



Connecting Our Community.

ADMINISTRATIVE & FINANCE COMMITTEE

THURSDAY, JULY 10, 2014 – 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 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, August 14, 2014, 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 – June 12, 2014 4
2. Recommend to Board of Directors, Receive and File Construction Progress Report No. 30 through June 30, 2014 – sbX E Street Corridor BRT Project 9
3. Recommend to Board of Directors, Receive and File Omnitrans' Fiscal Year Ended June 30, 2014, Engagement Letter 22
4. Recommend to Board of Directors, Authorize Change Order No. 6 to Contract IPMO11-1, Vehicle Maintenance Facility (VMF) and Construction Project Vehicle Maintenance Facility Modification Architectural and Engineering Services 34
5. Recommend to Board of Directors, Authorize Change Order No. 11 PLN09-21, Construction Management Services – sbX Vehicle Maintenance Facility (VMF) and Construction Project 39
6. Recommend to Board of Directors, Authorize Release, Invitation for Bids IFB-IPMO15-10 for "E" Street, 10th Street to Highland Avenue Pavement Rehabilitation Project 44



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F. REMARKS AND ANNOUNCEMENTS

G. ADJOURNMENT

ITEM # D1
DATE: July 10, 2014

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 & 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 July 10, 2014.

Item No.	Contract	Principals & Agents	Subcontractors
E4	Contract IPMO11-1 Change Order No. 6 Vehicle Maintenance Facility and Construction Project Vehicle Facility Maintenance Modification Architectural and Engineering Services	<i>STV Incorporated Rancho Cucamonga, CA</i> <i>David L. Borger, PE, Senior Vice President</i>	<i>Diaz Yourman & Associates Santa Ana, CA</i> <i>Raymundo Engineering Co., Inc. Walnut Creek, CA</i> <i>Cordoba Corporation Los Angeles, CA</i>
E5	Contract #PLN09-21 Change Order No. 11 Construction Management Services sbX Vehicle Maintenance Facility (VMF) and Construction Project	<i>Jacobs Construction Management Group Irvine, CA</i> <i>Craig L. Martin President and CEO</i> <i>Scott McCallister Vice President Ontario, CA</i>	<i>Meadows Consulting, Inc. San Bernardino, CA</i> <i>Psomas Engineering Riverside, CA</i> <i>Rowe Inspection Services, Surprise, AZ</i>

PSG/JS

ITEM # E1

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES OF JUNE 12, 2014**

A. CALL TO ORDER

Board Chair Alan Wapner called the regular meeting of the Administrative and Finance Committee to order at 8:00 a.m., Thursday, June 12, 2014.

1. Pledge of Allegiance
2. Roll Call – Self-introductions were made.

Committee Members Present

Mayor Carey Davis, City of San Bernardino
Mayor Paul Eaton, City of Montclair
Council Member Frank Gonzales, City of Colton
Mayor Pro Tem John Roberts, City of Fontana
Mayor Walt Stanckiewicz, City of Grand Terrace
Mayor Pro Tem Alan Wapner, City of Ontario

Committee Members Not Present

Mayor Ed Graham, City of Chino Hills
Mayor Ray Musser, City of Upland

OmniTrans Administrative Staff Present

P. Scott Graham, CEO/General Manager
Diane Caldera, Director of Operations
Marge Ewing, Director of Human Resources
Sam Gibbs, Director of Internal Audit Services
Anna Rahtz, Acting Director of Planning & Development Services
Jennifer Sims, Director of Procurement
Don Walker, Director of Finance
Maurice Mansion, Treasury Manager
Andres Ramirez, sbX Construction Manager
Mark Crosby, Loss Prevention Supervisor

B. ANNOUNCEMENTS/PRESENTATIONS

The next Committee Meeting is scheduled Thursday, July 10, 2014, 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 – May 15, 2014

M/S (Eaton/Stanckiewicz) that approved the Committee Minutes of May 15, 2014. Motion was unanimous by Members present.

2. Receive & File Forward Fuel Purchase Program Update for May 2014

Director of Finance Donald Walker presented the final monthly Forward Fuel Purchase Update for May 2014 as the current hedge contract ended June 1, 2014. The contract closed ten cents above the hedge price, near \$0.92 cents per gallon, which is in line with the budgeted amount for Fiscal Year 2015. Omnitrans recognized a gain on the hedge position of \$15,875 for June and a gain in the CNG fuel account of \$1,539. The entire 29 month period (February 2012 to June 2014) resulted in a total gain of \$74,192.

Although the current program has ended, staff will continue to monitor the cost of Compressed Natural Gas (CNG) through its broker, Morgan Stanley, and enter into a new 12-month hedge program when the market reaches \$.92 cents or below, as approved by the Board of Directors.

CEO/General Manager Scott Graham stated that, at the time the new hedge program begins, he would like include the fuel used for the sbX line and increase the amount of fuel hedged to approximately 165,000 gallons per month, which would still be approximately 45% of the fuel usage each month. The Committee concurred with this request, and further recommended that the hedged gallons be increased to 175,000 gallons per month.

Given that the current price of CNG on the spot market is already at the budgeted amount for Fiscal Year 2015 of \$0.92 per gallon and the sole reason for hedging a portion of its fuel is to stabilize fuel costs, the Committee discussed whether Omnitrans should complete an analysis to determine whether it should consider entering into a new hedge contract at higher than the approved \$0.92 per gallon. After looking at various

alternatives, it may be decided that entering into a hedge above \$0.92 would be the best alternative to stabilize the fuel budget in Fiscal Year 2015.

M/S (Stanckiewicz/Roberts) that recommended to the Board of Directors:

1. Receive and file the Director of Finance's final report on Omnitrans' current forward fuel purchase program ending June 2014;
2. Increase the amount of gallons purchased on the hedge to 175,000 per month once a new hedge program is opened; and
3. Complete an analysis to determine if Omnitrans should enter into a new hedge program at a higher price per gallon than the \$.092 previously approved.

Motion was unanimous by Members present.

Member F. Gonzales arrived at 8:12 a.m.

3. Recommend to Board of Directors, Receive and File Construction Progress Report No. 29 through May 24, 2014 – sbX E Street Corridor BRT Project

sbX Construction Manager Andres Ramirez presented the construction update, reporting that the budget remains at \$191.7M, with \$158.1M spent to date, for a total estimated cost at completion of \$187.8M. Lost time injuries remain at zero with over 446,000 man hours combined.

Punch list repairs for the station are 95% complete with completion projected for month end. The punch list for the roadwork is also 95% complete. Adjustments to the Transit Signal Priority (TSP) system continue and Omnitrans continues to work with the City of San Bernardino on synchronization of the signals along the corridor. Final training and closeout documentation is also near completion. Staff is preparing two solicitations: 1) Pavement Rehabilitation between 10th Street and Highland on E Street; and 2) Public Address system for the corridor.

Now that sbX is operational, the focus moves to completion of the Vehicle Maintenance Facility (VMF), which is approximately 48% complete, with completion projected for January 2015.

In the Maintenance Building (Building A), installation of the platform lifts was completed and work continued in the Battery Room. In the Bus Wash Building (Building B), underground plumbing lines installed, underground electrical conduits placed, and forms were set for the foundations.

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

4. Recommend to Board of Directors, Pass-Through Funding Agreement, Chino Transit Center Phase II

Acting Director of Planning and Development Services, Anna Rahtz, presented this item and explained that Phase I of the Chino Transit Center was completed in 2005 and the City has identified pedestrian safety improvements, such as lighting and signage that will be completed in Phase II of the project. Funds that were earmarked back in 2004 can only be used for this project and will be passed through to the City upon approval by the Board of Directors. The Chino City Council approved the agreement last week.

M/S (Eaton/Stanckiewicz) that recommended to the Board of Directors authorization for the CEO/General Manager to execute an agreement to pass through funding in an amount not to exceed \$188,905 to the City of Chino for the development and construction of Phase II improvements at the Chino Transit Center. Motion was unanimous by Members present.

5. Recommend to Board of Directors, Disposition of 28.8 Acre Property located in Rancho Cucamonga, California

Director of Finance Don Walker reported that Omnitrans purchased 28.8 acres of property in Rancho Cucamonga in May 2001 for \$5.8M, consisting of \$4.5M of Federal funds and \$1.3M of local funds. The vision, at that time, was to build a new vehicle maintenance facility and expand paratransit services on the site. However, projections have changed since 2001 and Omnitrans no longer needs the 28.8 acre parcel. Instead, Omnitrans would like to declare the property as surplus and use the proceeds from the sale of the property, appraised for \$21.3M in January 2014, to develop the West Valley Connector Corridor that would operate in Fontana, Ontario, Rancho Cucamonga, Montclair and Pomona, and to purchase a three-to-five acre site to accommodate bus overflow, the West Valley Access site, and articulated buses.

The Federal Transit Administration provided its approval to use the proceeds from the sale of the property for this purpose on May 12, 2014, and Omnitrans is working with the County Real Estate Services to develop a Memorandum of Understanding (MOU) to assist in the sale and designation of the property as surplus. The estimated cost for County Real Estate Services to handle this matter should not exceed \$15,000.

If the MOU is approved by the Board of Directors, County Real Estate Services would advertise the property for 60 days to governmental agencies. If no governmental agency is interested, it would then be advertised for sale at auction to the general public for 45 days.

In the next few months, Omnitrans will be presenting the Summary of the Alternatives Analysis, along with project definition, projected costs and scope to both the Plans and Programs Committee and the Board of Directors.

Board Chair Wapner emphasized that prior to bringing a recommendation for a final policy decision as to whether the West Valley Connector is a BRT-lite rapid line or a full BRT, Omnitrans should work closely with the corridor cities to research alternative methods to fund operation of a full BRT, other than Measure I funds from SANBAG (San Bernardino Associated Governments). One alternative could be a parcel tax for those properties that border the corridor. This is important because cities have invested a lot of money and a BRT-lite rapid line does not provide the transit-oriented development investment opportunities that a full BRT provides.

M/S (Stanckiewicz/Roberts) that recommended approval to the Board of Directors to authorize the CEO/General Manager to proceed with the disposition of the 28.8 acre property located in Rancho Cucamonga, California (Mid-Valley), through County of San Bernardino Real Estate Services. Motion was unanimous by Members present.

F. REMARKS AND ANNOUNCEMENTS

There were no remarks or announcements.

G. ADJOURNMENT

The Administrative & Finance Committee meeting adjourned at 8:26 a.m. The next Administrative & Finance Committee Meeting is scheduled Thursday, July 10, 2014, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Prepared by:

Vicki Dennett, Assistant to CEO/General Manager

ITEM # E2

DATE: July 10, 2014

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

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Andres Ramirez, sbX Construction Manager

SUBJECT: **CONSTRUCTION PROGRESS REPORT NO. 30 THROUGH
JUNE 30, 2014 - sbX E STREET CORRIDOR BRT PROJECT**

FORM MOTION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No. 30 for the sbX E Street Corridor BRT Project through June 30, 2014.

BACKGROUND

This is Construction Progress Report No. 30 for the sbX E Street Corridor Project.

CONCLUSION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No.30 for the sbX E Street Corridor BRT Project through June 30, 2014.

PSG:AR

Attachment



sbX E Street Corridor Bus Rapid Transit (BRT) Project

Construction Progress Report No. 30

As of June 30, 2014

Submitted By:

JACOBS

Contractor:	SBX Corridor - Griffith/Comet VMF – USS Cal Builders
Contractor Contract No.:	IPMO11-5
Project Manager:	Roger Hatton, P.E. (Corridor) Anni Larkins, P.E. (VMF)
Omnitrans Construction Manager:	Andres Ramirez



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I. PROJECT STATUS SUMMARY

A. Project Description – sbX Corridor

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. Over the past four years, 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 Refined LPA includes:

- 15.7 mile corridor
- 5.4 miles of exclusive center-running BRT lanes
- 10.3 miles of mixed flow BRT operation
- 16 BRT station locations, 6 center stations and 10 curb stations
- 23 station boarding structures
- 4 park-and-ride facilities with a total of 610 parking spaces
- Transit signal priority (TSP) applications at select key intersections

B. Summary Status Update (Accomplishments) – sbX Corridor

- Completed all Commissioning and Testing of systems.
- Continued with Punch List items.
- Continued with the completion of the remaining pending change orders.

C. July Work – sbX Corridor

- Complete Project Document turnover.

D. Project Description – Vehicle Maintenance Facility (VMF)

The Omnitrans' 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 building, 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.

E. Summary Status Update (Accomplishments) – Vehicle Maintenance Facility (VMF)

- Completed point of connection tie-in of the new domestic water line from the new booster pump to the VMF and decommissioned the existing booster pump for demolition.
- Reached an agreement on COR 119, changing new generator set to a pre-manufactured enclosure with the condition that Building A (Bays, Compressor Room and Battery Room) be turned over to the Agency by August 30, 2014.
- Placed concrete SOG for inspection pit, chassis wash pit, reclamation pits, and sewer ejection pits at Building B.
- Installed stainless steel duct and cut roof penetration at the new Battery Room.
- Completed tie-in of the two new compressors effectively decommissioning existing compressed air system. Compressed air for the facility is now provided by the new compressors.
- Poured concrete for the new buffer tank pad.

F. July Work – Vehicle Maintenance Facility (VMF)

- Maintenance Bays - Start cutting the roof penetrations, install conduit and wire for methane detection system upgrades under COR 9, install the high pressure air drops per COR 122, and address the rough concrete finish around the new lifts.
- New Battery Room - Complete shaft construction and wall panel installation.
- Compressor Room - Complete lead-lag system setup, perform training, and turn over system to the Agency, currently planned for July 3, 2014.

II. PROJECT SCHEDULE

The CM team and Contractors are using the latest scheduling tools (Primavera V. P6), available to manage the project schedule.

Due to the actual field conditions (the VMF), many construction activities needed re-sequencing, resulting in several revisions in the baseline schedules submitted. As a proactive approach, the CM team has created an internal schedule as a guiding tool used to monitor and manage the construction progress.

Summary of Project Schedule – Vehicle Maintenance Facility (VMF)

Per the Agency's and Contractor's meetings at the upper management level in April, May and June 2014, collective actualization the project schedule continues with the goal to have all schedule updates submitted and reviewed through June 2014 by mid-July 2014. This will allow the Agency and Contractor to assess impacts to date, and manage the remaining work as a partnering and collective effort.

The Contractor's latest monthly schedule update for April 2014 (UP09), with a data date of April 16, 2014, submitted on June 17, 2014. The schedule update shows the project further behind schedule with Substantial and Final Completion dates of 20Dec2014 and 18Feb2015, respectively; however due to logic errors and incomplete actual start date data, the submittal was returned for corrections on June 20, 2014.

As such, the Contractor's latest approved monthly schedule update is for March 2014 (UP08), with a data date of March 16, 2014, submitted on May 20, 2014 and accepted on May 27, 2014. The schedule update shows approximately (+/-) 342-calendar days of negative float projecting a Substantial and Final Completion dates of 17Nov2014 and 15Jan2015, respectively.

Claims for Time Impact Evaluations (TIE) have been submitted and have the following status:

- Claim No. 1 – TIE No. 1 – Impacts to Completion of Temporary Fuel Island (Building D) – COR 37 - Submitted on October 28, 2013; Agency response issued January 29, 2014 granted an extension of 108-calendar days: 55-CD deemed concurrent (Excusable & Non-Compensable) and 53-CD deemed (Excusable & Compensable), resulting in revised Substantial and Final Completion dates of 3/27/2013 and 5/26/14, respectively. The Contractor submitted its formal Claim on May 21, 2014. The Claim was accepted on May 28, 2014 and unilateral Contract Modification No. 1 approved on June 24, 2014.
- Claim No. 2 – TIE No. 2 – Backfill of UST's – COR 117 – Submitted on June 6, 2014 and is under evaluation.
- Claim No. 3 – TIE No. 3 – Contaminated Soil at Bldg. B – COR 110 - Submitted on June 13, 2014 and is under evaluation.
- Claim No. 3 – TIE No. 3 – Contaminated Soil at Bldg. B – COR 37A - Submitted on June 23, 2014 and is under evaluation.

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 – 195
Total Open – 0

Total Submittals – 358
Total Open – 5

Total NCRs – 14
Total Open – 2

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.

SbX Corridor - As of May 22, 2014 there are 424,441 “no-lost time” hours.

VMF - As of May 16, 2014 there are 22,291 “no-lost time” hours.

V. PROJECT BUDGET AND COST**TOTAL PROGRAM BUDGET
BUDGET AS OF MAY 31, 2014**

Approved Budget	\$191,706,000
Cost to Date	\$159,826,259
Estimate to Complete	\$ 28,761,174
Estimate at Completion	\$188,587,433

SBX CORRIDOR PROJECT COSTS - AS OF MAY 31, 2014

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
JACOBS	\$11,852,647	\$10,183,990	\$1,668,657
PARSONS	\$18,097,876	\$16,920,294	\$1,177,582
GRIFFITH/COMET	\$84,627,221	\$77,737,525	\$6,045,255
TOTAL	\$113,733,303	\$104,841,809	\$8,891,494

VMF CORRIDOR PROJECT COSTS - AS OF MAY 31, 2014

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
STV Inc.	\$1,418,132	\$1,276,342	\$151,790
USS Cal Builders	\$12,357,498	\$5,824,532	\$5,861,066
Total	\$13,775,630	\$7,090,874	\$6,012,856

SBX CORRIDOR CONTRACT TIME

Activity	Days	Date
Notice to Proceed		11/21/11
Calendar Days per Original Contract	730	
Original Completion Date		12/21/13
Calendar Days Completed as of June 30, 2014	920	
CCO Time Extension to Date	0	
Required Completion Days/Date as of June 30, 2014	-210	12/21/13
Forecasted Completion Date as of June 30, 2014		07/25/14
Percent Time Elapsed	126%	

VMF CONTRACT TIME

Activity	Days	Date
Notice to Proceed		12/10/12
Calendar Days per Original Contract	425	
Original Completion Date		02/08/14
Calendar Days Completed as of June 30, 2014	566	
CCO Time Extension to Date	108	05/26/14
Required Completion Days/Date as of June 30, 2014	-33	02/08/14
Forecasted Final Completion Date as June 30, 2014		01/15/15
Percent Time Elapsed	106%	

CHANGE ORDERS**SBX CORRIDOR CONTRACT CHANGE ORDERS - As of June 30, 2014**

Change Order Status	Amount Approved
Approved Change Orders	\$18,962,326.34
Pending Change Orders	\$1,958,845.20
Potential Change Orders	\$666,358.36
Total	\$21,587,529.90

VMF CONTRACT CHANGE ORDERS - As of June 30, 2014

Change Order Status	Amount
Approved Change Orders	\$1,685,448.60
Pending Change Orders	\$354,820.22
Potential Change Orders	\$1,025,043.40
Total	\$3,065,312.22

Note: Currently, pricing for Potential Change Orders are estimated based on Rough Order of Magnitude pending designer plans or final submittal of pricing by the Contractor.

Upon the approval of the final to date schedule, an analysis will be completed to determine the effect of the change orders on the scheduled completion date.

VI. Project Photographs

VMF PROGRESS PHOTOS



1. Battery Room drywall and shaft is complete in Building A.



2. New Quincy Air Compressors (2nd out of 2 units) set in the Air Compressor room at Building A.



3. Placing concrete in utility trenches (Compressed Air and Cold Water) from Building A to Building C.



4. Placing reinforcing steel for Inspection Pit, Sewer Ejector Pit, Reclamation Pit and Chassis Wash at Building B.

IPMO/sbX Project Cost Report
Period Ended 5/31/14

Description	Approved Current Budget	Committed	Expenditures \$	%	Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
BRT Construction	\$ 84,637,000	\$ 85,058,508	\$ 77,853,926	92.0%	6,783,074	\$ 9,158,814	\$ 87,012,740	\$ 2,375,740
Vehicle Maintenance Facility (VMF) Construction	\$ 8,131,000	\$ 12,108,598	\$ 5,824,532	71.6%	2,306,468	\$ 9,785,320	\$ 15,609,852	\$ 7,478,852
Vehicles - Design & Manufacturing	\$ 16,628,000	\$ 16,127,715	\$ 14,924,679	89.8%	1,703,321	\$ 1,241,036	\$ 16,165,715	\$ (462,285)
ROW Acquisition Services	\$ 10,357,000	\$ 10,971,135	\$ 10,937,789	105.6%	(580,789)	\$ 952,181	\$ 11,889,970	\$ 1,532,970
3rd Party Utilities Design & Relocation	\$ 1,003,000	\$ 1,106,117	\$ 1,077,254	107.4%	(74,254)	\$ 28,863	\$ 1,106,117	\$ 103,117
BRT Design	\$ 17,849,400	\$ 18,097,876	\$ 16,920,294	94.8%	929,106	\$ 330,788	\$ 17,251,082	\$ (598,318)
VMF Design	\$ 1,007,600	\$ 1,437,932	\$ 1,280,742	127.1%	(273,142)	\$ 835,190	\$ 2,115,932	\$ 1,108,332
Other Professional, Technical & Management Services	\$ 34,020,000	\$ 37,201,587	\$ 31,007,043	91.1%	3,012,957	\$ 7,023,147	\$ 38,030,190	\$ 4,010,190
SUB-TOTAL	\$ 173,633,000	\$ 182,109,468	\$ 159,826,259		13,806,741	\$ 29,355,339	\$ 189,181,598	\$ 15,548,598
Unallocated Contingency	\$ 18,073,000		\$ -		18,073,000	\$ 2,524,402	\$ 2,524,402	\$ (15,548,598)
TOTAL	\$ 191,706,000	\$ 182,109,468	\$ 159,826,259	83.4%	31,879,741	\$ 31,879,741	\$ 191,706,000	\$ -

**IPMO/sbX Project
Through 5/31/14**

Standard Cost Category (SCC)	Description	Approved Current Budget	Expenditures \$ %		Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
10	GUIDEWAY & TRACK ELEMENTS	\$ 19,725,000	17,134,953	86.9%	\$ 2,590,047	\$ 2,729,812	\$ 19,864,765	\$ 139,765
10.02	Guideway: At-grade semi-exclusive (allows cross-traffic)	\$ 18,353,000	15,208,073	82.9%	\$ 3,144,927	\$ 2,393,219	\$ 17,601,292	\$ (751,708)
10.03	Guideway: At-grade in mixed traffic	\$ 1,372,000	1,926,880	140.4%	\$ (554,880)	\$ 336,593	\$ 2,263,473	\$ 891,473
20	STATIONS, STOPS, TERMINALS, INTERMODAL	\$ 14,917,000	14,131,414	94.7%	\$ 785,586	\$ 244,724	\$ 14,376,137	\$ (540,863)
20.01	At-grade station, stop, shelter, mall, terminal, platform	\$ 14,917,000	14,131,414	94.7%	\$ 785,586	\$ 244,724	\$ 14,376,137	\$ (540,863)
30	SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	\$ 8,131,000	5,824,532	71.6%	\$ 2,306,468	\$ 9,785,320	\$ 15,609,852	\$ 7,478,852
30.02	Light Maintenance Facility	\$ 4,265,000	4,525,661	106.1%	\$ (260,661)	\$ 7,493,925	\$ 12,019,586	\$ 7,754,586
30.05	Yard and Yard Track	\$ 3,866,000	1,298,871	33.6%	\$ 2,567,129	\$ 2,291,395	\$ 3,590,266	\$ (275,734)
40	SITEWORK & SPECIAL CONDITIONS	\$ 34,271,000	27,133,218	79.2%	\$ 7,137,782	\$ 4,304,141	\$ 31,437,359	\$ (2,833,641)
40.01	Demolition, Clearing, Earthwork	\$ 4,741,000	440,613	9.3%	\$ 4,300,387	\$ (350,604)	\$ 90,010	\$ (4,650,990)
40.02	Site Utilities, Utility Relocation	\$ 4,993,000	9,799,858	196.3%	\$ (4,806,858)	\$ 1,783,296	\$ 11,583,154	\$ 6,590,154
40.05	Site structures including retaining walls, sound walls	\$ 90,000	448,344	498.2%	\$ (358,344)	\$ 195,522	\$ 643,866	\$ 553,866
40.06	Pedestrian / bike access and accommodation, landscaping	\$ 6,925,000	3,861,823	55.8%	\$ 3,063,177	\$ 1,436,590	\$ 5,298,413	\$ (1,626,587)
40.07	Automobile, bus, van accessways including roads, parking lots	\$ 3,601,000	4,156,582	115.4%	\$ (555,582)	\$ 109,126	\$ 4,265,707	\$ 664,707
40.08	Temporary Facilities and other indirect costs during construction	\$ 13,921,000	8,425,998	60.5%	\$ 5,495,002	\$ 1,130,211	\$ 9,556,209	\$ (4,364,791)
50	SYSTEMS	\$ 16,727,000	20,531,596	122.7%	\$ (3,804,596)	\$ (45,232)	\$ 20,486,364	\$ 3,759,364
50.02	Traffic signals and crossing protection	\$ 10,810,000	6,611,382	61.2%	\$ 4,198,618	\$ (153,285)	\$ 6,458,097	\$ (4,351,903)
50.05	Communications	\$ 4,210,000	8,347,012	198.3%	\$ (4,137,012)	\$ 81,255	\$ 8,428,267	\$ 4,218,267
50.06	Fare collection system and equipment	\$ 1,707,000	5,573,202	326.5%	\$ (3,866,202)	\$ 26,798	\$ 5,600,000	\$ 3,893,000
	Pending Change Orders					\$ 2,592,376	\$ 2,592,376	\$ 2,592,376
	Risk					\$ (638,144)	\$ (638,144)	\$ (638,144)
	Construction Subtotal (10-50)	\$ 93,771,000	84,755,712	90.4%	\$ 9,015,288	\$ 18,972,997	\$ 103,728,709	\$ 9,957,709
60	ROW, LAND, EXISTING IMPROVEMENTS	\$ 6,532,000	6,006,388	92.0%	\$ 525,612	\$ 944,447	\$ 6,950,835	\$ 418,835
60.01	Purchase or lease of real estate	\$ 6,327,000	5,841,458	92.3%	\$ 485,542	\$ 904,377	\$ 6,745,835	\$ 418,835
60.02	Relocation of existing households and businesses	\$ 205,000	164,930	80.5%	\$ 40,070	\$ 40,070	\$ 205,000	#N/A
70	VEHICLES	\$ 16,628,000	14,924,679	89.8%	\$ 1,703,321	\$ 1,241,036	\$ 16,165,715	\$ (462,285)
70.04	Bus	\$ 15,448,000	14,877,752	96.3%	\$ 570,248	\$ 380,915	\$ 15,258,667	\$ (189,333)
70.06	Non-revenue vehicles	\$ 250,000	-	0.0%	\$ 250,000	\$ -	\$ -	\$ (250,000)
70.07	Spare parts	\$ 930,000	46,927	5.0%	\$ 883,073	\$ 860,121	\$ 907,048	\$ (22,952)
80	PROFESSIONAL SERVICES	\$ 56,702,000	#N/A	#N/A	#N/A	#N/A	\$ 62,336,339	\$ 5,634,339
80.01	Preliminary Engineering	\$ 12,921,000	12,876,525	99.7%	\$ 44,475	\$ 17,502	\$ 12,894,027	\$ (26,973)
80.02	Final Design	\$ 7,261,000	7,106,035	97.9%	\$ 154,965	\$ 1,156,087	\$ 8,262,122	\$ 1,001,122
80.03	Project Management for Design and Construction	\$ 15,997,000	#N/A	#N/A	#N/A	#N/A	\$ 14,451,305	\$ (1,545,695)
80.04	Construction Administration & Management	\$ 6,632,000	10,183,990	153.6%	\$ (3,551,990)	\$ 3,268,657	\$ 13,452,647	\$ 6,820,647
80.05	Professional Liability and other Non-Construction Insurance	\$ 1,112,000	-	0.0%	\$ 1,112,000	\$ -	\$ -	\$ (1,112,000)
80.06	Legal; Permits; Review Fees by other agencies, cities, etc.	\$ 10,596,000	11,898,908	112.3%	\$ (1,302,908)	\$ 652,330	\$ 12,551,238	\$ 1,955,238
80.07	Surveys, Testing, Investigation, Inspection	\$ 1,463,000	-	0.0%	\$ 1,463,000	\$ 25,000	\$ 25,000	\$ (1,438,000)
80.08	Start up	\$ 720,000	-	0.0%	\$ 720,000	\$ 700,000	\$ 700,000	\$ (20,000)
	Subtotal (10-80)	\$ 173,633,000	#N/A	#N/A	#N/A	#N/A	\$ 189,181,598	\$ 15,548,598
90	UNALLOCATED CONTINGENCY	\$ 18,073,000	-	#N/A	#N/A	#N/A	\$ 2,524,402	\$ (15,548,598)
	Subtotal (10-90)	\$ 191,706,000	#N/A	#N/A	#N/A	#N/A	\$ 191,706,000	#N/A
100	FINANCE CHARGES	\$ -	-	#N/A	#N/A	\$ -	#N/A	#N/A
	TOTAL PROJECT COST (10-100)	\$ 191,706,000	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

ITEM # E3

DATE: July 10, 2014

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' FISCAL YEAR ENDED JUNE 30, 2014
ENGAGEMENT LETTER**

FORM MOTION

Recommend to the Board of Directors, to receive and file Vavrinek, Trine, Day & Co., LLP (VTD) audit responsibility and engagement letters for fiscal year ended June 30, 2014.

SUMMARY

As a recipient of federal, state, and local funding, Omnitrans is required to have an annual audit conducted by independent auditors in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards. The audit also included fifteen tasks contained in San Bernardino Associated Governments (SANBAG) Transportation Development Act 2005 Compliance Guide.

Generally Accepted Auditing Standards (GAAS) is a set of systematic guidelines used by auditors when conducting audits on entities' finances, ensuring the accuracy, consistency and verifiability of auditors' actions and reports. By relying on GAAS, auditors can minimize the probability of missing material information. The entity must present their financial statements in accordance with Generally Accepted Accounting Principles (GAAP), remain consistent in their reporting, and explicitly disclose all pertinent information.

In short, it is the responsibility of VTD to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects, and is in conformity with U.S. GAAP.

The audit includes obtaining an understanding of Omnitrans and its environment, including internal control, and risk of material misstatements. Material misstatements may result from:

1. Errors
2. Fraudulent financial reporting
3. Misappropriation of assets
4. Violation of laws or governmental regulations

If any member of the Administrative and Finance Committee or the Board of Directors is aware of matters that have a material bearing on the financial statements taken as a whole, please contact Roger Alfaro at (909) 466-4410 or email at ralfaro@vtcdcpa.com.

PSG:dw

Attachments: VTD Responsibility Letter
VTD Engagement Letter



May 7, 2014

Board of Directors
OmniTrans
San Bernardino, CA

We are engaged to audit the financial statements of OmniTrans for the year ended June 30, 2014. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and OMB Circular A-133

As stated in our engagement letter dated May 7, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider OmniTrans' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether OmniTrans' financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with OMB Circular A-133, we will examine, on a test basis, evidence about OmniTrans' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on OmniTrans' compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on OmniTrans' compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis and the Schedule Funding Progress-Pension, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.



May 7, 2014

OmniTrans
San Bernardino, CA

We are pleased to confirm our understanding of the services we are to provide OmniTrans for the year ended June 30, 2014. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of OmniTrans as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement OmniTrans' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to OmniTrans' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Funding Progress-Pension

We have also been engaged to report on supplementary information other than RSI that accompanies OmniTrans' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards
- 2) Schedule of Proposition 1B Unspent Funds and Cash Disbursements

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory section
- 2) Statistical section

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of OmniTrans. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on September 1, 2014.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of OmniTrans' compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of OmniTrans' major programs. The purpose of these procedures will be to express an opinion on OmniTrans compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to OmniTrans; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co., LLP (VTD) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to San Bernardino Associated Governments (SANBAG) or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of VTD personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately May 19, 2014 and to issue our reports no later than November 27, 2014. Roger Alfaro and Kevin Pulliam are the engagement partners and are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Invoices will be rendered monthly to SANBAG. We will notify you and SANBAG of any circumstances we encounter that could significantly affect our audit plan.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review accompanies this letter.

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensee owners will be performing audit services for OmniTrans. With respect to the preparation of the State Controller's Report, it is anticipated that non-licensee owners would be involved in these services.

Omnitrans
2014 Engagement Letter
May 7, 2014
Page 8 of 8

We appreciate the opportunity to be of service to OmniTrans and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,



Roger E. Alfaro, Partner
of Vavrinek, Trine, Day & Co., LLP

REA:gbl

140206

Attachment

RESPONSE:

This letter correctly sets forth the understanding of OmniTrans.

Management signature: 

Title: FINANCE DIRECTOR

Date: 6/18/2014

ITEM # E4

DATE: July 10, 2014

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 CHANGE ORDER NO. 6 TO CONTRACT IPMO11-1
VEHICLE MAINTENANCE FACILITY (VMF) AND CONSTRUCTION
PROJECT VEHICLE MAINTENANCE FACILITY MODIFICATION
ARCHITECTURAL AND ENGINEERING SERVICES**

FORM MOTION

Recommend to the Board of Directors, authorize the CEO/General Manager to execute Change Order No. 6 to extend Contract IPMO11-1, Vehicle Maintenance Facility Modification Architectural and Engineering Services for the East Valley Maintenance Facility, with STV, Incorporated, Rancho Cucamonga, CA, to July 31, 2015, and increase the contract by an additional \$581,727, plus a 10% contingency of \$58,173, and 3.27% Cost Allocation Plan of \$20,925, for a new total project amount not to exceed amount of \$2,078,957.00, including contingency and CAP.

BACKGROUND

On January 5, 2011, the Board of Directors authorized the CEO/General Manager to award Contract IPMO11-1 to STV, Incorporated, of Rancho Cucamonga, California, to provide architectural and engineering services for the East Valley Vehicle Maintenance Facility (VMF) in the amount of \$951,029, plus a 10% contingency of \$95,103, for a total not-to-exceed amount of \$1,046,132.

On June 10, 2013, the Board of Directors authorized the CEO/General Manager to increase the Spend Authority for Contract IPMO11-1 in the amount of \$372,000 to extend the time of services from July 31, 2013 to July 31, 2014. In addition, STV would provide continuing design services, development of Start-up & Commissioning Plan, and Support Services During Construction (SDC).

Since the construction contract award to the contractor (USS Cal Builders), STV has been providing various services, such as review of contractor's submittals; respond to contractor's RFIs; preparing as-built and record drawings; coordinate with the Contractor, Construction

Manager and the sbX Project staff; increased observation site visits, and field reports; and as-built electrical single line diagrams.

Construction was to start in December 2012 and projected to be completed within 12 months. However, for a variety of reasons, such as increased volume in submittals, modifications to the scope of work due to design and safety issues, as well as unanticipated operational concerns, the rate of STV's contracted budget has been drawn down at a higher rate than estimated.

Staff is requesting Change Order No. 6 to increase STV's contract to ensure continued services to support construction activities through completion.

Increase to STV's Contract (CO 6):	\$581,727.00
Contingency @ 10%:	\$58,173.00
Cost Allocation Plan:	\$20,925.00

Upon approval by the Board of Directors, the total amended budget for the design services will be \$2,078,957.00, and will be monitored closely by Agency. Staff will proactively address the field conditions and/or design changes to manage scope changes within the limits of STV's approved budget.

Based on the current projections, the VMF Architectural and Engineering Services will extend beyond July 31, 2014, and therefore, staff is also seeking approval to extend the Period of Performance to July 31, 2015.

FUNDING SOURCE

SOURCE	GRANT #	YEAR	PROJECT NAME	INTERNAL ORDER	AMOUNT
STA	13-10-OMN-B	2012	E Street Corridor (VMF)	A101B101S	\$462,034
STA	13-10-OMN-B	2012	E Street Corridor (VMF)	B101B101S	\$198,791
			TOTAL		\$660,825.

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

CONCLUSION

Approval for Change Order No. 6 to Contract No. IPMO11-1, Vehicle Maintenance Facility Modification Architectural and Engineering Services with STV, Incorporated, ensures that the construction activities pertaining to Vehicle Maintenance Facility (VMF) modifications continue to progress safely and reliably.

PSG:JS

 STANDARD CONTRACT 1700 West Fifth Street San Bernardino CA 92411	<input type="checkbox"/>	New	Change Order NO. 6				Contract Number IPMO11-1
	<input checked="" type="checkbox"/>	Change					
	<input type="checkbox"/>	Cancel					
	Omnitrans Department Integrated Project Management Office			Dept. No. 9030		Project Vehicle Maintenance Facility Modification A&E Services	
Director of Procurement Approval	Omnitrans Procurement Representative Dennice Raygoza, Sr. Contracts Administrator			Telephone (909) 963-5234		Total Contract Amount \$1,999,756.00	
	Contract Type: Time and Material Ceiling Price						
Change Order Start Date July 31, 2013	Contract Start Date January 5, 2011		Contract Completion Date July 31, 2015	Previous Contract Amount \$1,418,029.00	Amount of this Change Order Not-to-Exceed (NTE) \$581,727.00		

THIS RATIFICATION CHANGE ORDER NUMBER 6 IS ISSUED TO THE ORIGINAL AGREEMENT to specifically include only those additional requirements as listed in this Change Order, and is entered into in the State of California by and between Omnitrans, a Joint Powers Authority; hereinafter called Omnitrans, and

Name

STV

hereinafter
called

Consultant

Address

9130 Anaheim Place, Suite 210

Rancho Cucamonga, CA 91730

City, State, & Zip Code

(909) 484-0660

13-1986759

Telephone

Federal ID No.

Recitals:

- I. Original Professional Services Contract IPMO11-1 Vehicle Maintenance Facility Modification A&E Services on January 6, 2011.

CHANGE ORDER NO.6

CONTRACT IPMO11-1

- II. Contract Change Order No. 1 issued to increase contract amount from \$951,029.00 to \$1,046,029.
- III. Contract Change Order No. 2, a No Cost Change Order issued to replace Bid Option No. 1 Hydrology/Storm Water Data with additional Engineering Services.
- IV. Contract Change Order No. 3, revised Contract Completion Date from April 30, 2013 to July 31, 2013.
- V. Contract Change Order No. 4, revised Contract Completion Date from July 31, 2013 to July 31, 2014.
- VI. Contract Change Order No. 5, revised to increase the Scope of Work under Task 1 to support the Carlin MDS component and Task 2 increase services during construction, revise temporary fuel islands and parking lot lights, revise camera layouts and modify technical CCTV specifications, redesign Building A for revised bus orientation and in-ground lifts and increase compensation from \$1,046,029 to \$1,418,029.
- VII. Omnitrans and Contractor hereby agree to amend the Contract under Change Order No. 6 to increase the Scope of Work under Task 2 to support staff replacement, contractor initiated delays, unanticipated site conditions and hidden conditions, support of Omnitrans Contractor change order claims, Processing Submittals, Processing RFI's, Extension of time spent on-site and increase compensation from \$1,046,029 to \$1,418,029.

NOW THEREFORE, OMNITRANS AND CONTRACTOR HEREBY AMEND THEIR Contract as follows:

- 1. Page 7, Section 2, SCOPE OF SERVICES. The following attachments are incorporated into the contract through this Change Order No. 6.
 - A. Attachment A – STV Proposal Design Support Services During Construction Dated May 20, 2014 (Eight Pages)
- 2. Page 15, Section 4 SCHEDULE AND TIME COMPLETION, delete and replace with:

Delete: July 31, 2014

Replace: July 31, 2015

- 3. Page 21, Section A CONSULTANT COMPESATION SCHEDULE:

Delete: Task Order No. 2 \$470,410.00

Replace: Task Order No. 2 \$1,052,137.00

All other Terms and conditions of the existing and previously amended Contract remain in full force and effect.

CHANGE ORDER NO.6
CONTRACT IPMO11-1

The Consultant hereby releases Omnitrans in perpetuity from all claims, demands, or causes of action arising out of the transactions, events, and occurrences giving rise to this Change Order No. 6. This written Change Order is the entire agreement between Omnitrans and the Consultant with respect to this Change Order No. 6, exclusively.

IN WITNESS WHEREOF, OMNITRANS and the CONTRACTOR have each caused this Change Order No. 6 to Contract IPMO11-1 to be subscribed by its respective duly authorized officers on its respective behalf.

OMNITRANS

STV

By: _____

By: _____

Print Name:

Print Name:

P. Scott Graham

David L. Borger

Print Title:

Print Title:

CEO/General Manager

Senior Vice President

Date: _____

Date: _____

ITEM # E5

DATE: July 10, 2014

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 CHANGE ORDER NO. 11, PLN09-21, CONSTRUCTION
MANAGEMENT SERVICES - sbX VEHICLE MAINTENANCE
FACILITY (VMF) AND CONSTRUCTION PROJECT**

FORM MOTION

Recommend to the Board of Directors, approval to execute Change Order No. 11 to extend Contract PLN09-21 for Construction Management Services with Jacobs Project Management Co. (Jacobs) of Ontario, California, to July 31, 2015, and increase the contract by an additional \$1,324,259.40, plus a 10% contingency of \$132,425.94, and 3.27% Cost Allocation Plan of \$433,032.82, for a new total project amount not to exceed amount of \$13,742,366.16, including contingency and CAP.

BACKGROUND

The construction activities for the sbX Project are managed by the Construction Management (CM) Consultant, Jacobs, with an oversight by Omnitrans' Project staff.

The Agency awarded a Time & Material (T&M) contract to Jacobs in May 2009 in the amount of \$3,898,769 for the design of the sbX E Street Corridor. During design and construction, the available budget and the period of performance in Jacobs' contract was not adequate to support the increased level of Public Relations (PR) efforts, Right-of-Way and Utility coordination, VMF design and construction phase. In September 2011, the Board approved an increase in the CM contract with Jacobs to \$5,696,296. Subsequent Change Orders, increased the total contract amount to \$5,716,965. Increased staffing and extended duration of CM services through April 2014, required additional budget for CM services. On April 3, 2013, the Board of Directors approved Change Order No. 9 for a total amended budget for the CM Services at \$11,294,858 with ten (10) percent contingency.

Change Order No. 10 extended the period of performance thru August 30, 2014 and added the contingency amount to complete the close-out of the sbX E Street Corridor in the amount of \$557,789. The need to extend the contract and increased amount is due to design related issues,

delays in utility relocations, and soil contamination. This has resulted in an increase in Requests for Information (RFIs), Submittals, and construction Change Order Requests.

A new construction schedule has been completed and reviewed by the Contractor, Jacobs Construction Management Team, and Omnitrans IPMO Management Staff with an estimated completion date of March 30, 2015, and close out completed by May 31, 2015 for the VMF. In support of the revised schedule, staff requests contract be increased as follows:

Increase to Jacobs Contract (CO 11):	\$1,324,259.40
Contingency @ 10%:	\$ 132,425.94
Cost Allocation Plan:	\$ 433,032.82

Upon approval by the Board of Directors, the total amended budget for the CM Services will be \$13,742,366.16, which will be monitored closely by Agency staff to ensure appropriate utilization of the increased CM budget.

FUNDING SOURCE


SOURCE	GRANT #	YEAR	PROJECT NAME	INTERNAL ORDER	AMOUNT
FTA	CA-03-0816	2011	sbX E Street Corridor	B11Smallf	\$1,889,718.16
			TOTAL		\$1,889,718.16

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

CONCLUSION

Approval of Change Order No. 11 for Construction Management Services will enable Jacobs' to continue to provide necessary services to ensure high quality construction within the scope, budget and schedule approved by the Federal Transit Administration under the Project Construction Grant Agreement (PCGA).

PSG:JS

 OmniTrans STANDARD CONTRACT 1700 West Fifth Street San Bernardino CA 92411	<input type="checkbox"/>	New	CHANGE ORDER NO. 11						Contract Number PLN09-21
	<input checked="" type="checkbox"/>	Change							
	<input type="checkbox"/>	Cancel							
	Omnitrans Department Integrated Project Management Office			Dept. No. 9030			Project sbX E Street Corridor Vehicle Maintenance Facility		
Director of Procurement	Omnitrans Procurement Representatives Dennice Raygoza, Sr. Contract Administrator			Telephone (909) 379-7186			Revised Total Contract Amount \$13,097,329.68		
	Contract Type: Time and Material Not-to-Exceed Ceiling Price								
	Change Order Start Date April 8, 2013	Contract Start Date May 12, 2009	Contract End Date July 31, 2015	Last Modified Amount \$11,773,070.28	Amount of this Change Order \$1,324,259.40				

THIS CHANGE ORDER NUMBER 11 TO THE ORIGINAL AGREEMENT IS ISSUED to specifically include those certain additional Requirements, Terms, and Conditions, as they are listed in Section 1 of this Change Order, and is entered into in the State of California by and between Omnitrans, a Joint Powers Authority; hereinafter called Omnitrans, and

Name

Jacobs Project Management Co.

hereinafter
called

Consultant

Address

3257 East Guasti Road, Suite 120

Ontario, CA 91761

City, State, & Zip
Code

(909) 974-2700

35.232.1289

Telephone

Federal ID No.

Recitals:

- I. Original Professional Services Contract RFP-PLN09-21 Construction Management Services on May 11, 2009.

CHANGE ORDER NO.11
CONTRACT PLN09-21

- II. Contract Amendment No. 1 issued to include Memorandum of Understanding.
- III. Contract Amendment No. 2 issued to accelerate the delivery of Task No. 2 and Task No. 3.
- IV. Change Order No. 3 issued to provide a Right-of-Way Coordinator and increase the contract amount from \$3,898,769 to \$4,052,098.52
- V. Change Order No. 4 issued to provide website development during maintenance and design support and increase the contract amount from \$4,052,098.58 to \$4,070,057.36.
- VI. Change Order No. 5 issued to provide a Value Engineering Study for the Vehicle Maintenance Facility and increase the contract amount from \$4,070,057.36 to \$4,117,338.36.
- VII. Change Order No. 6 issued to provide Construction Management Services for the Vehicle Maintenance Facility, extend the period of performance to May 12, 2009 through September 19, 2013 and increase the contract amount from \$4,117,338.36 to \$5,696,295.91.
- VIII. Change Order No. 7 issued to provide Utility Investigations and increase the contract amount from \$5,696,295.91 to \$5,702,295.91.
- IX. Change Order No. 8 issued to provide Right-of-Way Coordination and increase the contract amount from \$5,702,295.91 to \$5,716,965.97.
- X. Change Order No. 9 issued to extend the period of performance to June 30, 2014 and increase the contract amount from \$5,716,966.00 to \$11,294,859.00
- XI. Change Order No. 10 to extend the period of performance and to increase compensation from \$11,294,859.97 to \$11,773,070.28.
- XII. Omnitrans and Contractor hereby agree to amend the contract under Change Order No. 11 to extend the period of performance and to increase compensation from \$11,773,070.28. to \$13,097,329.68.

NOW THEREFORE, OMNITRANS AND CONTRACTOR HEREBY AMEND THEIR Contract as follows:

- 1. Delete in its entirety Page 2, Section 1, Subsection of Change Order No. 11 A PERIOD OF PERFORMANCE and replace with:

~~**A. Period of Performance**—The period of performance of this agreement shall be extended until August 31, 2014. Contractor shall complete the Services within the term of the period of this period of performance, and shall meet any other established schedules and deadlines.~~

CHANGE ORDER NO.11
CONTRACT PLN09-21

A. Period of Performance – The period of performance of this agreement shall be extended until May 31, 2015. Contractor shall complete the Services within the term of the period of this period of performance, and shall meet any other established schedules and deadlines.

2. Delete in its entirety Page 2, Section 1, Subsection B of Change Order No. 10, and replace with:

~~**B. Price** – Increase in contract amount by a Not-to-Exceed amount Four Hundred Seventy Eight Thousand, Two Hundred and Eleven Dollars and Twenty Eight Cents (\$478,211.28) for a total Not to Exceed contract amount of Eleven Million, Seven Hundred and Seventy Three Thousand and Seventy Dollars and Twenty Cents (\$11,773,070.20).~~

B. Price - Increase in contract amount by a Not-to-Exceed Amount of One Million, Three Hundred and Twenty Four Thousand, Two Hundred and Fifty Nine Dollars and Forty Cents (\$1,324,259.40) for a total Not-to-Exceed contract amount of Thirteen Million, Ninety Seven Thousand, Three Hundred and Twenty Nine Dollars and Sixty Eight Cents (\$13,097,329.68).

All other Terms and Conditions of the existing and previously amended Contract remain in full force and effect.

The Consultant hereby releases Omnitrans in perpetuity from all claims, demands or causes of action arising out of the transactions, events, and occurrences giving rise to this Change Order No. 11. This written Changer Order is the entire agreement between Omnitrans and the Consultant with respect to this Change Order No. 11 exclusively.

IN WITNESS WHEREOF, OMNITRANS and the CONSULTANT have each caused this Change Order No. 11 to Contract PLN09-21 to be subscribed by its respective duly authorized officers on its respective behalf.

OMNITRANS

JACOBS PROJECT MANAGEMENT CO.

By: _____

By: _____

Print Name:

Print Name:

P. Scott Graham

Print Title:

Print Title:

CEO/General Manager

Date: _____

Date: _____

ITEM # E6

DATE: July 10, 2014

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 RELEASE – IFB-IPMO15-10, “E” STREET, 10TH STREET
TO HIGHLAND AVENUE PAVEMENT REHABILITATION PROJECT**

FORM MOTION

Recommend to the Board of Directors, to authorize the CEO/General Manager to release Invitation for Bids IFB-IPMO15-10 for “E” Street, 10th Street to Highland Avenue Pavement Rehabilitation Project.

BACKGROUND

The sbX E Street Corridor Bus Rapid Transit Project is a 15.7 mile long transit improvement project that connects the northern portion of the City of San Bernardino with the City of Loma Linda. Along the corridor, there is a stretch of road on E Street from 300’ North of 10th Street to Highland Avenue that is in disrepair. It contains severe transverse and longitudinal cracks, potholes, and base failures. At the time plans for construction were approved for the sbX project, the magnitude of repairs required for this stretch of road were not foreseen. The assumption was that a 1 ½” grind and overlay would remedy the situation. Thus, this scope of work was omitted from the sbX design and deemed a City responsibility that Omnitrans may contribute funds to.

Over the past several years, the City has had to cancel projects such as this one and redirect resources as part of its bankruptcy recovery plan. In addition, the requirements to properly address the repairs to the road have increased due to the now known existing subsurface road conditions. The proposed 1 ½” grind and overlay will not provide adequate support for the added bus traffic introduced by the sbX line and will deteriorate rapidly. Because the existing road conditions are causing unnecessary “wear and tear” to the buses that currently operate along this stretch of road, it is necessary to add this section of the corridor back into the project to protect Omnitrans’ capital investment. In order to obtain FTA participation, Omnitrans must demonstrate that sufficient resources are available on the project. Through negotiating reduced

mark ups and line items, and converting time and material change orders to lump sums, staff has saved approximately \$3,100,000 that, with FTA approval, can be reinvested back into the project. The FTA is requesting Omnitrans to secure bids before making a final decision.

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 Invitation for Bids for procurements of goods/services/public works projects exceeding \$100,000. The Independent Cost Estimate for this project is \$2,475,900.90.

FUNDING SOURCE

SOURCE	GRANT #	YEAR	PROJECT NAME	INTERNAL ORDER	AMOUNT
FTA	CA03-0816	2011	sbX E Street Corridor	B11smallF	\$1,980,720.72
LTF	S-1407-28	2014	sbX E Street Corridor	X14LTF01L	\$ 495,180.18
			TOTAL		\$2,475,900.90

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

CONCLUSION

Approval of this item will provide the documentation necessary to gain FTA support to move forward on the "10 Street to Highland Pavement Rehabilitation Project.

PSG:JS