



ADMINISTRATIVE AND FINANCE COMMITTEE
THURSDAY, AUGUST 13, 2015 – 8:00 A.M.
OMNITRANS METRO FACILITY
1700 WEST 5TH STREET
SAN BERNARDINO, CA 92411

The meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or Limited English Proficiency services are needed in order to participate in the public meeting, requests should be made through the Recording Secretary at least three (3) business days prior to the Committee Meeting. The Recording Secretary's telephone number is 909-379-7110 (voice) or 909-384-9351 (TTY), located at 1700 West Fifth Street, San Bernardino, California. If you have comments about items on the agenda or other general concerns and are not able to attend the meeting, please mail them to Omnitrans at 1700 West Fifth Street, San Bernardino, California, Attention Board Secretary. Comments may also be submitted by email to BoardSecretary@omnitrans.org.

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Thursday, September 10, 2015, 8:00 a.m.
Omnitrans Metro Facility Board Room

C. COMMUNICATIONS FROM THE PUBLIC

This is the time and place for the general public to address the Board for items that are not on the agenda. In accordance with rules applicable to meetings of the Administrative & Finance Committee, comments on items not on the agenda and on items on the agenda are to be limited to a total of three (3) minutes per individual.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

Disclosure – Note agenda items contractors, subcontractors and agents, which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation in the appropriate item.

E. DISCUSSION ITEMS

- | | |
|--|----|
| 1. Approve Administrative & Finance Committee Minutes – July 9, 2015 | 5 |
| 2. Recommend the Board of Directors Receive and File Construction Progress Report No. 39 through July 31, 2015 - sbX E Street Corridor BRT Project | 9 |
| 3. Receive and File Omnitrans' Director of Finance Report on Forward Fuel Purchases for July 2015 | 18 |
| 4. Recommend the Board of Directors Approve Director of Finance's Recommendation on Forward Fuel Purchase Program for Fiscal Year 2016 | 21 |
| 5. Recommend the Board of Directors Approve Funding Agreement with San Bernardino Associated Governments for Countywide Vanpool Program | 24 |



ADMINISTRATIVE AND FINANCE COMMITTEE

THURSDAY, AUGUST 13, 2015 – 8:00 A.M.

OMNITRANS METRO FACILITY

1700 WEST 5TH STREET

SAN BERNARDINO, CA 92411

E. DISCUSSION ITEMS CONTINUED

- | | |
|--|----|
| 6. Recommend the Board of Directors Approve Memorandum of Understanding with San Bernardino Associated Governments regarding Project Cost Applied to Federal Transit Administration Grants | 39 |
| 7. Recommend the Board of Directors Approve Additional Spend Authority (Bench) Contracts HR13-149 (A-B), Temporary Employment Agency Services and Authorize Release of Request for Proposals RFP-HRS16-28, Temporary Employment Services | 45 |

F. ADJOURNMENT

ITEM # D1

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: DISCLOSURE(S) REGARDING RECOMMENDATIONS FOR
ACTION BY THE ADMINISTRATIVE AND FINANCE COMMITTEE**

FORM MOTION

Staff hereby provides a listing of principals and subcontractors associated with action items on the agenda for the Administrative and Finance Committee Meeting scheduled August 13, 2015.

Item	Contract	Principals & Agents	Subcontractors
#E7	Contracts HR13-149 (A-B) Temporary Employment Agency Services	<i>Lloyd Staffing Cerritos, CA Lourdes Santana President ManpowerGroup US, Inc. Chicago, IL Melissa J. Koch Business Law Paralegal</i>	<i>None</i>

PSG/JMS

CONFLICT OF INTEREST FORM

PURPOSE: This form is provided to assist members of the Omnitrans Board of Directors in meeting requirements of Government Code Section 84308 and 87100 in documenting conflict of interest as related to Omnitrans Board/Committee agenda items.

INSTRUCTIONS: Under certain circumstances, Omnitrans Board Members may be required to disclose and disqualify themselves from participating in, influencing, or voting on an agenda item due to personal income, real property interests, investments, business positions, or receipt of campaign contributions. If applicable, Board Members must personally state the following information, for entry into the public record, prior to consideration of the involved agenda item(s) and turn in the completing form to the Recording Secretary prior to leaving the meeting.

BOARD MEMBER INFORMATION

BOARD MEMBER NAME	CITY/COUNTY NAME	MEETING DATE

CAMPAIGN CONTRIBUTIONS

- I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____
- I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____
- I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____

FINANCIAL INTEREST

- I have a financial interest of _____
State income, real property interest or business position

Identify company or property location
- I have a financial interest of _____
State income, real property interest or business position

SIGNATURE

Board Member Signature

Date

ITEM # _____ E1 _____

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES, JULY 9, 2015**

A. CALL TO ORDER

Committee Chair Ed Graham called the regular meeting of the Administrative and Finance Committee to order at 8:00 a.m., Thursday, July 9, 2015.

1. Pledge of Allegiance
2. Roll Call

Committee Members Present

Council Member Ed Graham, City of Chino Hills – Committee Chair
Mayor Paul Eaton, City of Montclair
Council Member Pat Gilbreath, City of Redlands
Mayor Ray Musser, City of Upland
Council Member Dick Riddell, City of Yucaipa
Council Member John Roberts, City of Fontana
Mayor Pro Tem Sylvia Robles, City of Grand Terrace
Mayor Pro Tem Alan Wapner, City of Ontario – via Teleconference

Committee Members Not Present

Mayor Carey Davis, City of San Bernardino
Supervisor Curt Hagman, County of San Bernardino

OmniTrans Administrative Staff Present

P. Scott Graham, CEO/General Manager
Diane Caldera, Director of Operations
Marge Ewing, Director of Human Resources/Safety & Security
Samuel Gibbs, Director of Internal Audit Services
Jacob Harms, Director of Information Technology
Jennifer Sims, Director of Procurement
Don Walker, Director of Finance
Wendy Williams, Director of Marketing/Planning
Andres Ramirez, IPMO Program Manager
Maurice Mansion, Treasury Manager
Oscar Tostado, East Valley Manager
Mark Crosby, Loss Prevention Supervisor
Vicki Dennett, Executive Assistant to CEO/General Manager

B. ANNOUNCEMENTS/PRESENTATIONS

The next Committee Meeting is scheduled Thursday, August 13, 2015, at 8:00 a.m.

C. COMMUNICATIONS FROM THE PUBLIC

There were no comments from the public.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

There were no conflict of interest issues identified.

E. DISCUSSION ITEMS

1. Approve Administrative & Finance Committee Minutes – June 11, 2015

M/S (Eaton/Musser) that approved the Committee Minutes of June 11, 2015. Motion was unanimous by Members present.

2. Recommend to Board of Directors, Receive and File Construction Progress Report No. 38 through June 30, 2015 - sbX E Street Corridor BRT Project

IPMO Program Manager Andres Ramirez presented the Construction Progress Report No. 38 for the period through June 30, 2015.

Expenditures to date total \$174.8M; estimate at completion remains at \$188.7M. Currently working on VMF punch list items.

The Green Line – Contractual punch list repairs are complete, and work is being negotiated with the contractor for final corridor modification items for City acceptance. Property turn over to the City complete. Pricing of corridor modifications is underway. The change order is included within the budget.

The 10th Street to Highland Pavement Rehabilitation – Approval received from FTA and contract executed. First pre-construction meeting was held June 15. Groundbreaking and construction will begin upon receipt of confirmation.

Traffic signal synchronization continues; phase 1 completion is expected next week.

E Street Corridor

The change order mentioned in the report is included in the budget and won't result in additional costs.

This item was received by the Committee and will be forwarded to the Board of Directors for receipt and file.

3. Receive and File Omnitrans' Director of Finance Report on Forward Fuel Purchases for June 2015

June was the tenth month of the year-long hedging program. For the month of June we recorded a loss of \$16,575, and a total loss for the first ten months of \$95,670. However, reduced cost of CNG on the spot market has provided a below budget savings of \$315,992 in CNG fuel cost for FY2015. Director of Finance Don Walker's recommendation whether to continue with the hedging program will be forthcoming along with a summary performance report at the next Admin. & Finance Committee Meeting. The CFO at the RTA wouldn't allow their Board to participate in the hedging program, so Don believes Omnitrans is a pioneer in this endeavor regionally.

This item was received and filed by the Committee.

4. Recommend the Board of Directors Receive and File Draft Report, Fiscal Year 2012-2014 Triennial Performance Audit of Omnitrans

Internal Audit Director Samuel Gibbs reviewed the draft report. Did we get a management letter from the auditors? No, because there are no deficiencies identified, but certainly if one is issued it will be made available to the Board.

This item was received by the Committee, and will be forwarded to the Board of Directors for receipt and file.

5. Recommend the Board of Directors Approve the Transfer of Capitalizable Assets Related to the sbX E Street Corridor BRT Project

IPMO Manager Andres Ramirez discussed the proposed transfer of \$72M+ in assets to the City of San Bernardino. Is it customary to back-date the project to February? Once we hit revenue service, we targeted the February 28 date. Why couldn't we change to June 30 and still be within the fiscal year? Treasury Manager Maurice Mansion explained that was the cleanest date where those capitalizable assets were available, which is why that date was chosen.

M/S (Gilbreath/Roberts) that recommended the Board of Directors approve the transfer to the City of San Bernardino of capitalizable assets related to the sbX E Street Corridor Project through February 28, 2015, valued at \$72,050,046.18. Roll call vote taken, and motion was unanimous by Members present.

Member Riddell asked if and when we go on natural gas it will be easier to budget, correct? Yes, it will be much easier, and wouldn't be so volatile.

F. ADJOURNMENT

The Administrative and Finance Committee meeting adjourned at 8:17 a.m. The next Administrative and Finance Committee Meeting is scheduled Thursday, August 13, 2015, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Prepared by:

Christine Vega, Administrative Secretary

ITEM # _____ E2 _____

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative & Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Andres Ramirez, Program Manager

SUBJECT: **CONSTRUCTION PROGRESS REPORT NO. 39 THROUGH
JULY 31, 2015 - sbX E STREET CORRIDOR BRT PROJECT**

FORM MOTION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No. 39 for the sbX E Street Corridor BRT Project through July 31, 2015.

BACKGROUND

This is Construction Progress Report No. 39 for the sbX E Street Corridor Project.

CONCLUSION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No.39 for the sbX E Street Corridor BRT Project through July 31, 2015.

PSG:AR

Attachment

**sbX E Street Corridor
Bus Rapid Transit (BRT) Project
Construction Progress Report No. 39**

July 31, 2015

Prepared By:

**Omnitrans
Integrated Project Management Office**

Contractor: SBX Corridor - Griffith/Comet Joint Venture
VMF – USS Cal Builders

Contractor Contract No.: IPMO11-5

Omnitrans Program Manager: Andres Ramirez



TABLE OF CONTENTS

- I. Project Status Summary
 - A. Project Description
 - B. Summary Status Update
- II. Project Schedule
 - A. Summary of Project Schedule – Vehicle Maintenance Facility (VMF)
- III. RFIs, Submittals, and Non-Conformance Reports
 - A. Vehicle Maintenance Facility (VMF)
- IV. Safety
- V. Project Budget and Cost
- VI. Change Orders and Claims
 - A. VMF Change Orders

I. PROJECT STATUS SUMMARY

A. Project Description

The sbX E Street Corridor BRT Project is a 15.7-mile-long transit improvement project that will connect the northern portion of the City of San Bernardino with the City of Loma Linda. The sbX E Street Corridor Bus Rapid Transit (BRT) Project has evolved as the highest priority corridor identified in the System-Wide Transit Corridor Plan for the San Bernardino Valley.

The project consists mainly of three components, the E Street Corridor, the purchase of 60' articulated buses, and the modifications to the Vehicle Maintenance Facility. All three of these components have achieved substantial completion.

The Vehicle Maintenance Facility is a 4.4-acre facility maintaining and servicing the Omnitrans' bus fleet, comprised of over 160 buses. Modifications to Omnitrans' facility include the demolition of a bus washing station, removal of abandoned underground fuel tanks and new construction of a bus washing system, a new Genset, a three-lane CNG fueling station, and re-configuring the bus parking area. Modifications to the maintenance building are made in order to accommodate Omnitrans' 60-foot articulated bus fleet.

B. Summary Status Update

E Street Corridor:

City of San Bernardino Final Acceptance:

- Pricing and negotiations continue with the contractor.
- Work is projected to be completed by September 2015.

10th to Highland:

- Work has been approved by the FTA and the contract executed with the contractor.
- Issuance of NTP pending commitment letter from the City of San Bernardino.

PA System:

- Design continues.

Traffic Signal Synchronization

- Efforts nearing completion. 6 intersections remain to be implemented.

Vehicle Maintenance Facility:

Maintenance Building A:

- Close-out documentation continues.

Bus Wash Facility Building B:

- Substantial Completion achieved.
- Punch list items being corrected.
- Close-out documentation started.

Vacuum and Fuel Facility Building C:

- Substantial Completion achieved.
- Punch list items being corrected.
- Close-out documentation started.

Back-Up Generator E / Sitework:

- Complete.

II. PROJECT SCHEDULE

The corridor work associated with the construction project is complete and revenue service was achieved as planned. Final City Acceptance work is being negotiated and is planned to be completed by September 2015. Following is the schedule status update as it pertains to the VMF:

A. Summary of Project Schedule – Vehicle Maintenance Facility (VMF)

Substantial completion was achieved on June 15, 2015 and the facility was placed into operation. Punch list work continues and close out efforts are ongoing. It is expected that these items will be completed by August 2015.

III. REQUESTS FOR INFORMATION (RFIs), SUBMITTALS, AND NON-CONFORMANCE REPORTS (NCRs)

Vehicle Maintenance Facility (VMF)

To date, the CM team has met the required timelines and no delay has come about as a result of submittal and RFI responses.

Total RFIs – 259

Total Open – 0

Total Submittals – 432

Total Open – 0

Total NCRs – 20

Total Open – 5

IV. SAFETY

The project team considers safety to be the utmost priority. As such, the entire project team works towards a “no-lost time” goal on a daily basis.

VMF - As of June 15, 2015 there have been 63,582 “no-lost time” hours.

V. PROJECT BUDGET AND COST

TOTAL PROGRAM BUDGET BUDGET AS OF June 30, 2015

Approved Budget	\$191,706,000
Cost to Date	\$174,974,749
Estimate to Complete	\$ 13,566,744
Estimate at Completion	\$188,541,493

VMF CORRIDOR PROJECT COSTS - AS OF June 30, 2015

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
STV Inc.	\$2,057,929	\$1,828,389	\$229,540
USS Cal Builders	\$15,293,509	\$13,908,635	\$1,384,874
Total	\$17,351,438	\$15,737,024	\$1,614,414

VMF CONTRACT TIME

Activity	Days	Date
Notice to Proceed		12/10/12
Calendar Days per Original Contract	425	02/08/14
CCO Time Extension to Date	241	10/7/14
Negotiated Time Extension	267	6/30/15
Total Revised Contractual Time	933	6/30/15
Calendar Days Completed as of June 30, 2015	933	
Remaining Completion Days as of June 30, 2015	0	
Forecasted Final Completion as June 30, 2015		8/31/15
Percent Time Elapsed	100%	

CHANGE ORDERS
VMF CONTRACT CHANGE ORDERS - As of June 30, 2015

Change Order Status	Amount
Approved Change Orders	\$3,981,778
Pending / Potential Change Orders	\$278,282
Trends / Risks	\$295,000
Total	\$4,555,060

Budget By Contract Packages 30-Jun-2015					(Contract Award + Approved Changes)				(Approved Current Budget- Committed)		Forecast <i>Potential Uses of Contingency</i>		
					% of Approved Current Budget	Contracts Awarded	Approved Changes	Committed	Expenditure Authorization Remaining	Remaining Contingency	Pending Commitments/ Potential Changes	Trends/Risks	Estimate At Completion
PCGA	Budget	Approved Current Budget	Authorized for Expenditure	Expended to Date									
BRT Construction													
Griffith/Comet JV	90,780,000	84,637,000	87,760,263	79,600,695	94.4%	64,937,853	14,728,090	79,665,943	8,094,320	4,971,057	1,100,000	-	80,765,943
Art			68,000	68,000		68,000	-	68,000	-	(68,000)	-	-	68,000
Other Direct Payments			48,401	142,789		142,789	-	142,789	(94,388)	(142,789)	-	-	142,789
Delineators				89,943		89,943	-	89,943	(89,943)	(89,943)	-	-	89,943
PA System				-		-	-	-	-	-	425,000	-	425,000
Miscellaneous Work				-		17,500	-	17,500	(17,500)	(17,500)	400,000	-	417,500
BRT Design													
Parsons	19,193,400	17,849,400	18,097,876	16,874,281	94.6%	14,706,229	3,463,591	18,169,819	(71,943)	(320,419)	(1,098,058)	-	17,071,761
PA System				9,750		83,000	-	83,000	(83,000)	(83,000)	8,300	-	91,300
Miscellaneous Work				-		-	-	-	-	-	-	100,000	100,000
VMF Construction - USS Cal Builders	5,370,000	8,131,000	14,498,152	14,009,459	172.3%	10,843,098	3,981,778	14,824,876	(326,724)	(6,693,876)	288,282	295,000	15,408,158
VMF Design													
STV	1,007,600	1,007,600	1,418,132	1,828,389	183.3%	951,029	1,048,727	1,999,756	(581,624)	(992,156)	58,173	-	2,057,929
Carlin Environmental			27,800	18,380		10,000	9,800	19,800	8,000	(19,800)	-	-	19,800
Vehicles Design & Manufacturing-N.F.	16,628,000	16,628,000	15,978,093	15,161,979	92.2%	15,483,572	325,110	15,808,682	169,411	819,318	38,000	-	15,846,682
Other Vehicle Equipment			318,853	173,484		318,853	-	318,853	-	(318,853)	75,000	-	393,853
ROW Acquisition Services-SANBAG	6,532,000	10,357,000	11,738,400	11,146,156	107.6%	10,971,135	767,265	11,738,400	-	(1,381,400)	-	-	11,738,400
3rd Party Utilities Design & Reloc.		1,003,000	1,157,223	949,441	94.7%	1,106,117	-	1,106,117	51,106	(103,117)	20,000	-	1,126,117
Project Admin. And Management													
Jacobs	6,638,000	6,632,000	11,852,647	12,747,590	192.2%	3,898,769	9,007,226	12,905,995	(1,053,348)	(6,273,995)	191,334	-	13,097,329
Other													
IPMO	17,624,000	15,012,450	14,722,701	13,394,575	89.2%	15,172,701	-	15,172,701	(450,000)	(160,251)	(300,000)	-	14,872,701
Insurance	1,113,000	1,112,000	500,000	-	0.0%	500,000	-	500,000	-	612,000	(500,000)	-	-
Legal-BB&K, County	2,525,450	1,000,000	1,000,000	358,600	35.9%	1,000,000	-	1,000,000	-	-	-	-	1,000,000
In Kind Contributions	8,080,550	8,080,550	8,080,550	8,401,239	104.0%	8,401,239	-	8,401,239	(320,689)	(320,689)	-	-	8,401,239
Survey	1,464,000	1,463,000	464,000	-	0.0%	25,000	-	25,000	439,000	1,438,000	-	-	25,000
Start-Up	720,000	720,000	700,000	-	0.0%	700,000	-	700,000	-	20,000	-	-	700,000
Sub-Total	177,676,000	173,633,000	188,431,091	174,974,749	100.8%	149,426,826	33,331,587	182,758,413	5,672,678	(9,125,413)	706,031	395,000	183,859,443
Unallocated Contingency	14,030,000	18,073,000	4,571,647					9,125,413		8,947,587			7,846,557
10th to Highland Projected Costs			4,682,050	-					4,682,050	-	4,632,050	50,000	4,682,050
Remaining Unallocated Contingency													3,164,507
Total	191,706,000	191,706,000	188,541,493	174,974,749	91.3%								191,706,000

PROJECT COSTS BY SCC

IPMO/sbX Project Costs
Through 30-Jun-2015

Standard Cost Category (SCC)	Description		Budget Authority (PCGA)	Approved Current Budget	Allocated Contingency	Revised Budget	Expenditures		Remaining Budget	Committed		Estimate to Complete (Pending/Potential/ Trends/Risks)	Estimate at Completion
			\$				\$	%		Contract Amt.	Change Orders		
10	GUIDEWAY & TRACK ELEMENTS		\$ 17,984,000	\$ 19,725,000	\$ (1,720,176)	\$ 18,004,824	\$ 18,414,410	93.4%	\$ (409,586)	\$ 14,422,644	\$ 3,240,180	\$ 342,000	\$ 18,004,824
10.02	Guideway: At-grade semi-exclusive (allows cross-traffic)	0.2	\$ 16,686,000	\$ 18,353,000	\$ (2,067,711)	\$ 16,285,289	\$ 16,469,696	89.7%	\$ (184,407)	\$ 13,119,671	\$ 2,945,618	\$ 220,000	\$ 16,285,289
10.03	Guideway: At-grade in mixed traffic	0.02	\$ 1,298,000	\$ 1,372,000	\$ 347,535	\$ 1,719,535	\$ 1,944,714	141.7%	\$ (225,179)	\$ 1,302,973	\$ 294,562	\$ 122,000	\$ 1,719,535
20	STATIONS, STOPS, TERMINALS, INTERMODAL		\$ 17,201,000	\$ 14,917,000	\$ (41,188)	\$ 14,875,812	\$ 14,151,023	94.9%	\$ 724,788	\$ 11,726,755	\$ 2,651,056	\$ 498,000	\$ 14,875,812
20.01	At-grade station, stop, shelter, mall, terminal, platform	0.18	\$ 17,201,000	\$ 14,917,000	\$ (41,188)	\$ 14,875,812	\$ 14,151,023	94.9%	\$ 724,788	\$ 11,726,755	\$ 2,651,056	\$ 498,000	\$ 14,875,812
30	SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS		\$ 5,370,000	\$ 8,131,000	\$ 7,277,158	\$ 15,408,158	\$ 14,009,459	172.3%	\$ 1,398,699	\$ 10,843,098	\$ 3,981,778	\$ 583,282	\$ 15,408,158
30.02	Light Maintenance Facility	0.83	\$ 1,265,000	\$ 4,265,000	\$ 8,523,771	\$ 12,788,771	\$ 11,669,988	273.6%	\$ 1,118,784	\$ 8,999,771	\$ 3,304,876	\$ 484,124	\$ 12,788,771
30.05	Yard and Yard Track	0.17	\$ 4,105,000	\$ 3,866,000	\$ (1,246,613)	\$ 2,619,387	\$ 2,339,471	60.5%	\$ 279,915	\$ 1,843,327	\$ 676,902	\$ 99,158	\$ 2,619,387
40	SITEWORK & SPECIAL CONDITIONS		\$ 35,611,000	\$ 34,271,000	\$ (5,612,794)	\$ 28,658,206	\$ 27,630,955	80.6%	\$ 1,027,251	\$ 23,256,655	\$ 5,007,551	\$ 394,000	\$ 28,658,206
40.01	Demolition, Clearing, Earthwork	0.01	\$ 4,785,000	\$ 4,741,000	\$ (3,931,233)	\$ 809,767	\$ 440,613	9.3%	\$ 369,154	\$ 651,486	\$ 147,281	\$ 11,000	\$ 809,767
40.02	Site Utilities, Utility Relocation	0.11	\$ 4,745,000	\$ 3,493,000	\$ 5,414,440	\$ 8,907,440	\$ 8,957,378	256.4%	\$ (49,937)	\$ 7,166,351	\$ 1,620,090	\$ 121,000	\$ 8,907,440
40.02	Utility Relocation - Utility Company	1	\$ 1,500,000	\$ 1,500,000	\$ (373,883)	\$ 1,126,117	\$ 949,441	63.3%	\$ 176,676	\$ 1,106,117	\$ -	\$ 20,000	\$ 1,126,117
40.05	Site structures including retaining walls, sound walls	0.01	\$ 99,000	\$ 90,000	\$ 719,767	\$ 809,767	\$ 447,545	497.3%	\$ 362,222	\$ 651,486	\$ 147,281	\$ 11,000	\$ 809,767
40.06	Pedestrian / bike access and accommodation, landscaping	0.05	\$ 6,312,000	\$ 6,925,000	\$ (2,876,163)	\$ 4,048,837	\$ 4,107,505	59.3%	\$ (58,669)	\$ 3,257,432	\$ 736,405	\$ 55,000	\$ 4,048,837
40.07	Automobile, bus, van accessways including roads, parking lots	0.05	\$ 6,972,000	\$ 3,601,000	\$ 447,837	\$ 4,048,837	\$ 4,157,392	115.5%	\$ (108,555)	\$ 3,257,432	\$ 736,405	\$ 55,000	\$ 4,048,837
40.08	Temporary Facilities and other indirect costs during construction	0.11	\$ 11,198,000	\$ 13,921,000	\$ (5,013,560)	\$ 8,907,440	\$ 8,571,081	61.6%	\$ 336,360	\$ 7,166,351	\$ 1,620,090	\$ 121,000	\$ 8,907,440
50	SYSTEMS		\$ 19,984,000	\$ 16,727,000	\$ 4,769,450	\$ 21,496,450	\$ 20,654,479	123.5%	\$ 841,972	\$ 16,956,147	\$ 3,829,303	\$ 711,000	\$ 21,496,450
50.02	Traffic signals and crossing protection	0.08	\$ 11,386,000	\$ 10,810,000	\$ (4,331,861)	\$ 6,478,139	\$ 6,630,714	61.3%	\$ (152,576)	\$ 5,211,891	\$ 1,178,247	\$ 88,000	\$ 6,478,139
50.05	Communications	0.11	\$ 6,294,000	\$ 4,210,000	\$ 5,139,940	\$ 9,349,940	\$ 8,428,264	200.2%	\$ 921,677	\$ 7,183,851	\$ 1,620,090	\$ 546,000	\$ 9,349,940
50.06	Fare collection system and equipment	0.07	\$ 2,304,000	\$ 1,707,000	\$ 3,961,371	\$ 5,668,371	\$ 5,595,500	327.8%	\$ 72,871	\$ 4,560,405	\$ 1,030,966	\$ 77,000	\$ 5,668,371
	Construction Subtotal (10-50)		\$ 96,150,000	\$ 93,771,000	\$ 4,672,450	\$ 98,443,450	\$ 94,860,325	101.2%	\$ 3,583,124	\$ 77,205,299	\$ 18,709,868	\$ 2,528,282	\$ 98,443,450
60	ROW, LAND, EXISTING IMPROVEMENTS		\$ 6,532,000	\$ 6,532,000	\$ 267,265	\$ 6,799,265	\$ 6,115,375	93.6%	\$ 683,890	\$ 6,032,000	\$ 767,265	\$ -	\$ 6,799,265
60.01	Purchase or lease of real estate	0.97	\$ 6,327,000	\$ 6,327,000	\$ 267,265	\$ 6,594,265	\$ 5,950,445	94.0%	\$ 643,820	\$ 5,827,000	\$ 767,265	\$ -	\$ 6,594,265
60.02	Relocation of existing households and businesses	0.03	\$ 205,000	\$ 205,000	\$ -	\$ 205,000	\$ 164,930	80.5%	\$ 40,070	\$ 205,000	\$ -	\$ -	\$ 205,000
70	VEHICLES		\$ 16,628,000	\$ 16,628,000	\$ (387,465)	\$ 16,240,535	\$ 15,335,463	92.2%	\$ 905,072	\$ 15,802,425	\$ 325,110	\$ 113,000	\$ 16,240,535
70.04	Bus	1	\$ 15,448,000	\$ 15,448,000	\$ 398,682	\$ 15,846,682	\$ 15,161,979	98.1%	\$ 684,703	\$ 15,483,572	\$ 325,110	\$ 38,000	\$ 15,846,682
70.06	Non-revenue vehicles	1	\$ 250,000	\$ 250,000	\$ (250,000)	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
70.07	Spare parts	1	\$ 930,000	\$ 930,000	\$ (536,147)	\$ 393,853	\$ 173,484	18.7%	\$ 220,369	\$ 318,853	\$ -	\$ 75,000	\$ 393,853
80	PROFESSIONAL SERVICES		\$ 58,365,000	\$ 56,702,000	\$ 5,674,194	\$ 62,376,194	\$ 58,663,585	103.5%	\$ 3,712,609	\$ 50,387,102	\$ 13,529,344	\$ (1,540,251)	\$ 62,376,194
80.01	Preliminary Engineering	0.63	\$ 12,933,000	\$ 12,921,000	\$ (736,302)	\$ 12,184,698	\$ 12,876,525	99.7%	\$ (691,827)	\$ 9,922,662	\$ 2,848,934	\$ (586,899)	\$ 12,184,698
80.02	Final Design	0.37	\$ 7,268,000	\$ 7,261,000	\$ 1,684,227	\$ 8,945,227	\$ 7,590,445	104.5%	\$ 1,354,822	\$ 7,616,730	\$ 1,673,183	\$ (344,686)	\$ 8,945,227
80.03	Project Management for Design and Construction	1	\$ 17,622,000	\$ 15,997,000	\$ (1,124,299)	\$ 14,872,701	\$ 13,394,575	83.7%	\$ 1,478,126	\$ 15,172,701	\$ -	\$ (300,000)	\$ 14,872,701
80.04	Construction Administration & Management	1	\$ 6,638,000	\$ 6,632,000	\$ 6,465,329	\$ 13,097,329	\$ 12,747,590	192.2%	\$ 349,739	\$ 3,898,769	\$ 9,007,226	\$ 191,334	\$ 13,097,329
80.05	Professional Liability and other Non-Construction Insurance	1	\$ 1,113,000	\$ 1,112,000	\$ (1,112,000)	\$ -	\$ -	0.0%	\$ -	\$ 500,000	\$ -	\$ (500,000)	\$ -
80.06	Legal, Permits; Review Fees by other agencies, cities, etc.	1	\$ 1,000,000	\$ 1,000,000	\$ 3,150,000	\$ 4,150,000	\$ 3,653,211	365.3%	\$ 496,789	\$ 4,150,000	\$ -	\$ -	\$ 4,150,000
80.06	In-Kind Contributions		\$ 9,606,000	\$ 9,596,000	\$ (1,194,761)	\$ 8,401,239	\$ 8,401,239	87.5%	\$ -	\$ 8,401,239	\$ -	\$ -	\$ 8,401,239
80.07	Surveys, Testing, Investigation, Inspection	1	\$ 1,464,000	\$ 1,463,000	\$ (1,438,000)	\$ 25,000	\$ -	0.0%	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 25,000
80.08	Start up	1	\$ 721,000	\$ 720,000	\$ (20,000)	\$ 700,000	\$ -	0.0%	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ 700,000
	Subtotal (10-80)		\$ 177,675,000	\$ 173,633,000	\$ 10,226,443	\$ 183,859,443	\$ 174,974,749	100.8%	\$ 8,884,695	\$ 149,426,826	\$ 33,331,587	\$ 1,101,031	\$ 183,859,443
90	UNALLOCATED CONTINGENCY		\$ 14,031,000	\$ 18,073,000	\$ (10,226,443)	\$ 7,846,557	\$ -	0.0%	\$ 7,846,557	\$ -	\$ -	\$ 7,846,557	\$ 7,846,557
	Subtotal (10-90)		\$ 191,706,000	\$ 191,706,000			\$ 174,974,749	91.3%	\$ 16,731,251	\$ 149,426,826	\$ 33,331,587	\$ 8,947,587	\$ 191,706,000
100	FINANCE CHARGES		\$ -	\$ -				0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL PROJECT COST (10-100)		\$ 191,706,000	\$ 191,706,000			\$ 174,974,749	91.3%	\$ 16,731,251				\$ 191,706,000

IPMO/sbX Project Cost Report
Period Ended 30-Jun-2015

Description	Current Budget	Approved Current Budget	Expenditures		Remaining Budget	Committed		Estimate to Complete	Estimate at Completion	Budget Forecast Variance
			\$	%			%			
BRT Construction	\$ 84,637,000	\$ 84,637,000	\$ 79,901,426	94.4%	4,735,574	\$ 79,984,174	94.5%	\$ 1,925,000	\$ 81,909,174	\$ 2,727,826
Vehicle Maintenance Facility (VMF) Construction	\$ 8,131,000	\$ 8,131,000	\$ 14,009,459	172.3%	(5,878,459)	\$ 14,824,876	182.3%	\$ 583,282	\$ 15,408,158	\$ (7,277,158)
Vehicles - Design & Manufacturing	\$ 16,628,000	\$ 16,628,000	\$ 15,335,463	92.2%	1,292,537	\$ 16,127,535	97.0%	\$ 113,000	\$ 16,240,535	\$ 387,465
ROW Acquisition Services	\$ 10,357,000	\$ 10,357,000	\$ 11,146,156	107.6%	(789,156)	\$ 11,738,400	113.3%	\$ -	\$ 11,738,400	\$ (1,381,400)
3rd Party Utilities Design & Relocation	\$ 1,003,000	\$ 1,003,000	\$ 949,441	94.7%	53,559	\$ 1,106,117	110.3%	\$ 20,000	\$ 1,126,117	\$ (123,117)
BRT Design	\$ 17,849,400	\$ 17,849,400	\$ 16,884,031	94.6%	965,369	\$ 18,252,819	102.3%	\$ (989,758)	\$ 17,263,061	\$ 586,339
VMF Design	\$ 1,007,600	\$ 1,007,600	\$ 1,846,769	183.3%	(839,169)	\$ 2,019,556	200.4%	\$ 58,173	\$ 2,077,729	\$ (1,070,129)
Other Professional, Technical & Management Services	\$ 34,020,000	\$ 34,020,000	\$ 34,902,004	102.6%	(882,004)	\$ 38,704,935	113.8%	\$ (608,666)	\$ 38,096,269	\$ (4,076,269)
Allocated Contingency (Construction Contract)	\$ -	\$ -			-	\$ -	0.0%	\$ -	\$ -	\$ -
SUB-TOTAL	\$ 173,633,000	\$ 173,633,000	\$ 174,974,749	100.8%	(1,341,749)	\$ 182,758,413	105.3%	1,101,031	183,859,443	(10,226,443)
Unallocated Contingency	\$ 18,073,000	\$ 18,073,000	\$ -		18,073,000	\$ -	0.0%	\$ -	\$ -	\$ 18,073,000
TOTAL	\$ 191,706,000	\$ 191,706,000	\$ 174,974,749	91.3%	16,731,251	\$ 182,758,413	95.3%	\$ 1,101,031	\$ 183,859,443	\$ 7,846,557

ITEM # E3

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Donald Walker, Director of Finance

**SUBJECT: OMNITRANS' DIRECTOR OF FINANCE REPORT ON FORWARD
FUEL PURCHASES FOR JULY 2015**

FORM MOTION

Receive and file the Director of Finance's report on Omnitrans' current Forward Fuel Purchase Program for July 2015. This program was implemented on July 31, 2014, continuing our efforts to increase the predictability of fuel costs and reduce operational uncertainty in the event of dramatic fuel price increases in the open market.

BACKGROUND

This report is submitted in order to comply with the requirements of the Omnitrans Forward Fuel Purchase Policy and Procedure. The Board of Directors authorized staff to continue with the hedge program when the price is at or below \$0.92 per gallon. The current hedge fixes the price of approximately 47% of the Agency's natural gas through August 2015 at \$0.91 per gallon.

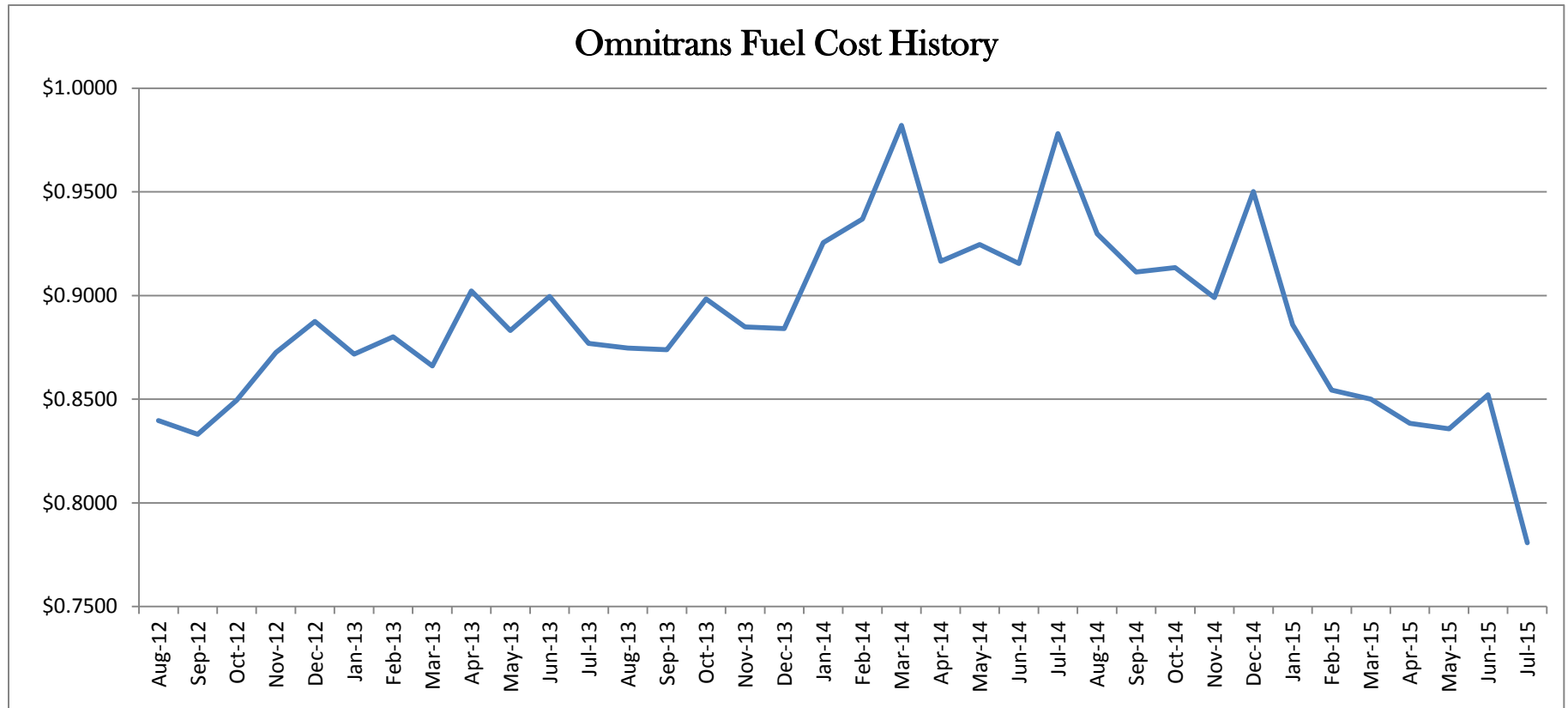
The July 2015 contracts closed \$1.147 below the hedge price. When converted into gallons, the cost is \$0.095 per gallon (\$1.147 divided by 12.1). Omnitrans will record a loss of \$17,205 on its futures position for the month of July. This loss will be offset by \$2,346 resulting from a reduction in fixed cost offered by Applied LNG Technologies (ALT), the new supplier.

Clean Energy, the previous supplier charged \$0.5168 per gallon in fixed cost for liquefaction, and delivery. ALT's fixed cost is \$0.440 per gallon for liquefaction only, for the first year, and increases \$0.01 per year for the next four (4) years.

The net price used for Omnitrans' July 2016 fuel purchase is \$0.7807 per gallon. This includes CNG at the So Cal Index price, the gain/loss on the hedge position, liquefaction, and sales tax. This price is after recognition of the net loss on the hedge position in the amount of \$14,859 (\$17,205 - \$2,346).

Omnitrans has experienced a total loss of \$112,875 since the implementation of the hedge program in September 2014. However the reduced cost of CNG on the spot market has provided Omnitrans with a \$293,027 below budget savings in CNG fuel cost for the period covering July 2014 – July 2015. The CNG fuel budget was estimated at \$4.6 million for the thirteen (13) months, and the actual CNG fuel cost for the same time frame was \$4.3 million or 93.7% of budget.

PSG:DW



ITEM # E4

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Donald Walker, Director of Finance

**SUBJECT: DIRECTOR OF FINANCE'S RECOMMENDATION ON THE
FORWARD FUEL PURCHASE PROGRAM FOR FISCAL YEAR 2016**

FORM MOTION

Recommend the Board of Directors approve the Director of Finance's recommendation to continue the Forward Fuel Purchase Program in FY2016 for twelve (12) months when the price per gallon is equal to or slightly above the \$0.92 budgeted for FY2016.

BACKGROUND

In May 2014, the Board of Directors authorized staff to continue with the hedge program when the price of natural gas was at or below \$0.92 per gallon. At the time of the Board's authorization, the price of natural gas was above Omnitrans' budgeted \$0.92 per gallon for fuel.

In August 2014, the price of natural gas decreased, and a new hedge program was initiated that fixed the price of approximately 47% of the Agency's monthly natural gas from September 2014 through August 2015 at \$0.91. The table below provides the history of the monthly price per gallon of natural gas, and the gain or loss on the hedging program since utilizing the services of Morgan Stanley (February 2012 – Present).

The price per gallon ranges from a low of \$0.801 in May 2012 to a high of \$0.982 in March 2014. For the forty-one (41) months (February 2012 – June 2015), Omnitrans has recognized a total loss of \$22,470 on its hedging programs. There are two (2) months remaining on the current hedging program (July 2015 and August 2015).

The cost per gallon is determined by the weighted average of the spot market and the hedge price (*calculated as follows: (47% x Hedge price) + (53% x Spot Price)*) plus additional costs. Included in the additional cost is the Supplier's fixed cost for liquefaction and delivery. Clean Energy, the previous supplier, fixed cost was \$0.52, and the new supplier Applied LNG Technologies, LLC fixed cost is \$0.44.

Given the current market conditions, not even the experts can accurately predict the future of natural gas prices. The combination of advanced hydraulic fracturing (“fracking”), horizontal drilling, and employing cutting-edge technologies is mostly responsible for surging U.S. oil and natural gas production. A prudent approach to hedging can still reduce Omnitrans’ exposure to dramatic fuel price increases without incurring significant losses. Staff will continue to monitor the spot market and hedge price of fuel to continue with a hedging program prior to the price per gallon exceeding the \$0.92 budgeted for FY2016.

CONCLUSION

Approval of the recommended action to enter into the hedge program when the price of fuel exceeds the budget price per gallon of \$0.92 will increase the predictability of fuel costs and reduce the risk of operational uncertainty in the event of dramatic fuel price increases in the open market.

PSG:DW

150,000 Gallons Hedged (43.5%)

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Totals</u>
Price per gallon								\$0.822	\$0.840	\$0.812	\$0.801	\$0.828	
Gain/(Loss)								(\$11,288)	(\$8,315)	(\$14,355)	(\$16,277)	(\$11,405)	(\$61,640)

150,000 Gallons Hedged (43.5%)

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Totals</u>
Price per gallon	\$0.835	\$0.840	\$0.833	\$0.850	\$0.873	\$0.888	\$0.872	\$0.880	\$0.866	\$0.902	\$0.883	\$0.900	
Gain/(Loss)	(\$7,128)	(\$4,202)	(\$8,864)	(\$4,041)	\$1,512	\$4,302	\$62	(\$1,525)	\$967	\$7,773	\$9,955	\$9,905	\$8,716

150,000 Gallons Hedged (43.5%)

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Totals</u>
Price per gallon	\$0.877	\$0.875	\$0.874	\$0.868	\$0.885	\$0.884	\$0.926	\$0.937	\$0.982	\$0.917	\$0.925	\$0.915	
Gain/(Loss)	\$4,438	\$1,364	\$2,702	\$1,847	\$1,822	\$5,814	\$13,116	\$27,372	\$18,669	\$15,310	\$17,926	\$15,744	\$126,124

181,500 Gallons Hedged (47.0%)

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Totals</u>
Price per gallon	N/A	N/A	\$0.911	\$0.914	\$0.899	\$0.950	\$0.886	\$0.854	\$0.850	\$838.000	\$0.836	\$0.852	
Gain/(Loss)	N/A	N/A	\$555	\$960	(\$2,880)	\$5,430	(\$10,965)	(\$15,810)	(\$15,390)	(\$19,950)	(\$21,045)	(\$16,575)	(\$95,670)

Total Gain/(Loss)	(\$22,470)
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ITEM # E5

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative & Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Maurice A. Mansion, Treasury Manager

**SUBJECT: FUNDING AGREEMENT WITH SAN BERNARDINO ASSOCIATED
GOVERNMENTS FOR COUNTYWIDE VANPOOL PROGRAM**

FORM MOTION

Recommend the Board of Directors authorize the CEO/General Manager execute a Funding Agreement to pass through an amount not to exceed \$4,000,000 of Federal Transit Administration (FTA) funds to the San Bernardino Associated Governments (SANBAG) for the Countywide Vanpool Program.

This item was reviewed by Omnitrans legal counsel

BACKGROUND

SANBAG is proposing to start a County Wide Vanpool Program. Vanpools are cost-effective and provide reliable work transportation needs for long distance commuters from within the San Bernardino County.

Due to the size of the county and where the jobs are located, many residents commute long distances to work. In fact, the Los Angeles County Metropolitan Transportation Authority (Metro) and the Orange County Transportation Authority (OCTA) have vanpool programs that provide limited support to eligible individuals living in the Inland Empire, but working within Metro or OCTA's service areas. This project supports the initiation of a county vanpool program that will become self-sustaining within the Inland Empire, where there are significant work-related transportation needs and where an Inland Empire vanpool program can provide cost effective and reliable transportation that improves access to jobs and improves the mobility of San Bernardino County's communities.

SANBAG has allocated \$4,000,000 of FTA Congestion Mitigation and Air Quality (CMAQ) funds for the Countywide Vanpool Program. Because Omnitrans is the designated FTA grantee for the San Bernardino Valley, the funds must be included in Omnitrans' Fiscal Year 2016 FTA grant application and then passed through from Omnitrans to SANBAG. SANBAG will manage

the project as a subgrantee and will fulfill all the responsibilities of a subgrantee per FTA regulations and guidelines, as outlined in the Agreement.

FUNDING SOURCE

FTA CMAQ Funds Fiscal Year 2016

Short Range Transit Plan/Strategic Initiative Supported – NA

CONCLUSION

Approval of the recommended action will allow Omnitrans to include the \$4,000,000 for the Countywide Vanpool Program in the FTA grant application for Fiscal Year 2016 and pass through these funds to SANBAG upon receipt.

PSG:DW:MM

Attachment

CONTRACT NUMBER 15-1001265

SAN BERNARDINO ASSOCIATED GOVERNMENTS

and

OMNITRANS

FUNDING AGREEMENT

FOR COUNTY WIDE VANPOOL PROGRAM

This Funding Agreement for the Countywide Vanpool Program is entered into this ___ day of _____, 2015, by and between the San Bernardino Associated Governments, acting in its capacity as the San Bernardino County commission, (“SANBAG”), and Omnitrans, a Joint Powers Authority (“Omnitrans”) (SANBAG and Omnitrans are collectively referred to herein as the “Parties”).

Recitals

A. This Agreement describes the respective responsibilities of SANBAG and Omnitrans relative to acquiring authorization to use Federal Congestion Mitigation and Air Quality (“CMAQ”) Funding for development of SANBAG’s Countywide Vanpool Program (“Program”).

B. SANBAG will use the CMAQ funding to support capital and operating aspects for development of a new County-wide Vanpool Program that is expected to operate in the Valley Region and Mountain/Desert Region where there are significant work-related transportation needs and where vanpools can provide a cost effective and reliable commute option that improves access to jobs and improves the mobility of San Bernardino County’s communities.

C. The CMAQ funding is currently Federal Highway Administration (“FHWA”) funding that in accordance with the Federal Moving Ahead for Progress in the 21st

Century Act (“MAP-21”) may be transferred to the Federal Transit Administration (“FTA”) for transit purposes.

D. SANBAG is not eligible to process a grant application, or authorization of Federal funds, through FTA and will partner with Omnitrans who is eligible to submit a grant application for Federal funds through FTA.

E. In this case, when the CMAQ funds are transferred from FHWA to FTA they will be transferred into the Urbanized Area Formula Program (§5307).

F. Omnitrans, as the FTA Grantee, pursuant to the terms of this Agreement, will submit a §5307 grant application to the FTA for Fiscal Year 2016 with respect to obtaining funding for the PROGRAM. The grant application is, among other things, for the benefit of SANBAG, as a Subgrantee.

G. SANBAG will be considered the Subgrantee for purposes of the grant agreement, and is responsible for complying with all provisions of the grants and of applicable federal, state and local laws and regulations (“Applicable Law”) necessary in order to qualify for the funding for, and to undertake the PROGRAM.

H. Omnitrans will use the funds received from the Grant Application for the PROGRAM in accordance with the terms hereof.

NOW THEREFORE, based on the forgoing recitals and the following promises and covenants the parties agree:

1. Obligations of Omnitrans. Pursuant to, and to the extent provided in, this Agreement, Omnitrans shall take the following actions:

a. Omnitrans, as the FTA Grantee, will include SANBAG’s request for \$4,000,000 of CMAQ funding in Omnitrans’ Fiscal Year 2016 FHWA fund transfer request to Caltrans and subsequently in Omnitrans’ Fiscal Year 2016 §5307 grant

application to the FTA with respect to obtaining funding for the PROGRAM. A portion of the §5307 grant application will be for the benefit of SANBAG, as a Subgrantee.

b. Omnitrans will identify the use of toll credits on the fund transfer request to Caltrans and subsequently in Omnitrans' Fiscal Year 2016 §5307 grant application to the FTA as SANBAG is utilizing toll credits in lieu of the required 11.47% local match obligation, \$458,800, in accordance with MAP-21 Section 1580 as established under Section 120(i) of the Title 23 of the United States Code (USC) which authorizes the use of certain toll revenue expenditures as a credit toward the non-federal matching share for transit programs authorized by Chapter 53 of Title 49 of the USC.

c. Omnitrans will sign the grant documents resulting from the foregoing grant application submittal, upon the receipt of such assurances from SANBAG as Omnitrans may reasonably require.

d. Omnitrans will reimburse SANBAG for the PROGRAM up to the amount available from any grant received for the PROGRAM, in conformity with the following procedure:

1. For each Disbursement requested, SANBAG shall provide a written invoice to Omnitrans specifying the amount requested to be disbursed, the purpose of the Disbursement and such additional supporting documentation and background information as Omnitrans may reasonably require (a "Disbursement Request").

2. Each Disbursement Request shall be accompanied by a written certification of SANBAG's Chief Financial Officer that such Disbursement will not constitute any violation of the terms of the grant, or of Applicable Law, and that SANBAG will use the Disbursement for the purpose indicated in the Disbursement Request.

3. Within five (5) business days of the receipt of an invoice and accompanying certification, Omnitrans shall notify SANBAG as to what, if any, additional supporting documentation and background information it requires.

4. First week of the following month, after invoice submittal, OMNITRANS shall: (i) disburse (including through electronic transfer of funds, if so requested and if SANBAG has provided the necessary information) all or that portion of the requested funds which it reasonably believes it can disburse without violating the terms of either the grant or of Applicable Law; and (ii) if applicable, notify SANBAG as to why it reasonably believes that it is unable to disburse some or all of the requested funds without violating the terms of either the grant or of Applicable Law.

5. To the extent that the FTA advises Omnitrans that a Disbursement would constitute a violation of the terms of either the grant or of Applicable Law, Omnitrans shall have no obligation to disburse such funds. If Omnitrans has any question as to whether any disbursement will be in violation of any provision of either the grant or of Applicable Law, notwithstanding SANBAG's certification, it shall be entitled to receive at SANBAG's expense, a legal opinion from competent counsel of its choice to resolve any such question.

6. Omnitrans shall have no liability to SANBAG for any refusal to disburse funds so long as Omnitrans has a good faith and reasonable belief that such Disbursement would constitute a violation of the terms of the grant or of Applicable Law. Omnitrans, upon receipt of a legal opinion upon which Omnitrans can reasonably rely supporting the disbursement, shall release the requested funds within five (5) days.

e. Omnitrans shall prepare and submit to the FTA on a timely basis all required periodic reports and milestone updates, so long as it timely receives all necessary information from SANBAG.

f. Omnitrans shall conduct itself so that any aspect of Omnitrans' participation in this Agreement and the actions required of it hereunder, will be in compliance with the terms of the grant which is being sought and with all Applicable Law.

g. Omnitrans shall comply with all requirements of the FTA 2016 Master Agreement, including submission to FTA on a quarterly basis, of reports that document the status of the PROGRAM'S implementation progress, including task completion status, budget status, and adherence to PROGRAM. The current FTA 2015 Master Agreement can be found at <http://www.fta.dot.gov/documents/21-Master.pdf> for reference. The FTA 2016 Master Agreement is expected to be published in October 2015.

2. Payment of Administrative Expenses of Omnitrans. As compensation for the obligations undertaken by Omnitrans pursuant to the terms of this Agreement, an indirect overhead charge will be charged to SANBAG to account for all administration costs associated with managing this PROGRAM. Omnitrans will charge based on actual time and material that is needed for management of this PROGRAM. If due to extraordinary circumstances it becomes evident to Omnitrans that it will exceed its estimated expenses, SANBAG will be immediately notified and both parties shall meet and negotiate in good faith to arrive at an agreed adjustment to Omnitrans' compensation.

3. Warranties of SANBAG. SANBAG warrants to Omnitrans that:

a. To SANBAG's knowledge, the submittal of the contemplated FTA §5307 grant applications by Omnitrans on behalf of SANBAG will not constitute any violation of Applicable Law.

b. SANBAG shall conduct itself so that all aspects of the PROGRAM, and any aspect of SANBAG's participation in this Agreement and the actions contemplated of it by this Agreement, will be in compliance with the terms of the grant and with Applicable Law, including laws or regulations related to planning studies.

c. SANBAG will use the disbursements for the purpose indicated in its Disbursement Request.

d. SANBAG shall comply with all requirements of the FTA 2016 Master Agreement, including submission to OMNITRANS on a quarterly basis, of reports that document the status of the PROGRAM'S implementation progress, including task completion status, budget status, and adherence to PROGRAM.

e. SANBAG shall agree to comply with 49 U.S.C. § 5323(j) and FTA regulations, "Buy America Requirements," 49 C.F.R. Part 661, and any amendments thereto.

4. Obligations of SANBAG. Pursuant to, and to the extent provided in, this Agreement, SANBAG shall take the following actions:

a. Provide to Omnitrans all information that is reasonably needed for the §5307 grant application submission to FTA and the CMAQ fund transfer request that must be submitted to Caltrans prior to submission of the FTA grant application.

b. Satisfy its Match Obligation through the use of toll credits.

c. Identify the PROGRAM and use of toll credits as the local match obligation in the Federal Transportation Improvement Program.

d. Notify the California Department of Transportation (Caltrans) Division of Mass Transit and Rail of the use of Toll Credits for the PROGRAM.

e. Notify Omnitrans of any changes in the scope or description of the PROGRAM.

f. Maintain and upkeep all portions of the completed PROGRAM per FTA requirements.

g. Certify to Omnitrans for each Disbursement Request, that to the best of its knowledge such Disbursement will not constitute any violation of either the provisions of the grant or of Applicable Law and that SANBAG will use the Disbursement as indicated in the Disbursement Request.

h. Provide to Omnitrans all information needed for quarterly PROGRAM reporting and milestone updates in a timely manner to allow Omnitrans enough time to prepare and submit to the FTA on a timely basis all required or requested FTA reports and updates, but in no event to be received later than fifteen (15) days prior to the required date of submission to the FTA of such report or update.

i. Ensure that all aspects of the PROGRAM and any aspect of SANBAG's participation in this Agreement and the actions contemplated of it by this Agreement will be in compliance with the terms of the grant which is being sought and with all Applicable Law.

j. Invoice OMNITRANS on a quarterly basis for reimbursement on PROGRAM expenditures and costs.

5. Exercise of Rights under the Agreement. The CEO/General Manager of Omnitrans, or his designee, shall exercise the rights of Omnitrans under this Agreement including, without limit, accepting the certifications of SANBAG required under the terms of this Agreement. The CEO/General Manager, or her/his designee, shall exercise the rights of SANBAG under this Agreement; however, any certifications of SANBAG required under the terms of this Agreement shall be provided only by the CEO/General Manager, or her/his designee or such other representative of SANBAG as is specified by action of the SANBAG's governing body.

6. **Insurance and bonding requirements.** SANBAG shall require that any contractor providing services with respect to the PROGRAM obtain and maintain insurance of the type and in the amounts that Omnitrans would require of its contractors performing similar services on a PROGRAM similar to the improvements for the longer period of: 1) the duration of this Agreement or 2) for the duration of such contractor's involvement in the PROGRAM. All insurance policies shall name Omnitrans and its directors, officers, employees and volunteers as additional named insured. Further, SANBAG will require that any contractors provide bid and performance bonds as are required by applicable Federal, State or local law.

7. **Indemnification by Omnitrans.** For purposes of this paragraph 7 only. "SANBAG" shall be deemed to include the San Bernardino Associated Governments, the San Bernardino County Transportation Commission, the San Bernardino County Transportation Authority, the San Bernardino County Service Authority for Freeway Emergencies, and the San Bernardino County Congestion Management Agency. Omnitrans shall indemnify, defend and hold SANBAG, and its officers, directors, members, employees, agents and contractors harmless from any damage, loss, cost or expense (including reasonable attorney's fees) which arises by virtue of Omnitrans' breach of any term of this Agreement, including any and all damages, loss, claims, actions or liabilities and/or any fine by the FTA or other agency arising from such breach.

8. **Indemnification by SANBAG.** SANBAG shall indemnify, defend and hold Omnitrans, and its officers, directors, members, employees, agents and contractors harmless from any damage, loss, cost or expense (including reasonable attorneys' fees) which arises by virtue of SANBAG's breach of any term of this Agreement, including any and all damages, loss, claims, actions or liabilities and/or any fine by the FTA or other agency arising from such breach.

9. **Term.** This Agreement shall terminate upon the rejection of any grant application for the PROGRAM by the FTA or, assuming the award of the grant sought, upon the completion of the disbursement of the funds obtained from the grant and the

completion of all reports, updates or any other documentation or responsibility of Omnitrans related to the grant. In all events, this Agreement shall terminate within the time limits set forth in applicable FTA procedures and regulations but in no event later than four (4) years from the date of the last grant received by Omnitrans.

10. Force Majeure.

a. An "Uncontrollable Force" (force majeure) is any occurrence beyond the control of a Party which causes that Party to be unable to perform its obligations hereunder and which a Party has been unable to overcome by the exercise of due diligence, including but not limited to, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, action or inaction of legislative bodies, judicial bodies, or regulatory agencies, or other proper authority, excepting the governing body of the Party asserting the Uncontrollable Force, which may conflict with the terms of this Agreement.

b. Subject to Section 9(a), neither Party shall be considered to be in default in the performance of any of the agreements contained in this Agreement when and to the extent failure of performance shall be caused by an Uncontrollable Force.

c. If either Party because of an Uncontrollable Force is rendered wholly or partly unable to perform its obligations under this Agreement, the Party shall be excused from whatever performance is affected by the Uncontrollable Force to the extent so affected provided that: (i) the nonperforming Party within one week after the occurrence of the Uncontrollable Force, gives the other Party written notice describing the particulars of the occurrence; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Uncontrollable Force; (iii) the nonperforming Party uses its best efforts to remedy its inability to perform (this subsection shall not require the settlement of any strike, walkout, lockout, other labor disputes or any other dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood and agreed that the

settlement of any disputes shall be at the sole discretion of the Party having the difficulty); and (iv) when the nonperforming Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect.

d. If either Party's ability to perform cannot be corrected when the Uncontrollable Force is caused by the actions or inactions of legislative bodies, judicial bodies, or regulatory agencies or other proper authority, the Parties agree to meet in good faith to determine if this Agreement may be amended to comply with the legal or regulatory change which caused the nonperformance if the Parties.

11. Authorization by Omnitrans. Omnitrans represents that the terms and execution of this Agreement, including all Exhibits, have been duly authorized by Omnitrans' governing Board and that the persons signing this Agreement on its behalf have the necessary authority to do so.

12. Authorization by SANBAG. SANBAG represents that the terms and execution of this Agreement, including all Exhibits, have been duly authorized by SANBAG's governing body and that the persons signing this Agreement on its behalf have the necessary authority to do so.

13. Headings. All paragraph headings throughout this Agreement are for convenience of reference only.

14. Additional Documents. Each of the Parties shall execute such additional documents as the other Party may reasonably request in order to carry out or implement any of the provisions of this Agreement, which request shall not be unreasonably refused.

15. Litigation Expenses. If after this Agreement is in effect, any action or proceeding of any nature shall be commenced seeking to enforce, construe or rescind, or otherwise relating to this Agreement, each party will bear their own attorney fees.

16. **Entire Agreement.** This Agreement constitutes the sole and entire agreement between the parties hereto, and no modification, alteration or amendment shall be binding unless expressed in writing signed by the Parties. No representation, warranty, covenant, inducement or obligation not included in this Agreement shall be binding, and this Agreement supersedes all prior negotiations, agreements, arrangements and undertakings among the Parties hereto with respect to the matters set forth in this Agreement. It is the intent of the Parties that this Agreement is an integrated agreement and that no evidence may be introduced to vary in any manner its terms and conditions.

17. **Accuracy of Representations.** As of the date each signed this Agreement, the representations herein of both Parties are true and correct in all material respects.

18. **Originals and Copies.** This Agreement with the Exhibits attached hereto may be executed in counterparts, each of which shall be deemed an original. In any action or proceeding, an exact and correct copy may be used in lieu of an original.

19. **Construction of Agreement.**

a. **Equal Construction.** This Agreement and the Exhibits attached hereto shall not be construed in favor of or against a Party by reason of participation or lack of participation of that Party or its counsel in the drafting of this Agreement and the Exhibits attached hereto. This Agreement and the attached Exhibits shall be interpreted and construed as drafted by all Parties with equal participation in the drafting hereof.

b. **Internal Consistency.** The Parties intend that the terms of this Agreement and of the Exhibits are all internally consistent with each other and should be construed to that end. If any irreconcilable inconsistency shall be determined between the terms of this Agreement and the terms of any of the Exhibits attached hereto, the terms of this Agreement shall control over the terms of any of the Exhibits.

20. Notices All notices hereunder shall be in writing and shall be effective upon receipt. All notices and communications, including invoices, between the Parties to this Agreement shall be either personally delivered, sent by first-class mail, return receipt requested, or sent by overnight express delivery service, postage or other charges fully prepaid, as follows:

To Omnitrans:

Omnitrans
1700 West Fifth Street
San Bernardino, CA 92411

Attention: Maurice Mansion

SANBAG

SANBAG
1170 West 3rd Street, 2nd Floor
San Bernardino, California 92410

Attention: Monica Morales

21. No Third Party Beneficiaries There are no third party beneficiaries to this Agreement. Other than the Parties, no person, political subdivision, agency, board, department, division or commission shall be entitled to bring an administrative or judicial proceeding to enforce or interpret its terms.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first written above.

OMNITRANS

SANBAG

By: _____
P. Scott Graham, CEO/General Manager
Date: _____

By: _____
Ray Wolfe, CEO/General Manager
Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Legal Counsel for Omnitrans
Date: _____

By: _____
Legal Counsel for SANBAG
Date: _____

ITEM # E6

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative & Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Maurice A. Mansion, Treasury Manager

**SUBJECT: MEMORANDUM OF UNDERSTANDING WITH SAN BERNARDINO
ASSOCIATED GOVERNMENTS REGARDING PROJECT COST
APPLIED TO FEDERAL TRANSIT ADMINISTRATION GRANTS**

FORM MOTION

Recommend the Board of Directors authorize the CEO/General Manager to execute a Memorandum of Understanding (MOU) between Omnitrans and the San Bernardino Associated Governments (SANBAG) to outline future project management costs to assist SANBAG in receiving Federal Transit Administration (FTA) funding for future projects.

This item was reviewed by Omnitrans legal counsel

BACKGROUND

Omnitrans is an eligible and direct recipient of FTA funding and processes FTA grants on an annual basis. Omnitrans has the staff and resources to process and manage grants. Omnitrans charges its own capital projects for allowable management cost and charges subrecipients a fee to manage funding for their projects.

SANBAG is not an eligible direct recipient of FTA funding. However, SANBAG will use FTA funding to deliver various projects in the San Bernardino Valley subarea. SANBAG will need to utilize the assistance of Omnitrans staff to deliver and manage grant funding.

Therefore, both Omnitrans and SANBAG would like to enter into a MOU to outline how Omnitrans' costs will be applied to SANBAG-delivered FTA projects in the future.

Short Range Transit Plan/Strategic Initiative Supported - NA

CONCLUSION

The execution of this MOU allows Omnitrans and SANBAG to have an approved agreement outlining future billing rates for FTA work performed by Omnitrans on behalf of SANBAG.

PSG:DW:MM

Attachment

MOU 15-1001289
Between
Omnitrans
and
San Bernardino Associated Governments

This Memorandum of Understanding (MOU) is made and entered into by and between Omnitrans, a joint powers authority (OMNITRANS) and San Bernardino Associated Governments, acting in its capacity as the San Bernardino County Transportation Commission, (SANBAG) to outline future project management costs for Omnitrans to assist SANBAG in receiving Federal Transit Administration (FTA) for future projects.

WHEREAS, OMNITRANS is an eligible direct recipient of FTA funds and processes grant applications through FTA on an annual basis; and

WHEREAS, SANBAG will use federal funding for delivery of various projects in the San Bernardino Valley subarea under the jurisdiction of FTA ; and

WHEREAS, SANBAG is not an eligible direct recipient of FTA funding and needs assistance to receive this funding; and

WHEREAS, OMNITRANS, as an FTA Grantee, has the staff and other resources to provide such assistance to SANBAG.

NOW THEREFORE, in consideration of the foregoing recitals and the terms and conditions herein, SANBAG and OMNITRANS agree as follows:

- I. TERM. This MOU shall be effective for five years from the date approved by the last party, but may be terminated earlier or extended by mutual consent.
- II. SANBAG RESPONSIBILITIES:
 - A. SANBAG will notify OMNITRANS on a project-by-project basis of the need for assistance in receiving FTA funding and provide the required project information.
 - B. SANBAG will prepare project-specific subrecipient agreements for review and approval by both SANBAG and OMNITRANS that are consistent with the parameters of this MOU.
 - C. SANBAG will work with OMNITRANS to prepare a transfer request if such funding needs to be transferred from the Federal Highway Administration (FHWA) to the FTA.
 - D. SANBAG shall reimburse OMNITRANS for the actual cost of managing and monitoring subrecipient agreements and federal grant funding as identified on project-specific invoices.

E. SANBAG shall comply with all requirements of the FTA Master Agreement that coincides with the year of grant submittal.

F. SANBAG shall submit to OMNITRANS on a quarterly basis reports that document the status of the project, including task completion status and budget status as needed by FTA.

G. SANBAG shall conduct itself so that any aspect of OMNITRANS' participation in this MOU and the actions required of it hereunder will be in compliance with the terms of the grant that is being sought and with applicable law.

III. OMNITRANS RESPONSIBILITIES

A. OMNITRANS will review project-specific subrecipient agreements for approval by both SANBAG and OMNITRANS that are consistent with the parameters of this MOU.

B. OMNITRANS, as the FTA Grantee, will submit grant applications to the FTA to obtain funding for SANBAG.

C. OMNITRANS will work with SANBAG to prepare a transfer request if such funding needs to be transferred from the Federal Highway Administration (FHWA) to the FTA.

D. OMNITRANS agrees to charge SANBAG for actual costs incurred for managing and monitoring subrecipient agreements. Federal grant funding will not include a deduction for OMNITRANS' flat Cost Allocation Plan (CAP) fee. OMNITRANS will submit invoices to SANBAG for actual costs incurred.

E. OMNITRANS shall comply with all requirements of the FTA Master Agreement that coincides with the year of grant submittal.

F. OMNITRANS shall conduct itself so that any aspect of SANBAG's participation in this MOU and the actions required of it hereunder will be in compliance with the terms of the grant that is being sought and with applicable law.

IV. THE PARTIES MUTUALLY AGREE:

A. That this MOU and its content will be used in creating subrecipient agreements between OMNITRANS and SANBAG.

B. Neither SANBAG, nor any officer, director, member, employee or contractor thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by OMNITRANS in connection with the ongoing program or in connection with any work SANBAG delegated to OMNITRANS under this Contract. It is understood and agreed that, pursuant to Government Code Section 985.4, OMNITRANS shall fully defend, indemnify and save harmless SANBAG, its officers, directors, members, employees and contractors from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) or damage occurring by reason of anything done or

omitted to be done by OMNITRANS in connection with any work SANBAG delegated to OMNITRANS under this Contract. OMNITRANS's indemnification obligation applies to SANBAG's passive negligence but does not apply to SANBAG's, "sole negligence" or "willful misconduct" within the meaning of Civil code Section 2782.

Neither OMNITRANS, nor any officer, director, employee or contractor thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SANBAG in connection with the ongoing program or in connection with any work under this Contract. It is understood and agreed that, pursuant to Government Code Section 985.4, SANBAG shall fully defend, indemnify and save harmless OMNITRANS, its officers, directors, employees and contractors from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) or damage occurring by reason of anything done or omitted to be done by SANBAG in connection with any work under this Contract. SANBAG's indemnification obligation applies to OMNITRANS's passive negligence but does not apply to OMNITRANS's "sole negligence" or "willful misconduct" within the meaning of Civil code Section 2782

V. NOTICES

When notices are required, such notices shall be provided in writing, sent by mail to the appropriate address listed below:

OMNITRANS: P. Scott Graham
Chief Executive Officer/General Manager
700 W Fifth Street
San Bernardino, CA 92411

SANBAG: Ray Wolfe
Executive Director
1170 West Third Street, Second Floor
San Bernardino, CA 92410-1715

VI. INVALID CONDITIONS:

If any one or more terms, conditions or promises of this MOU shall to any extent be judged invalid, void, voidable or unenforceable by a court of competent jurisdiction, the remaining terms shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.

VII. LEGAL FEES

In the event of any contract dispute hereunder, each party to this MOU shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.

VIII. CONCLUSION

A. This MOU constitutes an integrated agreement, expressing the understanding of the parties concerning the subject matter of this agreement, and it supersedes all prior understandings, whether oral or written, express or implied.

B. This MOU may be executed in counterparts. When executed by all parties, each counterpart shall be deemed an original irrespective of the date of execution and shall together constitute one and the same MOU.

IN WITNESS THEREOF, the authorized parties have signed below:

**SAN BERNARDINO
ASSOCIATED GOVERNMENTS**

OMNITRANS

Ryan McEachron
President

Sam Spagnolo
Chair

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

Eileen Monaghan Teichert
SANBAG General Counsel

Carol Greene
OMNITRANS Legal Counsel

ITEM # E7

DATE: August 13, 2015

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: AUTHORIZE ADDITIONAL SPEND AUTHORITY (BENCH)
CONTRACTS HR13-149 (A-B), TEMPORARY EMPLOYMENT
AGENCY SERVICES AND AUTHORIZE RELEASE OF RFP-HRS16-28,
TEMPORARY EMPLOYMENT SERVICES**

FORM MOTION

Recommend the Board of Directors:

Ratify the outstanding invoices to ManpowerGroup US Inc., in the amount of \$44,677.05, and approve additional aggregate spend authority of \$50,000 for bench Contracts HR13-149A to Lloyd Staffing, Cerritos, CA, and HR13-149B to ManpowerGroup US Inc., San Bernardino, CA, for the provision of temporary staffing services in a total aggregate not-to-exceed amount of \$191,277.05; and

Authorize the CEO/General Manager to release Request for Proposals RFP-HRS16-28 for the provision of Temporary Employment Services for a three-year base contract, and two one-year options beginning January 4, 2016 and ending no later than January 3, 2021, if all options are exercised.

BACKGROUND

Temporary personnel services are required when unexpected staffing shortfalls occur due to prolonged illnesses, leaves of absence, and extended position vacancies due unforeseeable circumstances. Assignments vary in length based on the Agency's actual requirements.

As the result of a competitive solicitation, the Omnitrans Board of Directors awarded a bench contract on July 10, 2013 to Manpower Inc. (Manpower), and Lloyd Staffing (Lloyd), for the provision of temporary employment agency services in an aggregate amount not-to-exceed of \$96,600 for the base period of three years, with the authority to exercise two one-year options in an aggregate amount of \$32,200 for each of the option years, totaling \$161,000, plus a 10% contingency of \$16,100, for a total not to exceed amount of \$177,100, should all options years be

exercised. The contracts were amended to reduce the criminal background check period from ten years to seven years, in accordance with California Civil Code Section 1789.18 and to increase the hourly billable rate per 4980H (Employer Shared Responsibility Provisions of the Internal Revenue Code, which was added to the Code by the Patient Protection and Affordable Care Act (P.L. 111-148).

Historically, Omnitrans has paid \$60,000 to \$150,000 a year for temporary employment services. At the time these contracts were awarded staffing levels were stable and the high use of temporary services not anticipated. Invoices have totaled \$141,277.05 to date, exceeding the Board approved base period amount by \$44,677.05. A business decision to utilize temporary mechanics during regular recruitments greatly reduced the impact vacancies had on lost service due to lack of equipment. The Maintenance Department has utilized temporary Utility Service Workers and Mechanics at the rate of \$1,700 per week.

To mitigate these issues moving forward, the Information Technology Department (IT) is testing additional functionality within SAP to link purchase orders to service contracts to prevent the creation of purchase orders over the Board approved contract amounts. This functionality already exists for contracts associated with inventory parts. Project Managers monitor contract usage against approved budget amounts and authorized contract limits and rates. However, the budget for this contract resides in various departments causing oversight to be problematic. Moving forward the responsibility of oversight has been placed under the Human Resources Safety and Security Department to provide better control.

Due to the increased use of temporary employment services, staff is seeking Board approval to release a new solicitation instead of exercising the option years. If approved, the resulting agreements will be presented to the Board for approval at the January, 2016 Board Meeting. It is estimated that an additional \$50,000 is needed to meet the temporary staffing needs through the solicitation process.

In accordance with the Procurement Policy 2000, Section 2.3.5.1.3 and FTA Circular 4220.1F, Board authorization and use of a formal procurement procedure is required to release Request for Proposals for procurements for good/services exceeding \$100,000. The Independent Cost Estimate for this project is \$600,000 for the base period, plus the two (2) one-year options.

This procurement meets the requirements of Omnitrans' Procurement Policies and Procedures.

FUNDING SOURCE

The costs associated with this procurement are budgeted in various Department's Operating Budgets as follows:

Department	Various
Expenditure Code	503990

_____ Verification of Funding Sources and Availability of Funds.
(Verified and initialed by Finance)

Short Range Transit Plan/Strategic Initiative Supported – N/A

CONCLUSION

Approval of this item will ensure proper staffing levels with the continued utilization of temporary employment agency services and provide a mechanism to pay outstanding invoices.

PSG:JMS:CVM