIVE OFFICER
Issue

Due to the acquisition of DMJM-Harris, Inc. by AECOM Technology Services, Inc. (ATS), consent to assignment of all the previously awarded contracts is required.

Recommendation

Staff recommends the Board authorize the Chief Executive Officer to consent to assignment of Contract No. E737B-08 – Professional Engineering Design On-Call Services with DMJM Harris to AECOM Technical Services, Inc. (ATS).

Alternatives

The Board may decline to consent to the contract assignment only if there are reasonable grounds to do so.

Background

The Southern California Regional Rail Authority (SCRRA) requires the services of on-call professional design engineering firms to provide services, such as planning; conceptual, interim and final design; special studies; engineering support services; independent design reviews; and development of standards are needed to support a wide variety of small and large capital and rehabilitation projects for SCRRRA’s Metrolink commuter rail system.

DMJM-HARRIS has provided these services under Contract No. E737B-08 awarded by the Board in February 2008. The current contract authorization is $14,500,000. The contract expires May 31, 2010.

The above contracts require SCRRRA’s consent to any assignment, but such consent shall not be unreasonably withheld. DMJM-HARRIS notified SCRRRA of the impending acquisition of the firm by ATS. On December 15, 2010, ATS provided written correspondence informing the SCRRRA that ATS acquired substantially all of the assets of DMJM-HARRIS and that it will assume the responsibility for the completion of all services.
and will continue to honor and perform required services according to the terms and conditions of the assigned contracts.

AECOM has successfully performed design, project management and construction management work for SCRRA under previously awarded contracts. The firm is financially solid. Consequently, there does not appear to be any disadvantage or financial risk to SCRRA resulting from the proposed assignment. ATS has also committed to performing all of the services according to the terms and conditions of the contract.

**Budget Impact**

There is no change to the current contract price and no impact to the current budget.

Prepared by: Bryan Payne, Assistant Director, Construction Project Management  
Lia McNeil-Kakaris, Supervisor, Contracts & Administration  
Joseph E. Henderlong, Director, Strategic Sourcing, Contracts and Supply

JOHN E. FENTON  
CHIEF EXECUTIVE OFFICER
TRANSMITTAL DATE: January 6, 2011
MEETING DATE: January 14, 2011
TO: Board of Directors
FROM: Chief Executive Officer
SUBJECT: ProForma Quarterly Investment Report
Quarter Ended December 31, 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 second quarter ended December 31, 2010.

Recommendation
The Board may receive and file this report

Background
SCRRA is currently managing a portfolio of $31 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 December 31, 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 SCRRA's investment policy. The activity of the portfolio in the second quarter is summarized below.

**Total Portfolio**

On December 31, 2010, the total value of SCRRA’s investment portfolio was $31 million of which $15 million was in unrestricted investments and $16 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 second quarter totaled $260,504. Year to date income for the six months ending December 31, 2010 totaled $552,503 which reflects an annualized yield of 1.78% on an average value of $55 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 December 31, 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 $16 million on December 31, 2010.

Total interest earned on restricted investments for the second quarter totaled $137,909 translating into an annualized yield of 2.75% based on an average book value balance of $18.3 million. Year-to-date interest earned on restricted lease proceeds investments totaled $302,404.

**Activity on Unrestricted Investments**

Unrestricted investments totaled $15 million on December 31, 2010.

Interest earnings attributable to unrestricted investments totaled $122,596 for the quarter. This translates into an annualized yield of 1.34% based on an average book value of $32.2 million. Year to date interest income on unrestricted investments totaled $250,099.

**Portfolio Compliance**

The composition of the portfolio as of December 31, 2010 is temporarily out of compliance with the diversification guidelines of SCRRA’s Annual Investment Policy due to a significant cash outlay of approximately $23 million made on December 22, 2010. This cash outlay was related to the rolling stock procurement. This payment significantly depleted our available cash resources and caused SCRRA’s portfolio to be temporarily out of compliance as it relates to Medium-Term Corporate Securities. In reviewing our cash position it was determined that liquidating these securities in order to bring the portfolio into compliance was not a prudent option given those securities are currently earning, on average, a 6% return on investment which is significantly higher than available investment
vehicles in the current market. Invoking the prudent person standard as defined in our investment policy; when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the SCRRRA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Since we anticipate receiving reimbursements totaling approximately $45 million within the next 15 to 45 days, the decision to be in a state of temporary non-compliance with the investment policy was deemed prudent and reasonable. Liquidating high return securities and placing them into a money market mutual fund or LAIF would significantly diminish investment returns with no true long term financial benefit to the agency. The chart included in Attachment “A” displays the composition of the Authority’s portfolio at December 31, 2010.

Cash Sufficiency

Staff has reviewed the anticipated cash requirements for the next six months and determined that the current portfolio does not provide the liquidity needed to meet the cash requirement over this period. However, staff anticipates receiving approximately $45 million in reimbursements from our funding agencies within the next 15 to 45 days which will allow us to once again effectively manage the financial needs of the SCRRRA and maintain compliance with our investment portfolio.

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

**December 31, 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>
</tr>
</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>
</tr>
<tr>
<td>Columbia Treasury Reserves Mutual Fund # 208</td>
<td>On Demand</td>
<td>-</td>
<td>-</td>
<td>Aaa AAAm</td>
<td>0.00%</td>
</tr>
<tr>
<td>BofA Money Market Reserves # 4378</td>
<td>On Demand</td>
<td>5,461,987.52</td>
<td>5,461,987.52</td>
<td>Aaa AAAm</td>
<td>0.13%</td>
</tr>
</tbody>
</table>

### Investment Pool

| Local Agency Investment Fund | On Demand | 142,983.26 | 142,983.26 | NR | NR | 0.51% |

### Corporate

- **Met Life Global Funding**
  - Maturity Date: 08/19/10
  - Book Value: -
  - Market Value: -
  - Credit Ratings: Aa3 AA-
  - Yield to Maturity: 3.80%

- **Arden Realty LP**
  - Maturity Date: 09/01/11
  - Book Value: 4,935,350.00
  - Market Value: 5,143,525.00
  - Credit Ratings: Aa2 AA+
  - Yield to Maturity: 5.55%

- **Arden Realty LP**
  - Maturity Date: 09/01/11
  - Book Value: 2,053,260.00
  - Market Value: 2,057,410.00
  - Credit Ratings: Aa2 AA+
  - Yield to Maturity: 4.34%

- **General Electric Capital Corporation**
  - Maturity Date: 06/15/12
  - Book Value: 3,178,500.00
  - Market Value: 3,207,027.00
  - Credit Ratings: Aa2 AA+
  - Yield to Maturity: 4.39%

### Total Restricted Investments

<table>
<thead>
<tr>
<th>Cash Equivalents:</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Credit Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Restricted Investments</td>
<td>15,852,761.92</td>
<td>16,093,613.92</td>
<td></td>
</tr>
</tbody>
</table>

### Unrestricted Investments

<table>
<thead>
<tr>
<th>Cash Equivalents:</th>
<th>Maturity Date</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Credit Ratings</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>559,165.42</td>
<td>559,165.42</td>
<td>Aaa AAAm</td>
</tr>
<tr>
<td>Supplemental Executive Retirement Plan</td>
<td>On Demand</td>
<td>214,219.69</td>
<td>187,092.14</td>
<td>NR</td>
</tr>
<tr>
<td>Premium Checking</td>
<td>12/31/10</td>
<td>5,029,395.67</td>
<td>5,029,395.67</td>
<td>-</td>
</tr>
</tbody>
</table>

### Investment Pool

| Local Agency Investment Fund | On Demand | 2,733,662.12 | 2,733,662.12 | NR | NR | 0.51% |

### Corporate

- **General Electric Capital Corporation**
  - Maturity Date: 02/22/11
  - Book Value: 2,038,180.00
  - Market Value: 2,014,654.00
  - Credit Ratings: Aa2 AA+
  - Yield to Maturity: 5.54%

- **General Electric Capital Corporation**
  - Maturity Date: 06/15/12
  - Book Value: 4,238,000.00
  - Market Value: 4,276,036.00
  - Credit Ratings: Aa2 AA+
  - Yield to Maturity: 4.39%

- **US Treasury STRIPS**
  - Maturity Date: 02/15/12
  - Book Value: 387,656.64
  - Market Value: 400,326.07
  - Credit Ratings: - AAA |
  - Yield to Maturity: 1.45%

- **US Treasury STRIPS**
  - Maturity Date: 05/15/12
  - Book Value: 193,040.40
  - Market Value: 199,976.11
  - Credit Ratings: - AAA |
  - Yield to Maturity: 1.48%

- **US Treasury STRIPS**
  - Maturity Date: 08/15/12
  - Book Value: 190,662.57
  - Market Value: 199,242.46
  - Credit Ratings: - AAA |
  - Yield to Maturity: 1.78%

### Total Unrestricted Investments

<table>
<thead>
<tr>
<th>Cash Equivalents:</th>
<th>Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unrestricted Investments</td>
<td>15,583,982.51</td>
<td>15,599,549.99</td>
</tr>
</tbody>
</table>

### Portfolio Total

<table>
<thead>
<tr>
<th>Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31,436,744.43</td>
<td>$31,693,163.91</td>
</tr>
</tbody>
</table>

### Interest Earnings

- **Quarter Ended 12/31/10**: $260,504 1.85%
- **Fiscal Year To Date 12/31/10**: $552,503 1.78%
### 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>6,316,053.77</td>
<td>20.09%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Premium Checking</td>
<td>5,029,395.67</td>
<td>16.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>771,359.61</td>
<td>2.45%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Medium-Term Maturity Corporate Securities</td>
<td>16,443,290.00</td>
<td>52.31%</td>
<td>30.00%</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>2,876,645.38</td>
<td>9.15%</td>
<td>$40 Million</td>
</tr>
<tr>
<td>Total</td>
<td>$31,436,744.43</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

#### SCRRA PORTFOLIO COMPOSITION

**As of December 31, 2010**

- **Money Mkt Funds**: 20%
- **Premium Checking**: 16%
- **U.S. Treasuries**: 3%
- **Medium-Term Maturity Corporate Securities**: 52%
- **Local Agency Investment Fund**: 9%
- **Total**: 100.00%
TRANSMITTAL DATE: January 6, 2010
MEETING DATE: January 14, 2010
TO: Board of Directors
FROM: Chief Executive Officer

Issue

Janitorial Services are needed for continued maintenance of SCRRA facilities and layover sites.

Recommendation

Staff recommends the Board authorize the Chief Executive Officer to amend Contract No. MS217-06 for janitorial services with Come Land Maintenance Co., Inc. to increase the contract funding authorization by $75,000 for a new total not-to-exceed amount of $570,100 and to extend the period of performance by three months from February 28, 2011 until May 31, 2011.

Alternatives

There are no viable alternatives at this time.

Background

In November 2005, the Board awarded Contract Number MS217-06, Janitorial Services, to Come Land Maintenance Company Inc. for a contract term of three years with one two-year option. All options have been exercised and without an extension, the current contract will end on February 28, 2011. The current contract not-to-exceed amount is $495,100.

The janitorial services provided under Contract Number MS217-06 entail routine cleaning of bathrooms, offices, conference rooms and kitchens as well as other cleaning services for SCRRA facilities and layover sites. SCRRA increased the number of facilities that require on-going janitorial services since the two-year option was exercised on November 21, 2008. The current funding will be exhausted by the end of the Contract term.
Staff is currently in the process of issuing a Request for Proposal to solicit janitorial services and anticipates bringing before the Board an item within the next three months requesting approval to award a new contract. The evaluation criteria for Request for Proposal No. MS230-11, Janitorial Services, was approved by the Board at the December 10, 2010 meeting.

To satisfy current requirements until the completion of the solicitation for the janitorial services, staff is requesting a three month contract term extension through May 31, 2011 and an increase in contract funding authority of $75,000 for a new total not-to-exceed amount of $570,100.

Come Land Maintenance Company Inc. has provided satisfactory services during the contract period, and has committed to keeping service costs the same over the three month contract extension. Since the firm is continuing at its current costs, staff has found the cost for the three month extension to be fair and reasonable.

**Budget Impact**

Funding for janitorial services is included in the FY 2010-11 Operating Budget.

Prepared by: Ramon Rosario, Manager, Facilities & Fleet Maintenance
Aran Takenouchi, Buyer
Joseph M. Henderlong, Director, Strategic Sourcing, Contracts and Supply

JOHN E. FENTON
Chief Executive Officer
TRANSMITTAL DATE: January 6, 2011

MEETING DATE: January 14, 2011

TO: Board of Directors

FROM: Chief Executive Officer

SUBJECT: Contract No. E738-11 – Engineering and Technical Support for Rolling Stock Acquisition, Maintenance, and Overhaul – Award of Contract – STV Incorporated

Issue

Continued professional engineering and technical services are needed to support a wide variety of rolling stock acquisition, maintenance, and overhaul projects for SCRRRA's Metrolink commuter rail system.

Recommendation

Staff recommends the Board authorize the Chief Executive Officer to:

1. Award Contract No. E738-11, Engineering and Technical Support for Rolling Stock Acquisition, Maintenance, and Overhaul to STV Incorporated (STV); and

2. Authorize negotiations with STV for an acceptable contract; and

3. Should the negotiations with STV not succeed, authorize negotiations with each of the firms in rank order until a contract is negotiated.

4. The term of the contract shall be for a base term of three years with one two-year option. Work under this contract will be authorized through contract task orders. A total not-to-exceed amount of $7,000,000 is requested for the initial term. Award is subject to resolution of any protest timely filed.

Alternatives

The Board may:

1. Reevaluate and rescore technical and cost proposals in accordance with the requirements of the solicitation; or

2. Reject all proposals and direct staff to re-issue a new Request for Proposal (RFP).
Background

Professional engineering and technical services are required to support the Equipment Department for new rolling stock acquisitions, maintenance, and overhaul projects. Anticipated projects include: continuation of inspecting, testing, and accepting the delivery of the Guardian cars; provide special engineering studies as needed to support repair and rehabilitation work on the existing fleet of rail cars and locomotives; perform the design, engineering, and testing of the crash energy management modifications for SCRRA’s existing fleet; and oversight of SCRRA’s Buy America review. Currently these services are being provided under Contract No. E726-03 with LTK Engineering Services which expires in March 2011, but has options for monthly extensions in the sole discretion of the Authority through June 2011. This will allow staff sufficient time, if needed, to enable a smooth transition of these services to STV.

In September 2010, the Board approved the evaluation criteria for RFP No. E738-specifying a weight of 100% for technical qualifications. The evaluation criteria placed greater emphasis on the firms experience particularly with commuter rail cars; their record of satisfactory performance and production of quality products, the role and qualifications of their project management team, particularly the role of the Project Manager and their approach for quality assurance, control, tracking/monitoring budget and scope for similar projects. California law requires certain professional services be selected based upon demonstrated competence and professional qualifications.

SCRRA issued a Request for Proposal (RFP) on September 30, 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. A total of sixty-four firms downloaded the solicitation and eight firms attended the pre-proposal conference that was held on October 14, 2010.

Four proposals were received on November 8, 2010 from STV, Parsons Brinckerhoff, Inc. (PB), LTK Engineering Services (LTK), and Delcan Corporation (Delcan). An evaluation team including members of the SCRRA staff from Contract Administration and Procurement, Equipment, and an outside evaluator from the Riverside County Transportation Commission (RCTC) participated in the evaluation process.

Technical Proposals were evaluated and scored. Three firms, STV, PB, and LTK, meet the initial technical score of 49 points and were invited to the interview process.

Interviews were held on November 18, 2010, following which staff requested all firms to clarify and re-propose their project teams. A second interview was held on December 13, 2010, at which time the firms were scored based on their project team presentation and responses to questions asked by the evaluation team during the interview. The firms were scored and then ranked to proceed in the negotiation phase as follows. These scores were checked to confirm accuracy.
The proposals submitted by STV and Parsons provided a different approach in project management and quality assurance/control than the proposal submitted by LTK.

STV’s proposal provided the most qualified team highly experienced in the areas of rolling stock, locomotives and familiarity with FTA regulatory compliance. During the interview, staff confirmed that the quality assurance/control inspection staff and program appeared impressive and demonstrated a successful track record for a project similar to SCRRRA’s current rail car procurement. Their project management team was highly experienced, and indicated an excellent understanding of SCRRRA’s scope and requirements for rail car and locomotive procurements. STV also provided a stronger team in the area of project management and quality assurance/control.

STV has previously performed professional engineering design and technical support contracts for SCRRRA and have provided satisfactory services for SCRRRA during the term of their prior contracts.

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 SCRRRA 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 Proposers were not required to utilize DBEs as a condition of award of the contract. After award, any commitment to DBE firms identified by STV will be established and will be reported as race-neutral DBE participation.

Staff recommends the Board authorize the Chief Executive Officer to negotiate with STV. After the Board authorization, the labor and overhead rates will be negotiated. An independent audit firm will review the proposed labor and overhead rates to determine if they are fair and reasonable. If staff is unable to negotiate an acceptable contract with STV, those negotiations will be terminated and the firm will not be retained as an acceptable engineering firm under this E738-11 proposal. Staff will then follow the same process to negotiate with the next highest ranked proposer until a contract is successfully executed or until the list is exhausted.

**Budget Impact**

Funding for engineering and technical support for rolling stock acquisition, maintenance, and overhaul is available in the FY2010-11 Engineering Department capital, renovation,
and rehabilitation budget. Additional funding will be requested as part of the proposed budget in future fiscal years.

Prepared by: Gary Jarboe, Director of Equipment
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