



**BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 4, 2013 – 8:00 A.M.
OMNITRANS METRO FACILITY
1700 WEST 5TH STREET
SAN BERNARDINO, CA 92411**

The Board of Directors 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 Board Secretary at least three (3) business days prior to the Board Meeting. The Board Secretary's telephone number is 909-379-7110 (voice) or 909-384-9351 (TTY). 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. Invocation
2. Pledge of Allegiance
3. Roll Call

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Board Meeting: Wednesday, October 2, 2013, at 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 Board of Directors, 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

1. Note agenda item 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 on the appropriate item.

3

E. CONSENT CALENDAR

The following items are expected to be routine and non-controversial. The Board will act upon them at one time without discussion, unless the Board directs that an item be held for further discussion under Agenda Item F, Discussion Items. Any person wishing to address consent items should address the Board under Agenda Item E9, Action on Consent Calendar.

1. Approve Board Minutes – August 7, 2013
2. Receive and File Administrative & Finance Committee Minutes – July 8, 2013
3. Receive and File Agency Management Report – July 2013
4. Claims Filed Against Omnitrans – Information Item Only

5
10
14
23



BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 4, 2013 – 8:00 A.M.
OMNITRANS METRO FACILITY
1700 WEST 5TH STREET
SAN BERNARDINO, CA 92411

E. CONSENT CALENDAR CONTINUED	
5. Receive and File Construction Progress Report No. 19 through July 15, 2013 – sbX E Street Corridor BRT Project	24
6. Receive and File, Summary of Risk Assessment Results and Fiscal Year 2014 Internal Audit Workplan	39
7. Adopt Revisions to Personnel Policy #701, Substance Abuse	59
8. Press Articles and Letters of Interest to the Board	105
9. Action on Consent Calendar	
F. DISCUSSION ITEMS	
The following items do not legally require any public testimony, although the Chair may open the meeting for public input.	
1. CEO/General Manager's Report	130
2. Receive and File, FTA Procurement System Review Final Report and Corrective Action Plan	134
3. Authorize Amendment No. 2, Contract FIN14-08, Security Transportation Services and Authorize Release of Request for Proposals No. RFP-FIN14-38, Armored Vehicle & Fare Collection Counting Services	148
G. CALL FOR PUBLIC HEARING	
1. Call for Public Hearings for Potential Temporary Service Reductions	152
H. BOARD BUSINESS	
Closed Session	
1. Conference with Labor Negotiator, P. Scott Graham, concerning labor negotiations with Teamsters Local Union No. 166 regarding the Maintenance and Administrative Support Unit, pursuant to Government Code Section 54957.6	
2. Conference with Labor Negotiator, P. Scott Graham, concerning labor negotiations with Amalgamated Transit Union Local No. 1704 regarding the Coach Operator Unit, pursuant to Government Code Section 54957.6	
3. Conference with Legal Counsel from Nossaman LLP, Existing Litigation, Government Code Section 54956.9, subdivision (a) – SANBAG v. Orange Show Road Properties, LLC, et al., San Bernardino County Superior Court, Case No. CIVDS 1104962, Parcel B-239	
4. Conference with Legal Counsel pursuant to Government Code Section 54956.95(a) regarding Maudester Palmer – Case # ADJ2596844 and ADJ323523	
I. REMARKS AND ANNOUNCEMENTS	
J. ADJOURNMENT	

ITEM # D1

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: DISCLOSURE(S) REGARDING RECOMMENDATIONS FOR
ACTION BY THE OMNITRANS BOARD OF DIRECTORS**

FORM MOTION

Staff hereby provides a listing of principals and subcontractors associated with action items on the agenda for the Board of Director's Meeting scheduled September 4, 2013.

Item No.	Contract	Principals & Agents	Subcontractors
F3	Authorize Amendment No. 2, Contract FIN14-08, Security Transportation Services and Authorize Release of Request for Proposals No. RFP-FIN14-38, Armored Vehicle & Fare Collection Counting Services	<i>Los Angeles Federal Armored, Inc. DBA LA Federal Armored Services Los Angeles, CA Jesse Anthony Ash Senior Vice President</i>	N/A

PSG/JS

Omnitrans Conflict of Interest Form

Purpose: If you have a Conflict of Interest pursuant to Gov't. Code Section 84308 or Section 87100 *et seq.*, that precludes you from participating in discussion of or voting on an item on the Agenda, or if you wish to avoid the appearance of a conflict of interest by abstaining on an item on the Agenda, please complete this form.

Instructions: If the item is on the Consent Calendar: 1) state the reason for your abstention, 2) prior to the vote complete and provide this form to the Recording Secretary, and 3) you may remain in the meeting room. If the item is on the Discussion Calendar: 1) state the reason for your abstention, 2) prior to discussion of the item complete and provide this form to the Recording Secretary, and 3) leave the meeting room.

I. Board Member Information

Board Member Name	City/County Name	Meeting Date
-------------------	------------------	--------------

II. Campaign Contributions

1. I have a disqualifying campaign contribution of over \$250 from _____,
(Identify the name of the company and/or individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.
2. I have a disqualifying campaign contribution of over \$250 from _____,
(Identify the name of the company and/or individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.
3. I have a disqualifying campaign contribution of over \$250 from _____,
(Identify the name of the company and/or individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.
4. I have a disqualifying campaign contribution of over \$250 from _____,
(Identify the name of the company and/or individual)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.

III. Financial Interest

1. I have a financial interest of _____, from/in _____
(State income, real property interest, investment, or business position) (Identify name of company or property location)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.
2. I have a financial interest of _____, from/in _____
(State income, real property interest, investment, or business position) (Identify name of company or property location)
and therefore I am abstaining from participation on Agenda Item _____, Subject: _____.

IV. Other

1. I do not have a legal conflict of interest but wish to avoid the appearance of a conflict of interest by abstaining from participating in Agenda Item No. _____, Subject: _____.
2. I do not have a legal conflict of interest but wish to avoid the appearance of a conflict of interest by abstaining from participating in Agenda Item No. _____, Subject: _____.

V. Signature

Board Member Signature: _____ Date: _____

Please remember to state the reason for your abstention into the public record and turn in the completed form to the Recording Secretary prior to consideration of the agenda item(s).

ITEM # E1

**BOARD OF DIRECTORS' MEETING
MINUTES
AUGUST 7, 2013**

A. CALL TO ORDER

Chair Alan Wapner called the regular meeting of the Omnitrans Board of Directors to order at 8:02 a.m., Wednesday, August 7, 2013, at the Omnitrans Facility located at 1700 West 5th Street, San Bernardino, California.

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

BOARD MEMBERS PRESENT

Councilmember Alan Wapner, City of Ontario – Chair
Mayor Pro Tem Sam Spagnolo, City of Rancho Cucamonga – Vice Chair
Mayor Paul Eaton, City of Montclair
Mayor Pro Tem Paul Foster, City of Redlands
Councilmember Frank Gonzales, City of Colton
Vice Mayor Ed Graham, City of Chino Hills
Mayor Pro Tem Penny Lilburn, City of Highland
Mayor Pat Morris, City of San Bernardino
Mayor Ray Musser, City of Upland
Supervisor Gary Ovitt, County of San Bernardino
Councilmember Ed Palmer, City of Rialto
Councilmember Ovidiu Popescu, City of Loma Linda (alternate)
Councilmember Dick Riddell, City of Yucaipa
Mayor Pro Tem John Roberts, City of Fontana
Supervisor Janice Rutherford, County of San Bernardino
Mayor Walt Stanckiewicz, City of Grand Terrace
Mayor Dennis Yates, City of Chino

BOARD MEMBERS NOT PRESENT

Supervisor Josie Gonzales, County of San Bernardino
Supervisor Robert Lovingood, County of San Bernardino
Supervisor James Ramos, County of San Bernardino

OMNITRANS' ADMINISTRATIVE STAFF PRESENT

Scott Graham, Interim CEO/General Manager
Diane Caldera, Interim Director of Operations
Alex Chen, Interim Director of IT
Jack Dooley, Director of Maintenance
Marge Ewing, Director of Human Resources
Milind Joshi, sbX Program Manager
Rohan Kuruppu, Director of Planning & Development Services
Ray Lopez, Director of Safety & Security
Jennifer Sims, Director of Procurement
Don Walker, Director of Finance
Wendy Williams, Director of Marketing
Jeremiah Bryant, Service Planning & Scheduling Manager
Ray Maldonado, Employee Relations Manager
Maurice Mansion, Treasury Manager
Doug Stanley, Transportation Manager
Joanne Cook, Contracts Administrator
Mark Crosby, Loss Prevention Supervisor
Vicki Osborne, Assistant to CEO/General Manager
Carol Angier, Administrative Secretary

OTHER

Carol Greene, Legal Counsel

B. ANNOUNCEMENTS/PRESENTATIONS

Chair Wapner said the next regular meeting is scheduled Wednesday, September 4, 2013, at 8:00 a.m.

Employee of the Quarter was presented to Coach Operator Benito Zavalza and Honorable Mention was presented to Olga Ramirez.

C. COMMUNICATIONS FROM THE PUBLIC

None.

D. CONFLICT OF INTEREST

None.

E. CONSENT CALENDAR

- 1) Approve Board Minutes – July 10, 2013
- 2) Receive and File Administrative & Finance Committee Minutes – June 10, 2013
- 3) Receive and File Agency Management Report – June 2013
- 4) Claims Filed Against Omnitrans – Information Item Only

- 5) Receive and File Construction Progress Report #18 through June 21, 2013, sbX E Street Corridor BRT Project
- 6) Receive and File Quarterly Report – sbX E Street Corridor BRT Project
- 7) Receive and File Update on Property, Primary, Earthquake & Flood, Excess Earthquake, Crime, Pollution, Liability & Physical Damage Coverage for Fiscal Year 2014
- 8) Receive and File Key Performance Indicators Fiscal Year 2013 4th Quarter Report
- 9) Receive and File Affirmative Action Status Report as of July 19, 2013
- 10) Press Articles and Letters of Interest to the Board

On motion by Member Eaton, seconded by Member Graham and carried, the Consent Calendar was approved.

F. DISCUSSION ITEMS

- 1) CEO/General Manager's Report

Interim CEO/General Manager Graham reviewed the CEO/General Manager's report for June 2013.

- 2) Authorize Issuance of Annual Purchase Orders, Contract No. ITS09-30, Trapeze Software Group

M/S/C (Eaton/Roberts) to authorize the Interim CEO/General Manager to issue annual purchase orders against Contract ITS09-30 with Trapeze Software Group, Cedar Rapids, Iowa, for the provision of TransitMasterTM equipment/software maintenance and workstation licenses in the amount of \$494,295 for FY14, and \$510,804 for FY15, plus a 10% contingency of \$61,012 on the maintenance portion as needed for repairs and onsite field services. The total not to exceed amount is \$1,066,111 for the two year period requested.

- 3) Authorize Release, Request for Proposals RFP-HR14-07, Pre-Employment Background Checks

M/S/C (Yates/Eaton) to authorize the Interim CEO/General Manager to release Request for Proposals RFP-HR14-07 for the provision of Pre-Employment Background Checks for a two year base contract, and three one-year options beginning November 1, 2013 and ending no later than October 31, 2018.

- 4) Authorize Award (Bench), Contracts PRC13-147 (A-C), Printing Services

M/S/C (Eaton/Stanckiewicz) to authorize the Interim CEO/General Manager to award Contracts PRC13-147(A-C) as listed below for the provision of Printing Services for an initial three-year period beginning August 15, 2013 and ending no later than August 14, 2016, and the authority to exercise two single option years to extend the contract to no later than August 14, 2018 in an aggregate not to exceed amount of \$252,000, plus a 10% contingency of \$25,200, for a total not-to-exceed amount of \$277,200. List of contracts for authorization:

Contract No.	Contractor	Base Contract Amount
PRC13-147A	Rundle Enterprises, Inc., dba All Source Lake Arrowhead, CA	\$22,000
PRC13-147B	Pacful Rancho Cordova, CA	\$30,000
PRC13-147C	Mekong Printing dba MK Printing Santa Ana, CA	\$13,000

- 5) Authorize Interim CEO/General Manager to Sign Conflict Waiver – Contract between SANBAG and Omnitrans for License Agreement on Redlands Subdivision Mile Post 1.0

M/S/C (Rutherford/Yates) to authorize the Interim CEO/General Manager to execute a Conflict Waiver with Best Best and Krieger for review of the contract between the San Bernardino Associated Governments (SANBAG) and Omnitrans for the License Agreement on the Redlands Subdivision Mile Post 1.0.

- 6) Authorize Interim CEO/General Manager to Develop Contingency Service Plan

M/S/C (Yates/Rutherford) to authorize the Interim CEO/General Manager to develop contingency service plan reductions, including the scheduling of public hearings, to address the current hold on Federal Transit Administration grant funding.

G. PUBLIC HEARING

None.

H. BOARD BUSINESS

Closed Session

1. Conference with Labor Negotiator, P. Scott Graham, concerning labor negotiations with Teamsters Local Union No. 166 regarding the Maintenance and Administrative Support Unit, pursuant to Government Code Section 54957.6
2. Conference with Labor Negotiator, P. Scott Graham, concerning labor negotiations with Amalgamated Transit Union Local No. 1704 regarding the Coach Operator Unit, pursuant to Government Code Section 54957.6
3. Conference with Legal Counsel, Significant Exposure to Litigation, pursuant to Government Code Section 54956.9(d)(2) – Robert L. Miller

The Board adjourned to Closed Session at 8:30 a.m. The Board reconvened at 9:10 a.m. Chair Wapner said no reportable action took place during Closed Session.

I. REMARKS AND ANNOUNCEMENTS

None

J. ADJOURNMENT

The Board adjourned at 9:11 a.m. The next regular meeting is scheduled for September 4, 2013, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Carol Angier, Recording Secretary

ITEM # E2

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES
July 8, 2013**

The Administrative & Finance Committee meeting was called to order by Chair Pat Morris at 11:01 a.m. on July 8, 2013.

Committee Members Attending

Mayor Pat Morris, City of San Bernardino - Chair
Councilmember Frank Gonzales, City of Colton
Vice Mayor Ed Graham, City of Chino Hills
Supervisor Gary Ovitt, County of San Bernardino
Councilmember Dick Riddell, City of Yucaipa
Mayor Pro Tem John Roberts, City of Fontana
Mayor Walt Stanckiewicz, City of Grand Terrace

Committee Members Absent

Mayor Paul Eaton, City of Montclair
Mayor Pro Tem Paul Foster, City of Redlands
Councilmember Alan Wapner, City of Ontario

Omnitrans Staff

Scott Graham, Interim CEO/General Manager
Diane Caldera, Interim Director of Operations
Wendy Williams, Director of Marketing
Sam Gibbs, Director of Internal Audit Services
Jack Dooley, Director of Maintenance
Rohan Kuruppu, Director of Planning & Development Services
Don Walker, Director of Finance
Ray Lopez, Director of Safety & Security
Marjorie Ewing, Director of Human Resources
Jennifer Sims, Director of Procurement
Milind Joshi, sbX Project Manager
Maurice Mansion, Treasury Manager
Jeremiah Bryant, Service Planning & Scheduling Manager
Eugenia Pinheiro, Contracts Manager
Alex Chen, Database Administrator
Vicki Osborne, Assistant to CEO/General Manager
Carol Angier, Administrative Secretary

C. Communication From the Public

None.

D. Possible Conflict of Interest Issues

None

E. Agenda Items

1. Approve Administrative & Finance Committee Minutes of June 10, 2013

M/S (Graham/Gonzales) to approve the minutes of the June 10, 2013 Committee meeting. Motion was unanimous by members present.

2. Receive & File Forward Fuel Purchase Program Update for July 2013

Director of Finance Walker said 45 percent of Omnitrans' CNG fuel is hedged in order to keep fuel costs from going over budget. This month we had a gain of \$4,475 due to fuel costs being higher than the hedge. Year-to-date there is a loss of \$48,508 on hedged fuel, but we have an unrecognized gain of \$58,425 on fuel costs from now until the end of the contract in June 2014. Member Graham asked if the fuel hedge contract is reviewed by staff. Chair Morris said staff reviews this contract annually and provides monthly updates to this Committee and the Board. Director of Finance Walker said this contract can be terminated at any time.

This was a receive and file agenda item.

3. Receive & Forward to Board of Directors, Construction Progress Report No. 18 through June 21, 2013 – sbX E Street Corridor BRT Project

sbX Project Manager Joshi said key components of the project have been completed. No loss in construction time has been experienced due to safety issues. The project will be completed on time and under budget. A PowerPoint presentation was given to the Committee of highlights of the current construction. Chair Morris asked about the catch basins. sbX Project Manager Joshi said the catch basins were not initially fully identified, but they are now being worked on. Member Graham asked if a Construction Manager had been hired, and sbX Project Manager Joshi said one has been hired and will start in two weeks. The FTA was informed of this. Member Graham asked why some bus stops had to be moved forward and was told this was done to prevent impacts to through traffic. Member Graham asked about the increase in project bid quantities over 125 percent and was told this is for items over the estimated amount needed. Member Graham asked about the Buy America clause. sbX Project Manager said this is a requirement for projects receiving federal monies. An example of this is tiles in the bathroom, utility poles and hardware, etc. Member Gonzales asked if the project will still be under budget with all the Change Orders. sbX Project Manager said all the listed Change Orders are taken into consideration within the budget, and the project will be under budget. Member Gonzales asked if roofs will be on the bus shelters and was told there would be roofs.

M/S (Graham/Gonzales) to receive and recommend to the Board of Directors for receipt and file Construction Progress Report No. 18 for the sbX E Street Corridor BRT Project through June 21, 2013. Motion was unanimous by members present.

4. Recommend Approval to Board of Directors, Sole Source Award, Contract IPMO13-210, Trapeze Transit Master Transit Operations Management On-Bus Systems Software

Director of Procurement Sims said this contract meets FTA requirements and is propriety software for the sbX Project to handle the traffic signals for the sbX buses.

M/S (Graham/Stanckiewicz) to recommend to the Board of Directors approval of Contract IPMO13-210 to Trapeze Software Group, Inc. of Cedar Rapids, Iowa, for development of Trapeze Transit Master Transit Operations Management On-Bus Systems Software to support the sbX E Street Corridor Project in the amount of \$98,350.02, plus a ten percent contingency of \$9,835.00, and the 3.27% Cost Allocation Plan (CAP) of \$3,537.65, for a total not-to-exceed amount of \$111,722.67. Motion was unanimous by members present.

5. Recommend Approval to Board of Directors to Adopt Proposed Change – Personnel Policy #601, Group Health Related Insurance Plans

Director of Human Resources Ewing said Personnel Policy #601 was changed to require all non-represented employees begin contributing ten percent of the plan premium effective September 2013. This will result in a savings to the Agency. Chair Morris said this is being done at all cities and counties in California.

M/S (Ovitt/Roberts) to recommend approval to the Board of Directors to adopt the proposed change to Personnel Policy #601- Group Health Related Insurance Plans, requiring that all non-represented employees being contributing 10% of the plan premium effective the first pay period in September 2013. Motion was unanimous by members present.

6. Recommend Approval to Board of Directors to Adopt Proposed Changes – Personnel Policy #402, Salary Ranges, Management Confidential Classifications

Director of Human Resources Ewing said staff recommends eliminating the Chief Financial Officer position and to place Systems Coordinator position to a Classification Level IV. Both will become effective July 10, 2013. Member Ovitt asked if these changes will result in savings for the Agency, and Director of Human Resources said it will save the Agency \$173,066 annually. Member Graham asked what the Systems Coordinator will do. sbX Project Manager Joshi said the Systems Coordinator will handle the considerable software/hardware issues for the sbX Project, including the Trapeze system for signals, security cameras at the stations, ticket machines at the stations, etc. This position will maintain the system and handle all problems that may come up. A Systems Coordinator is used by other BRT systems at other transit agencies. Member Gonzales asked if this job position has been approved by the Board. Director of Human Resources said it was approved in 2010, and only now is there a need to advertise for the position since the project is nearing completion. The position will be posted for both internal and external candidates.

M/S (Stanckiewicz/Roberts) to recommend approval to the Board of Directors to adopt the proposed change to Personnel Police #402 – Salary Ranges, Management Confidential Classifications, eliminating the position of Chief Financial Officer, effective July 10, 2013, and to approve placement of Systems Coordinator position to Classification Level IV, effective July 10, 2013. Motion was unanimous by members present.

The Administrative & Finance Committee meeting adjourned at 11:30 a.m. The next Administrative & Finance Committee Meeting is scheduled for August 12, 2013 at 11:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Carol Angier, Recording Secretary

ITEM # E3**AGENCY MANAGEMENT REPORT****July 2013**
FISCAL YEAR 2014**Agency Results****Operating Revenue**

July total Operating Revenue of \$5,775,993 is \$187,848 under budget. The negative monthly variance is primarily driven by passenger fares coming in lower than planned. This is principally driven by pass sales and the loss of Stater Brothers as an outlet.

Operating Expense

July Operating Expense of \$4,579,165 is \$1,384,676 under budget. The current month variance is driven by several areas being under budget and the start of the new fiscal year.

Ridership

During the month of July, Omnitrans carried a total of 1,204,242 passengers. This consisted of 1,162,784 on Fixed Route service and 41,458 on Demand Response routes. This reflects a total system increase of 4.04% when compared to the same period last year.

Revenue Hours/Revenue Miles

During the month of July, Omnitrans provided a total of 66,902 revenue hours reflecting an increase of 1.19% versus the same period last year. Omnitrans logged a total of 917,738 revenue miles during the month, reflecting an increase of 2.08% when compared to same period last year.

Farebox Recovery Ratio

July farebox revenue for Fixed Route/Omnalink is \$1,001,830 versus \$960,377 for the same period last year. This is an increase of 4.32%. The farebox recovery ratio for the month is 26.37%.

July farebox revenue for Access is \$137,742 versus \$139,867 for the same period last year. This is a decrease of 2.00%. Farebox recovery ratio for the month is 17.97%.

Financials

Total Salaries and Benefits of \$3,135,340 are \$323,221 under budget for the month of July. The current month variance is driven by headcount being lower than planned.

Total Services are \$19,873 or \$237,796 under budget in July. The positive monthly variance is principally driven by professional services being less than planned.

Materials and Supplies are \$545,443 or \$229,435 under budget in July. The current month variance is principally driven by LNG, gasoline and rolling stock parts being less than planned.

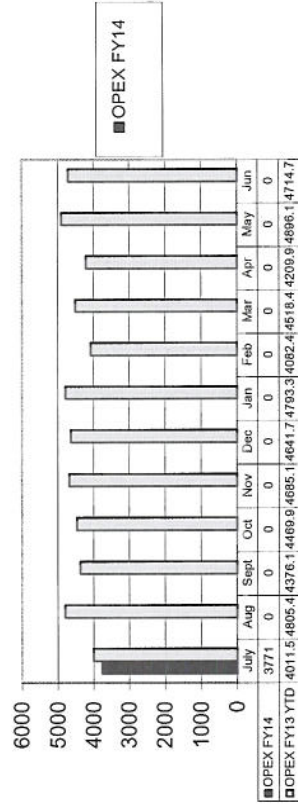
Purchased Transportation is \$615,390 or \$144,922 under budget in July. The current month variance is driven by hitting favorable pricing metrics in the contract with the vendor.

Other Expenses are \$263,118 or \$414,403 under budget in July. The current month variance is primarily driven by the timing of expenses and the beginning of a new fiscal year.

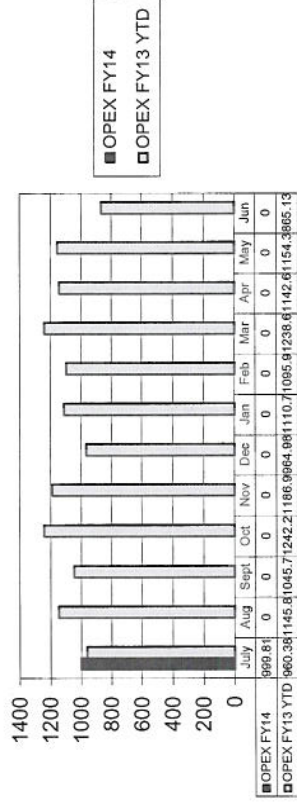
**PERFORMANCE STATISTICS
FISCAL YEAR 2014
July 2013**

	<u>Current Month</u>		<u>YR/YR</u>	<u>Year-To-Date</u>		<u>YR/YR</u>
	<u>July 2013</u>	<u>July 2012</u>	<u>inc/(dec)</u> <u>CURRENT</u>	<u>July 2013</u>	<u>July 2012</u>	<u>inc/(dec)</u> <u>YTD</u>
Total Passenger Revenue & Subsidy						
Fixed Route	\$999,808	\$960,377	4.1%	\$999,808	\$960,377	4.1%
Demand Response	\$139,764	\$141,823	-1.5%	\$139,764	\$141,823	-1.5%
Total Passengers						
Fixed Route	\$1,162,754	\$1,157,510	0.5%	\$1,162,754	\$1,157,510	0.5%
Demand Response	\$41,488	\$38,726	7.1%	\$41,488	\$38,726	7.1%
Farebox Recovery Ratio						
Fixed Route/OmniLink	26.37%	23.76%		26.37%	23.76%	
Access	17.97%	16.79%		17.97%	16.79%	
Total Passengers per Revenue Hour						
Fixed Route	22.2	22.6	-1.9%	22.2	22.6	-1.9%
Demand Response	2.9	2.6	10.3%	2.9	2.6	10.3%
Revenue per Passenger						
Fixed Route	0.86	0.83	3.6%	0.86	0.83	3.6%
Demand Response	3.37	3.66	-8.0%	3.37	3.66	-8.0%
Cost per Passenger						
Fixed Route	3.24	3.47	-6.4%	3.24	3.47	-6.4%
Demand Response	19.15	22.28	-14.1%	19.15	22.28	-14.1%
Cost per Revenue Hour						
Fixed Route	71.92	78.32	-8.2%	71.92	78.32	-8.2%
Demand Response	54.92	57.93	-5.2%	54.92	57.93	-5.2%
	<u>Actual</u>	<u>Target</u>				
On Time Performance						
Fixed Route	88.97%	90%				
Demand Response	88.71%	90%				
Headcount	624	669				
(includes PT Operators, excludes IPMO)						

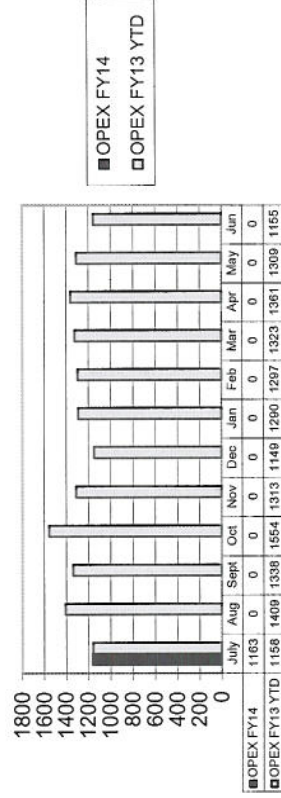
Fixed Route Operating Expense Thousands



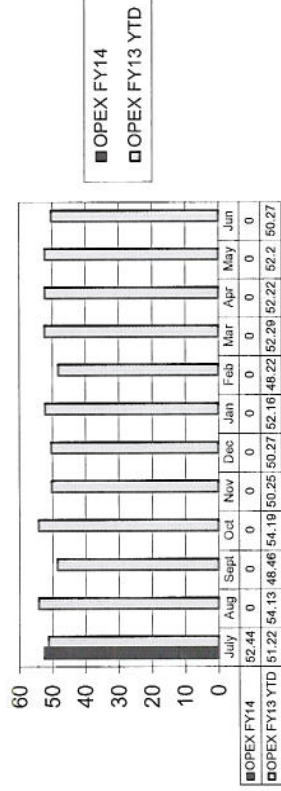
Fixed Route Passenger Revenue Thousands



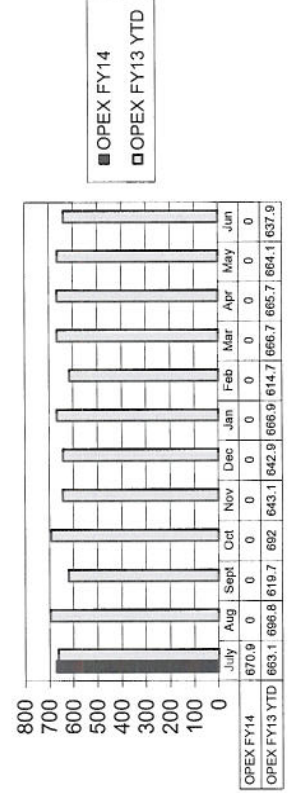
Fixed Route Ridership Thousands



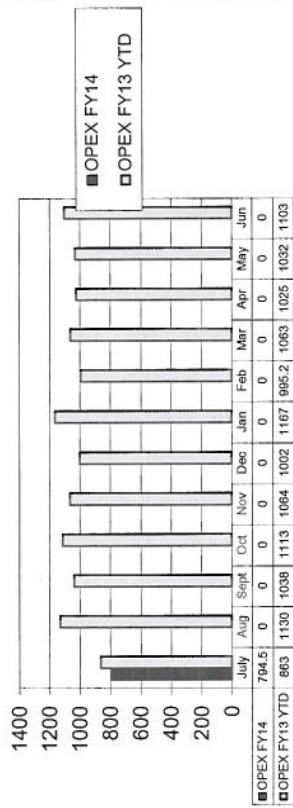
Fixed Route Revenue Hours Thousands



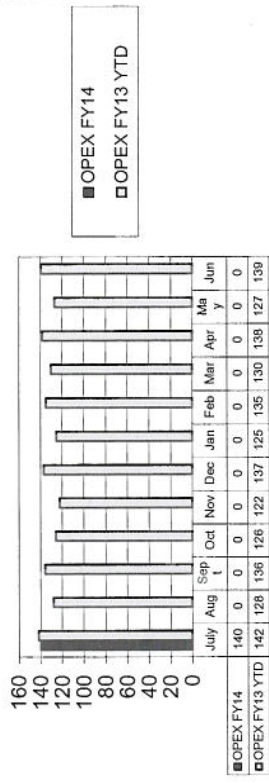
Fixed Route Revenue Miles Thousands



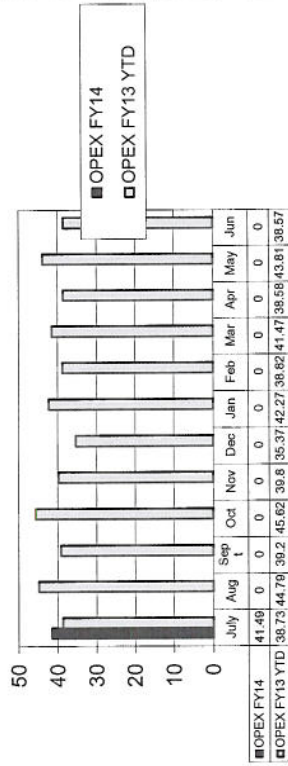
Demand Response Operating Expense Thousands



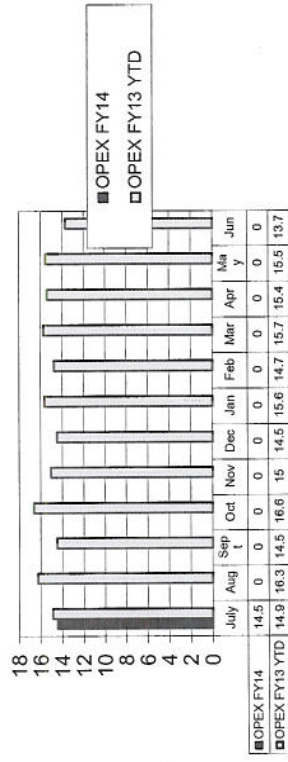
Demand Response Passenger Revenue Thousands



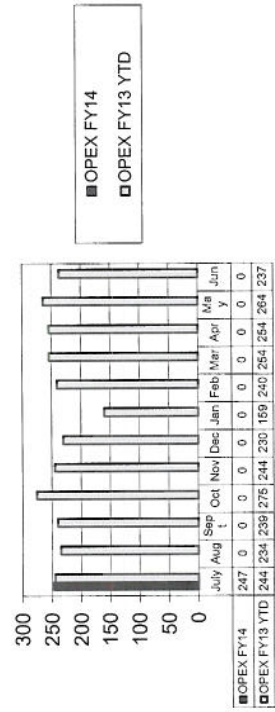
Demand Response Ridership Thousands



Demand Response Revenue Hours Thousands



Demand Response Revenue Miles Thousands



Statement of Operations Fiscal Year: 2014

CURRENT MONTH: July 2013

YEAR-TO-DATE: July 2013

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unf)</u>	<u>% of Budget</u>	<u>Operating Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unf)</u>	<u>% of Budget</u>
Passenger Fares	1,110,503	1,229,822	(119,320)	90%	Passenger Fares	1,110,503	1,229,822	(119,320)	90%
Measure I Subsidy - Fares	29,069	27,477	1,592	106%	Measure I Subsidy - Fares	29,069	27,477	1,592	106%
Measure I Subsidy - Operating	397,523	397,523	0	100%	Measure I Subsidy - Operating	397,523	397,523	0	100%
Auxiliary Transportation Revenue	22,917	25,000	(2,083)	92%	Auxiliary Transportation Revenue	22,917	25,000	(2,083)	92%
Non-Transportation Revenue	(7,868)	7,083	(14,952)	0%	Non-Transportation Revenue	(7,868)	7,083	(14,952)	-111%
LTF Operating	3,029,143	3,029,143	0	100%	LTF Operating	3,029,143	3,029,143	0	100%
STAF Operating	145,337	145,337	0	100%	STAF Operating	145,337	145,337	0	100%
JARC - Operating Assistance	0	0	0	0%	JARC - Operating Assistance	0	0	0	0%
Capital Funds for Operations	1,049,370	1,102,456	(53,086)	95%	Capital Funds for Operations	1,049,370	1,102,456	(53,086)	95%
Total Revenues	5,775,993	5,963,842	(187,848)	97%	Total Revenues	5,775,993	5,963,842	(187,848)	97%
<u>Operating Expenses</u>									
Labor	1,958,757	2,126,831	168,074	92%	Labor	1,958,757	2,126,831	168,074	92%
Fringe Benefits	1,176,584	1,331,730	155,147	88%	Fringe Benefits	1,176,584	1,331,730	155,147	88%
Services	19,873	257,670	237,796	8%	Services	19,873	257,670	237,796	8%
Materials and Supplies	545,443	774,877	229,435	70%	Materials and Supplies	545,443	774,877	229,435	70%
Occupancy	86,399	268,285	181,886	32%	Occupancy	86,399	268,285	181,886	32%
Casualty and Liability	137,767	430,166	292,399	32%	Casualty and Liability	137,767	430,166	292,399	32%
Taxes and Fees	0	4,107	4,107	0%	Taxes and Fees	0	4,107	4,107	0%
Purchased Transportation	615,390	760,312	144,922	81%	Purchased Transportation	615,390	760,312	144,922	81%
Printing and Advertising	2,075	75,797	73,722	3%	Printing and Advertising	2,075	75,797	73,722	3%
Miscellaneous Expense	23,287	(100,833)	(124,120)	-23%	Miscellaneous Expense	23,287	(100,833)	(124,120)	-23%
Lease and Rental	0	34,899	34,899	0%	Lease and Rental	0	34,899	34,899	0%
Capital Purchase Expense	13,590	0	(13,590)	0%	Capital Purchase Expense	13,590	0	(13,590)	0%
Total Operating Expense	4,579,165	5,963,841	1,384,676	77%	Total Operating Expense	4,579,165	5,963,841	1,384,676	77%
Net Gain (Net Loss)	1,196,828	1	1,196,828		Net Gain (Net Loss)	1,196,828	1	1,196,828	
Sal & Ben	3,135,340	3,458,562	323,221	91%	Sal & Ben	3,135,340	3,458,562	323,221	91%
Other	263,118	677,522	414,403	39%	Other	263,118	677,522	414,403	39%

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Mae Sung, Accounting Manager

SUBJECT: INVESTMENT STATUS

FORM MOTION

Receive and file this report on the status of the Agency's investments.

BACKGROUND & SUMMARY

California Government Code requires the monthly reporting of investments of public agency funds to its governing body.

SUMMARY

All of the Agency's investments are invested with the Local Agency Investment Fund (LAIF) and Union Bank. Please refer to the attachment for the investment activity of the Agency for the month of July, 2013. Sufficient funds are available to meet the obligations of the Agency for the next thirty-one days.

SG:MS

OMNITRANS
Treasurer's Report
Month ending July 2013

Institution - Investment Type	Description	Starting Balance	Deposits	Disbursements	Interest Yield	Ending Balance
Cash and Investments Under the Direction of the Treasurer						
Local Agency Investment Fund		\$ 8,676,959.24			0.24%	
			\$ 1,700,000.00		0.24%	
			\$ 3,200,000.00		0.26%	
	Interest for QTR		\$ 7,259.34		0.24%	
				\$ (1,750,000.00)	0.27%	
				\$ (1,600,000.00)	0.27%	
		\$ 13,584,218.58		\$ (3,350,000.00)		
Net LAIF Funds				\$ 10,234,218.58		\$ 10,234,218.58
Fair Marketing Value	Fair Value Factor				1.000273207	\$ 10,237,014.64
Union Bank Money Market GMRA		\$ 2,473,926.03				
	Interest		\$ 85.31		0.04%	
				\$ (201,515.10)		
			\$ 2,474,011.34	\$ (201,515.10)		
				\$ 2,272,496.24		
				\$ 2,272,496.24		\$ 2,272,496.24
Citybank Morgan Stanley Futures Account		\$ 248,382.01				
	Gain/Loss for month			\$ (9,376.10)		
		\$ 248,382.01		\$ (9,376.10)		
				\$ 239,005.91		\$ 239,005.91
		\$ 6,989,110.57				
	Passenger	\$ 1,018,878.43				
	Grants' Revenue	\$ 6,470,956.37				
	Miscellaneous Revenue	\$ 348,075.61				
	Transfers From (To) LAIF	\$ 3,350,000.00		\$ (4,900,000.00)		
	Transfers From (To) Money Market	\$ 201,515.10				
	Transfers From (To) Morgan Stanley Futures Account					
	Accounts Payable			\$ (9,868,736.65)		
	Payroll and Payroll Taxes			\$ (2,202,572.49)		
	Employee Benefits			\$ (366,149.79)		
	Bank Service Charge			\$ (5,317.04)		
Net Union Bank Operating Funds		\$ 18,378,536.08		\$ (17,342,775.97)		
				\$ 1,035,760.11		\$ 1,035,760.11
		\$ 3,700.00				
Petty Cash				\$ 3,700.00		\$ 3,700.00

Cash and Investments Under the Direction of Fiscal Agents

Wachovia Bank N.A.	\$ 75,000.00					
Workmens' Comp. Adjuster						
York Insurance Services						\$ 75,000.00
Total Cash & Investments						\$ 13,862,976.90

I hereby certify that the investment portfolio of OMNITRANS complies with its investment policy and the California Government Code Sections pertaining to the investment of local agency funds and Union Bank of California. Pending any future actions by the Omnitrans Board or any unforeseen catastrophe, OMNITRANS has an adequate cash flow to meet its expenditure requirements for the next six months.

Prepared by: _____
Mae Sung, Accounting Manager

Approved by: _____
P. Scott Graham, Interim CEO/General Manager, Treasurer

@ Source of Market Value: California State Pooled Money Investment Board Report.

(1) Union: "Summary of Market Value" posted on monthly fiscal agent statements.

(2) LAIF: "Pooled Money Investment Account Market Valuation".

Master Control Account is the controlling account for all the zero balance accounts with

Union including: Accounts Payable Account (General Account) and Payroll Account.

Interest earned by the Master Control account is used as a partial offset to the

monthly bank service charges.

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

FROM: P. Scott Graham, Interim CEO/General Manager

SUBJECT: PAYROLLS AND WARRANTS FOR JULY 2013

Approve the Agency's gross payroll for Management/Confidential Employees as follows:

Payroll Period	Amount	Register #
06/26/13-07/09/13	\$308,392.28	14
07/10/13-07/23/13	\$324,793.57	15

Approve the Agency's gross payroll for Represented Employees as follows:

Payroll Period	Amount	Register #
06/17/13-06/30/13	\$854,591.85	14
07/01/13-07/14/13	\$885,457.48	15

Approve the Register of Demands, dated as follows, and authorize the issuance of warrants:

Register Date	Amount	Register #
07/03/2013	\$6,600,411.28	630-631
07/11/2013	\$464,891.17	632
07/18/2013	\$1,005,957.74	633
07/25/2013	\$1,797,476.46	634

I, P. Scott Graham, Interim CEO/General Manager of Omnitrans, declare that the above Register of Demands has been audited as required by Section 37202 and 37208 of the Government Code, and said documents are accurate and correct.

SG: ms

ITEM # E4

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

FROM: P. Scott Graham, Interim CEO/General Manager

**SUBJECT: CLAIMS FILED AGAINST OMNITRANS FOR AUGUST 2013 –
INFORMATION ITEM ONLY**

CLAIMANT	DATE OF LOSS	CLAIM NUMBER
Bueche, Mark	07/25/13	CLPA11004A2
Coleman, Kenneth	05/12/13	CLPA11008A2
Dumitrescu, Ana	02/25/13	CLPA11022A1
Garcia, Natalia	02/18/13	CLPA11001A1
Marquez, Valerie	07/22/13	CLPA11023A1
Santibanez, Maria	08/09/13	CLPA11020A2
St. Clair, Althea	07/27/13	CLPA11007A2

<u>Summary of Accidents</u>	<u>No. of Claimants</u>
Injury Inside Coach	2
Coach/Vehicle Accident	2
Property Damage/Lost	2
sbX Claim	1

For the Claims Above:

20% of claims were filed 1 to 5 days after the incident.

10% of claims were filed 6 to 10 days after the incident.

70% of claims were filed 11 or more days after the incident.

/ca

ITEM # E5

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Milind Joshi, sbX Program Manager

SUBJECT: **CONSTRUCTION PROGRESS REPORT NO. 19 THROUGH JULY 15, 2013 - sbX E STREET CORRIDOR BRT PROJECT**

FORM MOTION

Receive and file Construction Progress Report No. 19 for the sbX E Street Corridor BRT Project through July 15, 2013.

This item was reviewed by the Administrative & Finance Committee at its August 12, 2013, meeting and recommended to the Board of Directors for receipt and file.

BACKGROUND

This is Construction Progress Report No. 19 for the sbX E Street Corridor Project.

CONCLUSION

Receive and file Construction Progress Report No.19 for the sbX E Street Corridor BRT Project through July 15, 2013.

PSG:MJ

Attachment



sbX E Street Corridor Bus Rapid Transit (BRT) Project

Construction Progress Report No. 19

As of July 15, 2013

Submitted By:

JACOBS

Contractor:	SBX Corridor - Griffith/Comet VMF – USS Cal Builders
Contractor Contract No.:	IPMO11-5
Project Manager:	Roger Hatton, P.E.
Resident Engineer	Karim Varshochi, P.E. (Corridor) Anni Larkins, P.E. (VMF)
Omnitrans Program Manager:	Milind Joshi, P.E. Omnitrans Acting Construction Manager



TABLE OF CONTENTS

- I. Project Status Summary
 - A. Project Description – sbX Corridor
 - B. Summary Status Update – sbX Corridor
 - C. February Work – sbX Corridor
 - D. Concerns - sbX Corridor
 - E. Project Description - Vehicle Maintenance Facility (VMF)
 - F. Summary Status Update – Vehicle Maintenance Facility (VMF)
 - G. February Work – Vehicle Maintenance Facility (VMF)
 - H. Concerns - Vehicle Maintenance Facility (VMF)
- II. Project Schedule
 - A. Summary of Project Schedule - sbX Corridor
 - B. Summary of Project Schedule – Vehicle Maintenance Facility (VMF)
- III. RFIs, Submittals, and Non-Conformance Reports
 - A. sbX Corridor
 - B. Vehicle Maintenance Facility (VMF)
- IV. Safety
- V. Project Budget and Cost
- VI. Change Orders and Claims
 - A. VMF Change Orders
 - B. sbX Corridor Change Orders
- VII. Project Photographs
 - A. sbX Corridor Photos
 - B. Vehicle Maintenance Facility (VMF) Photos

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 – sbX Corridor

In July the contractor completing work on installation of sanitary sewer lining in center running lane from 11th Street to 5th Street; completed installation of underground conduits, curb, curb gutter and sidewalk on the east side of E Street between 2nd Street to 6th Street; and placed base asphalt concrete for roadway.

Landscape installation on the south side of Hospitality Lane between Carnegie West and Tippecanoe was also completed and construction of the center running lanes between Carnegie West and Tippecanoe began. The contractor also continued work on the Tippecanoe Station, Hunts Station and the Carnegie Station (center running stations on Hospitality Lane).

The installation of the video detection, E.V.P systems, and electric services for stations and traffic signals was continued.

The contractor also began installation of platform pavers at Marshall stations, Highland stations, Baseline Station and Rialto station.

The CM team is currently working with Verizon to coordinate the relocation of the manhole at the Baseline north station and the relocation of the cross connect to a permanent location on Hospitality Lane at Hunts Station.

C. Accomplishments – sbX Corridor

- The 23 stations are an average of 80% complete with civil and structural work and 70% complete with electrical work.
- Private utility relocation is 90% complete.
- Construction of approximately 3.5 miles of the 5.5 miles of the center running lane has been completed.
- Two of the three paved park-and-rides are 90% completed.
- Traffic Signal Prioritization has been installed at the majority of the intersections.
- All fourteen (14) of the 60ft articulated buses have arrived.
- Settlement for the last remaining Right-of-Way parcels are reaching completion.
- A total of five (5) change orders were approved; change order costs have not exceeded last month's overall project projections.

D. August Work – sbX Corridor

Work planned for August is as follows:

- Continue working on platforms installing pavers from Rialto to Hunts Lane Installation.
- Construct center running lanes Hospitality Lane between Carnegie West and Tippecanoe.
- Construct center running lane 10th Street to Rialto.
- Continue installation of electric equipment for stations and traffic signals.
- Install irrigation and landscape E Street between 6th Street and 2nd Street.

E. Project Description – Vehicle Maintenance Facility (VMF)

The Omnitrans' Vehicle Maintenance Facility is a 4.4 acre facility which maintains and services the Omnitrans' bus fleet which is comprised of over 160 buses. Modifications to Omnitrans' facility include the demolition of a bus washing station, removal of abandoned underground fuel tanks, new construction of a bus washing system, a new Genset building, 3-lane CNG fueling station, and re-configuring bus parking area. Modifications to the maintenance building will be made in order to accommodate Omnitrans' 60-foot articulated bus fleet.

F. Summary Status Update – Vehicle Maintenance Facility (VMF)

In July 2013 the Contractor continued working at the temporary fuel island (Building D) installing the new CNG dispensers and new buffer panel, compressed air line, and associated mechanical piping. The Contractor also continued installation of conduit, pull boxes, conductors and wiring from the Fire Pump Room to the EMPZD panel outside the temporary IT building at Bldg D. Work continued for cutover of existing CCTV cameras, wireless and IT to Building D per Change Orders 6 and 10.

Coordination meetings were held in July 2013 to ensure Building D, and all IT components, CCTV cameras and associated items are operational for turnover to the Agency.

Contractor started construction of the metal stud framing and installation of the doorframe for the east exterior wall at the new Battery Room at Building A.

The 1,000 gallon unleaded fuel tank is ready to be filled, and functionality tested for Agency personnel training and turnover to the Agency.

Negotiations for the design changes (COR 29) to the lift locations, and associated electrical and mechanical components, at the Maintenance Building (Building A) were finalized on July 12, 2013. Pending Change Order approval, work expects to start in early August 2013.

G. Accomplishments – Vehicle Maintenance Facility (VMF)

- The New Fuel Dispensers (three each) were delivered earlier than scheduled.
- Parking Light poles are all installed.
- The temporary Unleaded 1,000 gallon fuel tank has been filled for use.
- Drywall in Battery Room in Maintenance Building A is completed.
- All power and fiber optics for the Temporary Fuel Island are completed.

H. August Work – Vehicle Maintenance Facility (VMF)

In the August 2013 the Contractor is expected to complete commissioning and turnover of the temporary fuel island (Building D), and of the 1,000 gallon unleaded fuel AST.

Once Building D and the 1,000 gallon AST are turned over to the Agency, the Contractor plans to start demolition work at the existing fuel island (Building C).

Pending Change Order approval the Contractor expects to start demolition of the pits in the Maintenance Building (Bldg A).

The Contractor expects to complete concrete installation of the trash compactor pad and construction of a drain for the emergency eyewash/shower in the storage room.

The sanitary sewer redesign package, which was issued to the Contractor on June 24, 2013 for pricing, remains under review by the City of San Bernardino.

II. PROJECT SCHEDULE

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

Due to the actual field conditions (SBX Corridor and the VMF), many construction activities have been re-sequenced, 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 being used to monitor and manage the construction progress.

A. Summary of Project Schedule – sbX Corridor

The sbX CM team is targeting to complete construction in February 2014 in order for Revenue Operations to begin by April 2014, per the Project Construction Grant Agreement (PCGA).

The Contractor is currently in the process of updating the schedule to reflect the current project status. Based on the April update, the projected Revenue Start Date remains unaffected.

The May update is scheduled to be submitted on July 26, 2014. Contractor will continue to submit monthly updates on a regular basis.

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

The Contractor's Baseline Schedule (Rev 3) was approved on May 7, 2013. At the request of the Contractor, a revised Baseline Schedule (Rev 4) was submitted and approved on June 3, 2013.

The Contractor submitted May 15, 2013 Monthly Schedule Update on June 21, 2013. The monthly update was reviewed and returned "For Record Purposes Only – Make Corrections Noted" on July 15, 2013. The June schedule update is expected to be submitted July 19, 2013, and the Contractor is working on a July 2013 update such that the Agency can evaluate a current schedule in early August 2013.

The project is behind schedule, and options to mitigate delays are under evaluation. The Agency, the Contractor and the CM Team are collectively working on identifying options to make up lost time to ensure timely completion of the work relative to the Revenue Start Date (RSD) of April 30, 2014.

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

A. sbX Corridor

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 – 902
Total Open – 41

Total Submittals – 712
Total Open – 26

Total NCRs - 18
Total Open - 3

Weekly RFI meetings are held every Tuesday morning.
Weekly NCR meetings are held every Thursday morning.

B. 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 – 119
Total Open – 1

Total Submittals – 250
Total Open – 12

Total NCRs – 6
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.

SbX Corridor - As of July 16, 2013 there are 257,612 “no-lost time” hours.
VMF - As of July 16, 2013 there are 4931 “no-lost time” hours.

V. PROJECT BUDGET AND COST**TOTAL PROGRAM BUDGET**

BUDGET AS OF MAY 31, 2013

Approved Budget	\$191,706,000
Cost to Date	\$114,660,291
Estimate to Complete	\$72,660,149
Estimate at Completion	\$186,706,291

SBX CORRIDOR PROJECT COSTS - AS OF JUNE 30, 2013

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
Jacobs	\$11,852,647	\$5,713,251	\$6,139,396
Parsons	\$18,097,876	\$16,841,566	\$1,256,310
Griffith/Comet	\$80,000,168	\$46,829,251	\$33,170,917
Total	\$109,950,691	\$69,384,068	\$40,566,623

VMF CORRIDOR PROJECT COSTS - AS OF JUNE 30, 2013

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
STV Inc.	\$1,046,132	\$901,757	\$144,375
USS Cal Builders	\$10,927,826	\$895,443	\$10,032,383
Total	\$11,973,958	\$1,797,200	\$10,176,758

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 15 July 2013	593	
CCO Time Extension to Date	0	
Required Completion Days/ Date as of 18 December 2012	137	12/21/13
Forecasted Completion Date as of 18 December 2012		TBD*
Percent Time Elapsed	81%	

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 July 15, 2013	217	
CCO Time Extension to Date	0	
Required Completion Date as of July 15, 2013	208	02/08/14
Forecasted Revenue Start Date as of June 30, 2013		04/30/14
Percent Time Elapsed	51%	

VI. CHANGE ORDERS**SBX CORRIDOR CONTRACT CHANGE ORDERS - As of June 21, 2013**

Change Order Status	Amount Approved
Approved Change Orders	\$14,996,079.41
Pending Change Orders	\$2,358,526.00
Potential Change Orders	\$4,475,306.00
Total	\$21,829,911.41

VMF CONTRACT CHANGE ORDERS - As of June 21, 2013

Change Order Status	Amount
Approved Change Orders	\$306,777.00
Pending Change Orders	\$27,570.00
Potential Change Orders	\$791,955.00
Total	\$1,126,302.00

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.

VII. Project Photographs

SBX CORRIDOR PROGRESS PHOTOS



1. Construct Electrical for Equipment Module



2. Bore Crossing in Loma Linda

VMF PROGRESS PHOTOS

1. Building A overhead conduit installation.



2. CNG Dispensers are installed at the temporary fuel island.

IPMO/sbX Project Cost Report
Period Ended 6/30/13

Description	Current Budget	Expenditures \$	%	Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
BRT Construction	84,637,000	46,904,201	55.4%	37,732,799	40,191,220	87,095,421	(2,458,421)
Vehicle Maintenance Facility (VMF) Construction	8,131,000	895,443		7,235,557	13,103,309	13,998,752	(5,867,752)
Vehicles - Design & Manufacturing	16,628,000	14,722,181	88.5%	1,905,819	1,606,714	16,328,895	299,105
ROW Acquisition Services	10,357,000	10,466,829	101.1%	(109,829)	1,271,571	11,738,400	(1,381,400)
3rd Party Utilities Design & Relocation	1,003,000	865,807	86.3%	137,193	240,310	1,106,117	(103,117)
BRT Design	17,849,400	16,841,566	94.4%	1,007,834	1,256,310	18,097,876	(248,476)
VMF Design	1,007,600	916,157	90.9%	91,443	529,775	1,445,932	(438,332)
Other Professional, Technical & Management Services	34,020,000	22,433,958	65.9%	11,586,042	14,467,939	36,901,897	(2,881,897)
SUB-TOTAL	173,633,000	114,046,142		59,586,858	72,667,148	186,713,290	(13,080,290)
Unallocated Contingency	18,073,000	-		18,073,000	4,992,710	4,992,710	13,080,290
TOTAL	191,706,000	114,046,142	59.5%	77,659,858	77,659,858	191,706,000	-

**IPMO/sbX Project
Through 6/30/13**

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	9,772,775 49.5%	\$ 9,952,225	\$ 8,598,218	\$ 18,370,993	\$ 1,354,007
10.02	Guideway: At-grade semi-exclusive (allows cross-traffic)	\$ 18,353,000	8,357,659 45.5%	\$ 9,995,341	\$ 7,754,089	\$ 16,111,748	\$ 2,241,252
10.03	Guideway: At-grade in mixed traffic	\$ 1,372,000	1,415,116 103.1%	\$ (43,116)	\$ 844,129	\$ 2,259,245	\$ (887,245)
20	STATIONS, STOPS, TERMINALS, INTERMODAL	14,917,000	6,534,158 43.8%	\$ 8,382,842	\$ 7,952,278	\$ 14,486,436	\$ 430,564
20.01	At-grade station, stop, shelter, mall, terminal, platform	14,917,000	6,534,158 43.8%	\$ 8,382,842	\$ 7,952,278	\$ 14,486,436	\$ -
30	SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	\$ 8,131,000	895,443 11.0%	\$ 7,235,557	\$ 13,103,309	\$ 13,998,752	\$ (5,867,752)
30.02	Light Maintenance Facility	\$ 4,265,000	695,759 16.3%	\$ 3,569,241	\$ 10,083,280	\$ 10,779,039	\$ (6,514,039)
30.05	Yard and Yard Track	\$ 3,866,000	199,684 0.0%	\$ 3,666,316	\$ 3,020,029	\$ 3,219,713	\$ 646,287
40	SITEWORK & SPECIAL CONDITIONS	34,271,000	18,709,226 54.6%	\$ 15,561,774	\$ 9,249,901	\$ 27,959,127	\$ 6,311,873
40.01	Demolition, Clearing, Earthwork	\$ 4,741,000	281,388 5.9%	\$ 4,459,612	\$ 174,171	\$ 455,559	\$ 4,285,441
40.02	Site Utilities, Utility Relocation	\$ 4,993,000	6,754,040 135.3%	\$ (1,761,040)	\$ 3,542,323	\$ 10,296,363	\$ (5,303,363)
40.05	Site structures including retaining walls, sound walls	\$ 90,000	67,969 75.5%	\$ 22,031	\$ 7,769	\$ 75,738	\$ 14,262
40.06	Pedestrian / bike access and accommodation, landscaping	\$ 6,925,000	1,686,646 24.4%	\$ 5,238,354	\$ 2,260,146	\$ 3,946,792	\$ 2,978,208
40.07	Automobile, bus, van accessways including roads, parking lots	\$ 3,601,000	3,234,567 89.8%	\$ 366,433	\$ 1,012,782	\$ 4,247,349	\$ (646,349)
40.08	Temporary Facilities and other indirect costs during construction	\$ 13,921,000	6,684,616 48.0%	\$ 7,236,384	\$ 2,252,710	\$ 8,937,326	\$ 4,983,674
50	SYSTEMS	\$ 16,727,000	12,753,850 76.2%	\$ 3,973,150	\$ 7,610,827	\$ 20,364,677	\$ (3,637,677)
50.02	Traffic signals and crossing protection	\$ 10,810,000	5,151,944 47.7%	\$ 5,658,056	\$ 1,318,733	\$ 6,470,677	\$ 4,339,323
50.05	Communications	\$ 4,210,000	5,091,250 120.9%	\$ (881,250)	\$ 3,202,750	\$ 8,294,000	\$ (4,084,000)
50.06	Fare collection system and equipment	\$ 1,707,000	2,510,656 147.1%	\$ (803,656)	\$ 3,089,344	\$ 5,600,000	\$ (3,893,000)
	Pending Change Orders				\$ 5,460,303	\$ 5,460,303	\$ (5,460,303)
	Risk				\$ 1,560,000	\$ 1,560,000	\$ (1,560,000)
	Construction Subtotal (10-50)	93,771,000	48,665,452 51.9%	\$ 45,105,548	\$ 53,534,836	\$ 102,200,288	\$ (8,429,288)
60	ROW, LAND, EXISTING IMPROVEMENTS	\$ 6,532,000	\$ 5,555,260 85.0%	\$ 976,740	\$ 1,544,005	\$ 7,099,265	\$ (567,265)
60.01	Purchase or lease of real estate	\$ 6,327,000	5,546,166 87.7%	\$ 780,834	\$ 1,348,099	\$ 6,894,265	\$ (567,265)
60.02	Relocation of existing households and businesses	\$ 205,000	9,094 4.4%	\$ 195,906	\$ 195,906	\$ 205,000	\$ -
70	VEHICLES	\$ 16,628,000	\$ 14,722,181 88.5%	\$ 1,905,819	\$ 1,606,714	\$ 16,328,895	\$ 299,105
70.04	Bus	\$ 15,448,000	14,722,181 95.3%	\$ 725,819	\$ 699,666	\$ 15,421,847	\$ 26,153
70.06	Non-revenue vehicles	\$ 250,000	- 0.0%	\$ 250,000	\$ -	\$ -	\$ 250,000
70.07	Spare parts	\$ 930,000	- 0.0%	\$ 930,000	\$ 907,048	\$ 907,048	\$ 22,952
80	PROFESSIONAL SERVICES	56,702,000	45,103,249 79.5%	\$ 11,598,751	\$ 15,981,593	\$ 61,084,842	\$ (4,382,842)
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	6,658,638 91.7%	\$ 602,362	\$ 1,480,278	\$ 8,138,916	\$ (877,916)
80.03	Project Management for Design and Construction	\$ 15,997,000	8,981,110 56.1%	\$ 7,015,890	\$ 5,741,591	\$ 14,722,701	\$ 1,274,299
80.04	Construction Administration & Management	\$ 6,632,000	5,713,251 86.1%	\$ 918,749	\$ 6,139,397	\$ 11,852,648	\$ (5,220,648)
80.05	Professional Liability and other Non-Construction Insurance	\$ 1,112,000	- 0.0%	\$ 1,112,000	\$ 500,000	\$ 500,000	\$ 612,000
80.06	Legal; Permits; Review Fees by other agencies, cities, etc.	\$ 10,596,000	10,873,725 102.6%	\$ (277,725)	\$ 1,356,825	\$ 12,230,550	\$ (1,634,550)
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	\$ 721,000	\$ 721,000	\$ (1,000)
	Subtotal (10-80)	\$ 173,633,000	\$ 114,046,142 65.7%	\$ 59,586,858	\$ 72,667,148	\$ 186,713,290	\$ (13,080,290)
90	UNALLOCATED CONTINGENCY	18,073,000	- 0.0%	\$ 18,073,000	\$ 4,992,710	\$ 4,992,710	\$ 13,080,290
	Subtotal (10-90)	191,706,000	114,046,142 59.5%	\$ 77,659,858	\$ 77,659,858	\$ 191,706,000	\$ -
100	FINANCE CHARGES	-	-	\$ -	\$ -	\$ -	\$ -
	TOTAL PROJECT COST (10-100)	191,706,000	114,046,142 59.5%	\$ 77,659,858	\$ 77,659,858	\$ 191,706,000	\$ -

ITEM # E6

DATE: September 4, 2013

TO: Board Chair Alan Wapner and Members of the Omnitrans Board of Directors

THROUGH: P Scott Graham, Interim CEO/General Manager

FROM: Samuel Gibbs, Director of Internal Audit Services

SUBJECT: **SUMMARY OF RISK ASSESSMENT RESULTS AND
FY 2014 INTERNAL AUDIT WORKPLAN**

FORM MOTION

Receive and file the results from the risk assessment and the FY 2014 Internal Audit Workplan.

This item was reviewed by the Administrative and Finance Committee at its August 12, 2013, meeting and recommended to the Board of Directors for receive and file.

BACKGROUND

The Department of Internal Audit Services was approved by the Omnitrans Board of Directors on January 9, 2008. Internal Audit Services has been providing services to Omnitrans since April 2008. One of the responsibilities assigned to the Director of Internal Audit Services is to conduct a risk assessment of the Agency annually and develop a workplan which includes audit engagements and activities for mitigation of risk.

ANALYSIS

Internal Audit Services helps Omnitrans accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The workplan outlines the audit activities to mitigate the potential risk identified by the assessment matrix and summary of the interviews. Mitigation will consist of a mixture of audit engagements, strengthening of internal controls, and an evaluation of policies and procedures.

PSG:SJG

Attachment- List of planned engagements, and risk matrix and methodology



Omnitrans Department of Internal Audit Services

Internal Audit Report 13-02

Risk Assessment and FY 2014 Workplan

Auditor Name: Samuel Gibbs

Audit Date: June 17, 2013

TABLE OF CONTENTS

	<u>PAGE</u>
INTERNAL AUDIT ATTRIBUTES	
Purpose	3
Organizational, Independence, Structure, and Resources	3
RISK ASSESSMENT	
Standards of Audit Practices	5
Audit Frequencies	5
Process and Methodology	5
Determination of Audit Universe	7
Risk Domains	8
Recommended Areas for Audit Engagements	13
FY 2014 Audit Workplan	14

INTERNAL AUDIT ATTRIBUTES

Purpose

Mission

Omnitrans has established the Department of Internal Audit Services (DIAS) to strengthen internal controls and to promote the economy, efficiency and effectiveness of Omnitrans operations. The mission of the DIAS is to provide independent, objective assurances of Omnitrans. The DIAS will help Omnitrans accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The DIAS shall carry out independent and objective audits and reviews to accomplish its mission.

Goals and Objectives

DIAS is an internal service organization which assists Omnitrans management in ensuring:

- Omnitrans operates in accordance with Omnitrans procedures and applicable laws and regulations.
- Risks are appropriately identified and managed.
- Programs, plans and objectives are achieved.
- Adequate and effective systems of internal controls are in place.
- Important financial, managerial and operating information is accurate, reliable, and timely.
- Omnitrans contract and contract change order audits are conducted in a timely manner.
- Quality and continuous improvement are fostered in Omnitrans' control process.
- Significant legislative or regulatory issues impacting Omnitrans are recognized and addressed appropriately.
- Omnitrans assets and resources are adequately safeguarded, and Omnitrans operations are managed economically, efficiently and effectively.

DIAS participates and cooperates with management to ensure that Omnitrans successfully achieves its mission.

Organizational, Independence, Structure, and Resources

DIAS is given complete independence by Omnitrans executive management in using its resources, in selecting the area to be audited and the methodology to be used, and in determining the conclusions and recommendations resulting from its work. The Director of DIAS reports directly to the Chief Executive Officer/General Manager.

DIAS shall submit written audit reports to the Board of Director's Administrative and Finance Committee and the CEO/General Manager, informing them of individual department's compliance with policies and procedures.

Risk Assessment
June 2013

All Omnitrans departments, programs, functions, systems, contracts and activities are subject to audits by DIAS. DIAS shall initiate audits activities based on assessed risk, legislative mandates and regulations, and on response to requests from Omnitrans Board of Directors, CEO/General Manager, and department heads. DIAS auditors and staff shall have complete and unrestrictive access to all books, records, documents, reports, plans, contracts, and other relevant materials, as well as to all Omnitrans personnel and its third party contractors. Omnitrans management and staff shall cooperate fully with DIAS auditors during discharge of their duties, to include prompt reply to DIAS audit reports findings and recommendations, in accordance with Omnitrans procedures for audit resolution and follow-up.

RISK ASSESSMENT

Standards of Audit Practices

DIAS auditors in conducting this risk assessment adhered to the professional standards set forth in the Government Audit Standards promulgated by the Comptroller of the United States, and the Institute of Internal auditors (e.g. *Standards for Professional Practice*).

What is Risk?

Risk can be defined as the combination of the probability of an event and its consequences. In simple terms risk can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur.

What is Risk Management?

Risk management is the process of recognizing risk and developing methods to both minimize and manage the risk. This requires the development of a method to identify, prioritize, treat (deal with), control and monitor risk exposures. In risk management, a process is followed where the risks are assessed against the likelihood (chance) of them occurring and the severity or amount of loss or damage (impact) which may result if they do happen.

The annual internal audit risk assessment is intended to demonstrate:

- the breadth and depth of audit activities addressing financial, operational, strategic, hazards, and compliance of the Agency in relationship to the associated risk;
- accountability for our resources; and
- The progress in our efforts to continually improve the Agency's Internal Audit program.

It is my intent to convey a current sense of the Agency's internal control environment and the extent to which controls are being assessed by regular audit activities, addressed proactively through advisory services, or investigated as a result of issues raised.

Frequency Performed

Risk assessments shall be performed annually, or as directed by the Administrative and Finance Committee of the Board of Directors, or the CEO/General Manager. Audit engagements will be conducted in accordance to the potential for weakened internal control or increased risk.

Process and Methodology

The process will involve consideration of all potential risks facing Omnitrans in pursuing its strategies with risks broken down into appropriate headings (e.g. strategic, operational, financial, and hazard etc.) and identified with the operating departments.

Risk Assessment

June 2013

All risks should be clearly defined together with the controls that currently exist to manage them. An assessment of the adequacy of the present control system will avoid duplication of resources, because several of the identified risks may already prove to be effectively controlled.

Risk will be determined by performing the following evaluations:

- Interview of the director and all key personnel in each operating department.
- A recap of all previous internal and external audits over the last 24 months.
- The use of a risk evaluation matrix recommended by the Institute of Internal Audits.
- The use of a self-assessment risk review list of questions provided by the FTA specifically designed to address risk in transit.

It is important that the internal systems and procedures in place are adequate to manage the identified risk. Where control weaknesses are identified, these should be noted so that the proposed action is taken to remedy such weaknesses.

Internal Audit Services will undertake the identification of risks. Input will be obtained from the individual operating departments to ensure that all risks have been taken into account and that important risk and control issues have not been overlooked.

Risks will be categorized as strategic, financial, hazard, or operational.

As not all risks represent equal significance to the Agency, each area shall be ranked high, medium or low in terms both of likely frequency and impact. The risk weighting is provided below by category.

Risk Matrix:

The risk matrix is designed to assess risk for the entire organization. The categories are: key risk that are identified as either operational, strategic, financial, or hazard; the impact of the risk which is weighted from 1-3 (1 being the lowest and 3 the highest); the probability of occurrence for the risk which is also weighted 1-3; the status of the activities for mitigating the risk, classified as open, in process, completed, or signed off; the residual risk rating which is rated 1-9, 1 being the lowest and 9 the highest risk; and trends which are defined as static, trending up or trending down. A category shaded in red is not an indication that this area is bad or unaddressed; it implies that attention will have to be applied in that area.

Determination of Audit Universe

Once risks have been identified and quantified, the next step is to control and manage the risks. This will involve the consideration of cost-effective actions, which will be judged against the risk ranking, and the likelihood of occurrence. The proposed action to be taken will then be mapped against the specified risk together with an implementation date reflected by the perceived urgency and the named person designated as responsible for managing the risk. Additional consideration will be given for recommendations from the Administrative and Finance Committee of the Board of Directors, and the CEO/General Manager. The evaluation was made for any Agency operating in our risk environment, and a red, yellow, and green matrix was created that shows the potential and probability for risk activities assuming all things are equal. Red is high risk, yellow is moderate risk, and green is low risk. Please note that a red risk indicator does not necessarily mean bad or negative, but could instead indicate the need for mitigation.

RISK DOMAINS

The risks facing the Agency today can be classified into domains that Enterprise Risk Management (ERM) recognizes:

Operational:

The Operational domain (the term operation in this case is not referring to vehicle operations) is derived from the organization's core business, including its systems, practices, policies, and procedures. Examples include procurement and planning policies. The senior leadership team has developed a dashboard that includes key performance indicators (KPI). The KPI will be used to report the effectiveness of the annual management plan to the Board of Directors.

Financial:

The Financial domain deals with risk related to the organization's ability to acquire, raise, or access capital as well as the costs associated with the transfer of risk. Examples might include federal, state, and local funding. Additionally, the Agency has to determine the risk appetite versus the potential savings for all forms of insurance. Finance has to determine and maintain the right risk management strategy for a public agency while optimizing the potential savings. Additional potential financial risk could be associated with the changes to the cash allocation from SANBAG.

Human Resources:

The Human Resources domain relates to the risk related to recruiting, retaining and managing the workforce. Examples include workers' compensation, FMLA, employee turnover, absenteeism, and discrimination. The Agency needs to place an emphasis on succession planning, skills inventory, training, and development to improve the internal applicant base. During this growth and transition period, the Agency will have to re-establish the relationships with the labor unions and identify how to best form equitable partnerships. Salaries have been frozen since July of 2008 for all employees. This could present human capital risk going forward. Improvement in the economy may cause key employees to evaluate other employment options. Additionally, an area of major concern is the average age of the Omnitrans' workforce, which is 52 years of age.

Strategic:

The Strategic domain is risk related to the ability of the organization to grow and expand. Examples include customer relations, plan growth, new projects, and any change in governance structure as a result of planned growth. This includes an evaluation of the alignment of the Agency's strategies to the actual activities of the Agency; additionally, how will the strategies and activities be measured? The strategic plan for the Agency has been re-evaluated and key performance indicators applied to key measurements. The leadership of the Agency is tasked

with identifying the best organizational structure going forward. This will be aided through the SANBAG study.

Legal/Regulatory:

The Legal/Regulatory domain is risk related to transit statutory and regulatory compliance. Examples include the changes in internal policies as a result of the changes in the new circular 4220.1F revised March 18, 2013. The Agency presently receives direction from the county's legal staff and Best, Best and Krieger. Additionally, close attention will be paid to changes in federal, state, and local regulations. The construction phase of the sbX project has surfaced a need for training and, management of the contracts in accordance with FTA guidelines.

Technological:

The Technology domain is risk associated with equipment, devices, and reporting systems. Examples include new fare box recovery equipment, and the implementation of a new Enterprise Resource Planning (ERP) system. The Department of Internal Audit Services will need to address additional vulnerability associated with a complex information technology department. The audit department will continue to assess the institutionalization of the new ERP system. The assessment will include an evaluation of the efficiency realizations relative to the implementation objectives. Additional IT support will be needed for the operational and maintenance phase of sbX starting in late December.

Other Areas of Interest

Fuel prices

Fuel prices continue to fluctuate and the price of fuel is presently showing a downward trend. Also of concern is the availability and dependability of Liquid Natural Gas. Omnitrans presently is under contract with one of the two available sources to Southern California. The hedge program and the pursuit of alternative fuel strategies were monitored during FY 2013. The first hedge contract expired at the end of December 2011 and Omnitrans has entered into a new two year contract in January of 2012. Contract one provided budget certainty, but yielded a negative gain due mostly to a \$14,400 a month administrative cost. The last six months of contract, one the spot market was below the hedge price and resulted in a \$42,309 a month negative gain. The price of CNG has gone down and appears to be on a continuing downward trend. The Agency is presently enjoying an average of \$.275 per gallon over the two year life of contract two. The contract is settled daily and recorded to the balance sheet at the end of each month. As of May 2013, the LNG market has increased, causing higher prices on the spot market and a favorable variance in the hedged LNG. The primary objective is to create budget certainty for the Agency. Both hedge contracts have been successful with providing budget certainty. At the end of June 2013 contract two which began in January 2012 is (\$1618.00).

sbX (IPMO) Project

The sbX project entered into the construction phase on January 30, 2012. This is the first major capital project for Omnitrans and the project requires both quality assurance and process audits by the external control team and internally. Audits of the invoices submitted for payment and the delivery matrixes, are being conducted to meet the FTA definition of progress payments in Circular 4220.1F. Now that the project is in the construction phase, we are conducting QA audits, financial audits, Work Breakdown Structure (WBS) audits, and random audits of the deliverables associated to the invoices. The QA Manager primary job is to audit the job sites, materials, and quality of the work conducted. The QA Manager reports directly to the Director of Internal Audit and spends 80% of his time in the field, reporting back to the Director of Internal Audit monthly. The Internal Audit department will remain engaged to audit compliance to FTA best practices identified in April 2013 Procurement System Review (PSR). Additionally, it will be required to conduct close-out audits and quality audits at the conclusion of the project at the end of this fiscal year.

Service Optimization

Service optimization; the issue is the optimization of service levels during a downward or static economy. The launching of the sbX Green Line and other future premium services will change the way that service delivery is viewed. Changes will be implemented changing the approach from a radius delivery network to a grid delivery network. Instead of tweaking the system in small bits and pieces: the system will be evaluated in a more comprehensive manner, integrating the fixed routes with sbX services. Reliability has to be maintained as demand increases and service remains flat.

Contract Management

The Agency is in the construction stage of sbX; therefore, contract management becomes a very important component of delivering a successful project. It is critical to manage all of the contracts according to the original document and in accordance to federal guidelines. A change order protocol has been established that gives the final authority to the CEO/GM, construction manager, and project manager contingent on their dollar authority. The execution of the change order process will be audited randomly and routinely. A key component to tracking the change order process is the documentation of each change and how the change order board arrived at the decision. The FTA had a consultant conduct a PSR late April 2013, there were 60 elements evaluated and 22 areas were found to be deficient. Of the 22 deficiencies, three were singled out as needing immediate attention.

Grant Process

Funding of the FTA grants for transit operators in the state of California has been placed on hold. The ATU has invoked Section 13(c) of the Labor Code that is preventing Federal Transit Administration grant funding to all transit agencies in California with ATU representation. This was done in response to the new California laws pertaining to the changes in the California Public Employees' Retirement System (CalPERS) that took effect in January. Internal Audit will

Risk Assessment

June 2013

also continue to review the weekly cash management report and provide guidance to the Finance team. Additionally, the internal auditor will review the execution of the quarterly FTA 1512 reporting requirements.

Economic Conditions/Budgeting

Challenging economic conditions are always a genesis for fraudulent or unethical practices. In support of the required SAS 114 examination during our external audit, the DIAS will continue with the fraud detection element to every internal audit engagement.

Succession Planning and Management Development

Succession planning is a strategy to recognize and promote internal growth and development at every level of the organization. The succession planning process requires the documenting of skill levels, identification of developmental needs, and tailored individual development programs. The first of many such programs is the Leadership Action Program. Additionally, the performance manager element will equip directors and senior leaders with the information about each of their direct reports to make sound developmental and staffing decisions. Key components of succession planning are: training and development, a skill inventory, and effective performance management. The FTA has awarded Omnitrans a \$340,000 grant to conduct workforce development, which will serve as a starting point for the succession planning and management development for the Agency.

Communication

The communication channels deal with the strategies for disseminating information internally and externally. The Agency is obligated to communicate policy and procedures consistently across all departments, and have effective methods to ensure important information affecting all employees is communicated. Critical information must be communicated to the Board of Directors effectively and in a timely manner.

The Quality Management process

During the construction phases of the sbX project, a comprehensive QA program has been developed to measure and monitor quality. A member of the quality assurance (QA) team is in the field daily monitoring the quality of the work performed by the contractor and the Construction Management Services (CMS). The QA representative will also be engaged on the construction sites evaluating the adherence to the contract, to the design specifications, document control, and conducting material testing. The QA representative will play a key role in project close out.

Operations Management Plan (OMP)

As required by the FTA, Omnitrans has to establish an OMP for the operations of the sbX line from the responsibilities of Operations, Maintenance, Marketing, Safety and Security, and

Risk Assessment

June 2013

Information Technology. The OMP is not limited to the departments mentioned, it will include all activities related to operating the sbX Green line.

Employee Compensation

The Agency has been on a salary freeze for the past five years. Senior leadership will need to discuss strategies for employee retention. As the economy starts to recover, key employees may start to evaluate options.

Recommended Areas for Audit Engagements

Risk can be mitigated by conducting audit engagements in the following areas:

- Construction quality audits and reporting
- Construction close-out audits
- Cash Management
- Succession Planning, including performance management and employee development
- Information technology
- Grant Process
- sbX construction timelines, milestones, and invoicing
- Construction change order process
- The institutionalization of the SAP platform in three areas: knowledge sharing, improvement in production operation, and business integration.
- PSR reviews and audits to follow up on corrective actions to the 22 deficiencies
- Preparations for upcoming Financial Management Oversight (FMO) and Triennial Review from the FTA

Strategic

Future Funding and Growth-The Agency has to determine strategies for future funding and growth. The out years after FY 2014 will have some uncertainties. The Agency will address methods for cost containment/reductions to optimize current funding to maximize efficiencies. Additionally, the Agency is facing a \$14.5 million dollar funding shortfall over the next six years. In addition, the withholding of 11.7 million dollars in Section 5307 funds due to the objection by the ATU to the Department of Labor regarding the CalPERS reform that took effect in January 2013.

Operational

Service Optimization- The development of strategies to address the optimization of service levels during a downward or static economy. The launching of the sbX Green Line and other future premium services will change the way that service delivery is viewed. Changes will be implemented changing the approach from a radius delivery network to a grid delivery network. Instead of tweaking the system in small bits and pieces: the system will be evaluated in a more comprehensive manner, integrating the fixed routes with the sbX services. Reliability has to be maintained as demand increases and service remains flat.

QA Site Visits- A comprehensive quality program was written to administer quality control to the construction phase of the sbX project. The QA Manager will conduct onsite quality audits and report the results monthly. DIAS will monitor the QA activities which will include periodic site visits.

Random Review of Invoices- Both DIAS and the QA Manager will conduct random audits of the invoices submitted for payment to ensure that all regulations are followed and the deliverables match the reported percent of completion.

Procurement Review- the Agency's procurement process was audited by the FTA in April 2013 and there were 60 elements reviewed, 32 were deemed non deficient, 22 deficient and 6 not applicable. The Department of Internal Audit Services will continue to randomly evaluate the effectiveness of the procurement processes and provide support to ensure that the controls are strengthened.

PSR Reviews and Audits- Follow up on the areas identified as deficient during the PSR. Some follow up calls for reviews while others suggest full audits.

Procurement System Review (PSR) Details- Continue to perform random audits using the guidelines provided by the FTA for a PSR. Procurement System Review (PSR) audit will include, follow-up on procurement contracts. Look for spot checks, checklists, proper price and price/cost analysis.

Contract Administration- DIAS will conduct regular random audits of the administration of active contracts, including sbX. Additionally, there will be reviews of the change order process and the resolutions to submitted change orders.

Site Visit I St. and Feron St. - Internal Audit will conduct follow up reviews and visits to assess proper monitoring of the safety and security and drug and alcohol compliance audits for the contract provider First Transit.

Bus Ride- Take a monthly bus ride and monitor rider perception, customer service, driver behavior, and Agency image. Whenever feasible, comparison audits will be conducted on the reliability of the Trapeze, TransitMaster data, and data reported for NTD.

HR

Review Succession Planning- The Agency is tasked with developing a comprehensive succession plan that includes elements of performance management, employee development, and mentoring. The success of these initiatives is reliant on the full participation of each department director and their management staff.

Work Schedules and Flex- Conduct biannual follow up reviews of individual work schedules by department. Reviews will address the following questions, are all employees working within core hours as defined by that department by the department director, is the management confidential and represented employees working within the policies for each designation? This process will consist of a full audit annually and quarterly follow ups.

Workers' Compensation- A follow-up audit will be performed to review compliance with law and regulations for workman's compensation and surveys will be conducted to find methods to reduce workman compensation claims.

Employee Recreation Club (ERC) - Conduct ongoing random and routine audits on the ERC activities and financial management process.

Financial

Transaction Flow Review- Select random transactions in accounts payable, accounts receivable, receiving, and procurement and follow the flow from beginning to end. The review will include monitoring who has access to that area, what the lines of authority are, and the process.

Cycle Count/Inventory Control- a weekly assessment and recap of the previous week's cycle count will be performed. The normal full review will be conducted on a quarterly basis.

Inventory Control- A full review will be conducted biannually to ensure that all processes for inventory management are being completed at both East Valley and West Valley. These processes include cycle counts Mon-Thurs., timely reconciliation, and proper reporting.

Fuel Audit- Conduct a review of fuel use and management of the Forward Fuel Purchase Policy. Additionally, all transactions for the Forward Fuel Purchase Policy will be subject to random and routine audits as deemed necessary by the CEO/General Manager or the Administrative and Finance Committee of the Board of Directors.

Risk Assessment
June 2013

Grant Review and Update- routine review of the grant process is needed to ensure that the Agency is maximizing the funding options available. In addition, the grant process will be evaluated to ensure that all funds are drawn down as soon as the funds are available to the Agency. For example, the Treasury Manager is requesting federal reimbursement as soon as the Agency pays the invoice and there is not more than 72 hours between when invoices are paid and reimbursements are drawn down from ECHO. Follow up on FTA requirement for timely close out of grants.

Cash Accountability- Internal Audit and the Finance staff will conduct both quarterly and random audits of the cash collection and counting process for the fareboxes. The counting and deposit of these funds are performed by an outside vendor. Omnitrans is able to monitor the process by matching the GFI reports to the bank deposit slips.

Petty Cash- Conduct biannual reviews of all petty cash funds. Review petty cash funds to ensure that transactions are conducted in accordance to the Agency's policy (approved 4-10-2006 and revised 12-15-2006).

P-Cards- Conduct biannual reviews of P-Card use within compliance of applicable laws, regulations, and Agency policy 3000.

Technology

IT Evaluation- The help desk and other portions of the IT department have been outsourced since July 7, 2010. The proposed engagements with IT will include the monitoring of IT security such as passwords, security levels, and delegations of duties (no one IT employee should have exclusive access to all levels of the IT infrastructure). Additionally, in FY 2014 emphasis will be placed on implementing a management dashboard, Capability Maturity Model Integration (CMMI) process improvement, and a project proposal and management system. Some of the responsibilities for IT monitoring might be delegated to consultants or contract help.

Information Technology (IT) - Audit to review license and security levels on the network. An additional review will be performed addressing the safeguard of confidential information. An audit will be performed to measure the effectiveness of SAP implementations. Internal Audit will look into contracting an IT auditor and billing it to the SAP contract.

Additional Engagements

Carry-forward audits

This category will be dependent upon current audits that are incomplete at the end of the fiscal year end.

Other audit engagements to be complete this fiscal year

Conflicts of Interest- A review will be conducted of current laws, regulations and policies and their application at the Agency.

Discipline and Termination- A review will be conducted of the discipline and termination process and compliance with applicable laws, regulations and policies.

Hiring Processes- A random review of the hiring process, and compliance with applicable laws, regulations and policies will be conducted.

Special Projects- Any activity deemed necessary by the CEO/GM, or the Administrative and Finance Committee.

Risk Assessment- An updated risk assessment will be conducted in late May 2014 no later than early July 2014.

Follow-Up- Conduct reviews of completed audits to assess the progress and implementation of previously issued audit recommendations and management responses as required by the Professional Standards. Follow up on any material issues or deficiencies identified by the Financial Review currently in progress.

ID	Key Risk	Description of RISK Concern (the issue is x, caused because of y, results in z)	Description of potential IMPACT (with estimated costs if possible)	Description of PROBABILITY factors	Impact	Probability	Level of RISK	Owner of Risk	Risk Mitigation	Risk Trend	Residual Risk Rating
1	Operational	Procurement System Review (PSR), Financial Management Oversight (FMO), and Triennial Reviews The FTA 4220.1f needs to be communicated and training provided on how to apply to Procurements Agency wide. Accordingly, training will be provided on the FTA guidelines for Triennial and FMO reviews.	This could impact vendor relations, cost, change orders, funding, and timely completion of projects.	The probabilities are moderate to high.	3	3	6	Scott Graham, Interim CEO/GM and all Directors and project managers.	Provide leadership, guidance, and communication to ensure all staff is familiar with 4220.1f.	Downwards	6
2	Strategic	The Agency has to determine strategies for future funding and growth. The out years after FY 2014 will have some uncertainties. The Agency will address methods for cost containment/reductions to optimize current funding to maximize efficiencies. Additionally, the Agency is facing a \$14.5 million dollar funding shortfall over the next six years. In addition, the withholding of 11.7 million dollars in 5307 funds due to the challenge by the ATU to the Department of Labor could lead to reduction in service.	The proper funding strategy will drive future growth. The Agency will have to look at staffing, service levels, and alternate funding sources.	Probabilities are high.	3	3	9	Scott Graham, Interim CEO/GM and all Directors.	The CEO and senior leadership will continue to evaluate and engage the Board of Directors in dialogue about cost containment and the release of operational and capital funding.	Upwards	6
3	Operational	Service optimization; the issue is the optimization of service levels during a downward or static economy. The launching of the sbX Green Line and other future premium services will change the way that service delivery is viewed. Changes will be implemented changing the approach from a radius delivery network to a grid delivery network. Instead of tweaking the system in small bits and pieces, the system will be evaluated in a more comprehensive manner, integrating the fixed routes with the sbX services. Reliability has to be maintained as demand increases and service remains flat.	The proper alignment and service optimization will lead to increased ridership.	The probabilities are moderate to moderately high.	3	3	9	All Senior Leaders	Continue to survey the riding public and formulate strategies to address the needs. Look for alternative delivery of services.	Upwards	3
4	HR	The issue is the Agency's approach to workforce management which has to incorporate a succession planning element to provide internal staff with a tool for development that promotes loyalty and longevity. The Agency has an aging workforce with the average age of 52 years old.	This will lessen turnover and the cost associated with turnover. Succession planning will improve employee development, increase morale, and provide the Agency with a better trained workforce.	The probabilities are high that the leadership program and other employee based development programs will yield positive results.	1	1	1	Marjorie Ewing, HR Director, Sam Gibbs, and Ray Lopez	The agency needs to continue to provide the time and resources to develop and track employee's competencies.	Upwards	1

Dept./Function :	OmniTrans
Head/Manager :	OmniTrans
Date :	Monday, June 24, 2013

ID	Key Risk	Description of RISK Concern (the issue is x, caused because of y, results in z)	Description of potential IMPACT (with estimated costs if possible)	Description of PROBABILITY factors	Impact	Probability	Level of RISK	Owner of Risk	Risk Mitigation	Risk Trend	Residual Risk Rating
5	Operational	The development of a coordinated and comprehensive Operation and Management Plan (OMP) will ensure efficient operation of the sbX Green Line	Improved efficiency in the maintenance and operation of sbX, and rider confidence in the service delivery.	Without ongoing assessment, the probabilities are high.	3	2	6	Scott Graham Interim CEO/GM and Senior Leadership Team	A QA Manager will be hired who will be responsible for daily assessments and assurance. The report will be provided to the Director of DIAS.	Upwards	6
6	Financial	The issue is the proper management of the Agency's financial risks relative to insurance. This includes the ability to evaluate trends and assign the proper amount of coverage based on the probability of occurrences, in concert with the CalTIP consortium.	Setting the proper risk appetite for the Agency. This includes estimating the liability for CalTIP based on the trend of all members in the consortium.	The probability of occurrences is a moving target that is dictated by external conditions. OmniTrans is a member of a consortium and prices may vary depending on conditions with other members of the consortium.	2	2	4	Marge Ewing, Director of Human Resources; Donald Walker Director of Finance; Samuel Gibbs, Director of Internal Audit	Form a risk management team who will regularly evaluate the Agency's position and make recommendations to the senior leadership team.	Static	3
7	HR	The Agency will need to address the compensation strategy for all employees.	The impact could be the loss of key employees.	Moderate to high	3	2	6	Donald Walker, Finance Director, Human Resources Director	The senior leadership will need to discuss strategies to retain employees.	Upwards	4

ITEM # E7

DATE: September 4, 2013

TO: Board Chair Alan Wapner and Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Marjorie Ewing, Director of Human Resources

SUBJECT: **ADOPT REVISIONS TO PERSONNEL POLICY #701
SUBSTANCE ABUSE**

FORM MOTION

Adopt proposed change to Personnel Policy #701, Substance Abuse, effective September 4, 2013.

This item was reviewed by the Administrative and Finance Committee at its August 12, 2013, meeting and recommended for adoption.

BACKGROUND

In December 2011, the Board of Directors approved changes to Personnel Policy 701, Substance Abuse as a result of an FTA Audit conducted in September 2011. Changes made to the policy at that time were FTA required language, with the exception of two sentences in Part III (B)(4), which eliminated the self-identification and rehabilitation provision. Subsequent to approval of those changes, the Amalgamated Transit Union Local #1704 filed a grievance regarding the changes alleging that Omnitrans violated the Memorandum of Understanding (MOU) with the implementation of the changes to the policy. This matter advanced through the grievance process and was ultimately heard by Arbitrator Robert D. Steinberg, Arbitration Case No. 12-11.

Arbitrator Steinberg's Award was received on December 22, 2012, which stated:

1. The grievance is sustained as it relates to the elimination of the "self-identification and rehabilitation" provision of the pre-audit substance abuse Policy 701.
2. Part III(B)(4), at least the non-FTA required language of the first two sentences, shall be (*de facto*) restored and remain in effect until the Agency satisfies its bargaining obligation as required by the MOU, interpreted in light of the law.
3. In no other respect did Omnitrans fail to meet and confer with the Union.

As the Memorandum of Understanding with the Amalgamated Transit Union Local #1704, Grievance Procedure, stipulates that the Arbitrator's decision is final and binding, Omnitrans has

reinstated the language in Part III(B)(4) that was removed with the December 2011 revision. This language is highlighted on Page 6 of the attached policy.

FUNDING SOURCE

There are no increased costs associated with the recommendation.

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

CONCLUSION

Adoption of the proposed changes to Personnel Policy #701, Substance Abuse, will bring the policy in compliance with the Arbitrator's final and binding decision.

PSG:ME

Attachment



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 1 OF 44

SUBJECT

Substance Abuse (Alcohol, Drugs & Narcotics)

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011 – September 4, 2013

I. Purpose

Omnitrans is dedicated to providing safe, dependable and economical transportation services to our transit system passengers. The Federal Transit Administration (FTA) has specifically noted the use of alcohol and illegal drugs has been demonstrated to significantly affect the performance of individuals in the mass transportation industry. Omnitrans employees are our most valuable resource and it is our goal to provide a healthy, satisfying working environment, which promotes personal opportunities for growth. In meeting these goals, it is our policy to (1) assure employees are not impaired in their ability to perform assigned duties in a safe, productive, and healthy manner; (2) create a workplace environment free from the adverse affects of drug and alcohol substance abuse or misuse; (3) prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances; and (4) to encourage employees to seek professional assistance anytime personal problems, including alcohol or drug dependency, adversely affect their ability to perform their assigned duties.

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the risks posed by the use of alcohol and prohibited drugs. The Agency has developed and implemented a drug and alcohol testing program designed to help prevent accidents and injuries resulting from the misuse of alcohol and illegal drugs by employees who perform safety-sensitive functions. While it is difficult to estimate the precise cost to society from alcohol misuse, there is no doubt that the cost is enormous. The potential side effects of alcohol misuse are substantial in absenteeism, increased health care costs, etc. This program will also help discourage substance abuse, and operate as a deterrent to those individuals who might be tempted to try drugs for the first time or who currently use drugs. Finally, we believe this program enhances the safety of our employees and the users of mass transportation by fostering the early identification and referral for treatment of workers with alcohol or drug abuse problems.

This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transit industry. The Federal Transit Administration (FTA) of the U. S. Department of Transportation has published 49 CFR Part 655, as amended, that mandates urine drug testing and breath alcohol testing for safety-sensitive functions and prevents performance of safety-sensitive functions when there is a positive test result. The U. S. Department of Transportation (DOT) has also enacted 49 CFR part 40 that sets standards for the collection and testing of urine and breath specimens. In addition, the Federal government published 49 CFR Part 32, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug-free workplace policies and the reporting



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 2 OF 44

SUBJECT

Substance Abuse (Alcohol, Drugs & Narcotics)

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: ~~December 7, 2011~~ September 4, 2013

of certain drug-related offenses to the FTA. This policy incorporates those requirements for safety-sensitive employees and others when so noted.

All provisions set forth in **bold face print** are included consistent with requirements set forth in 49 CFR Part 40 and Part 655, as amended. All other provisions are set forth under the authority of the Agency.

II. Scope

This policy applies to all safety-sensitive and non-safety-sensitive Agency applicants, transferees, employees, paid part-time employees, contracted employees, and contractors when they are on transit property or **when performing any transit related safety-sensitive or non-safety-sensitive business**. Visitors, vendors, and contractor employees are governed by this policy while on transit premises and will not be permitted to conduct transit business if found to be in violation of this policy.

A. For purposes of this policy “safety-sensitive function” includes:

- 1. Operating a revenue service vehicle, including when not in revenue service;**
- 2. Operating a non-revenue vehicle, when required to be operated by a holder of a Commercial Driver’s License;**
- 3. Controlling dispatch of movement of a revenue service vehicle;**
- 4. Maintaining a revenue service vehicle or equipment used in revenue service, or**
- 5. Carrying a firearm for security purposes.**

An individual will be considered to be performing a safety-sensitive function during any period in which he/she is actually performing, ready to perform or immediately available to perform such functions. Supervisors who may also perform safety-sensitive functions will be considered covered employees by this policy.

Appendix A lists Safety-Sensitive job titles at Omnitrans.

B. Contractors

This policy also applies to recipients of FTA assistance as defined in 49 CFR Part 655, as well other entities that provide mass transportation services or perform safety-sensitive functions for such recipients or entities, including subrecipients, operators and contractors. Contractors



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 3 OF 44

SUBJECT

Substance Abuse (Alcohol, Drugs & Narcotics)

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

subject to the requirements of the regulations include persons or organizations that provide services for the Agency consistent with a specific understanding or arrangement that reflects an ongoing relationship between the parties. The Agency will ensure that any contractors who perform safety-sensitive functions within the scope of this policy and the regulations certify their compliance with the requirements of 49 CFR Part 655.

III. Procedure

A. Prohibited Substances

1. Alcohol

Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol. “Alcohol use” means the consumption of any beverage, mixture, or preparation, including any medication, which contains alcohol. “Alcohol concentration” (or content) means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test.

2. Illegally Used Controlled Substances or Drugs

Although this policy prohibits the use of any controlled substances not lawfully prescribed by a physician, any drug test required under this policy will analyze an individual’s urine to test for the presence of marijuana, cocaine, opiates, amphetamines and phencyclidine. The use of these five drugs is always illegal. Therefore, safety-sensitive employees may be tested at any time while on duty.

Appendix B indicates cut off levels for the initial and confirmatory tests.

3. Prescription & Non-Prescription (Over-the-Counter Drug Use)

While the use of legally prescribed drugs and non-prescription medications is not prohibited, employees must understand they have a responsibility to notify their supervisor if they are taking any medication which indicates that mental functioning, motor skills, or judgment may be adversely affected.

A legally prescribed drug is one written for you by a licensed physician and it includes the patient’s name, the name of the medication, quantity/amount to



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 4 OF 44

SUBJECT

Substance Abuse (Alcohol, Drugs & Narcotics)

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: ~~December 7, 2011~~ September 4, 2013

be taken, and the period of authorization. The safety-sensitive employee is required to complete and have their physician complete the Safety-Sensitive Employee Prescription Drug Use Form (Appendix K). If the employee is taking any non-prescribed over-the-counter medications, the employee must also notify their supervisor by completing the Safety-Sensitive Employee Non-Prescription Form (Over-the-Counter Medications Only) (Appendix L).

The misuse or abuse of legal drugs while performing transit business is prohibited and subject to disciplinary action, up to and including termination of employment. **An individual will be allowed to list on the back of the donor copy of the Urine Custody and Control Form, any prescribed medication that he/she may be taking or may have recently taken.**

B. Conditions of Employment

Participation in Omnitrans drug and alcohol testing program is a requirement of each safety-sensitive employee and, therefore is a condition of employment. Covered employees are also prohibited from refusing to submit to a required substance abuse test as outlined by this policy.

1. Prohibited Conduct

a. Manufacture, Trafficking, Possession, and Use.

Any **employee engaging in the manufacture, distribution, dispensing, possession, or use of prohibited substances** on Omnitrans premises, **in transit vehicles**, in uniform, or while on Omnitrans business will be subject to termination. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.

b. Impairment

Any **safety-sensitive** or non-safety sensitive employee who is reasonably suspected of being impaired by a prohibited substance, or not fit for duty shall be suspended from job duties pending an investigation and verification of condition. Employees found to be impaired by prohibited substances or **who fail to pass a drug or alcohol test shall be removed from duty** and subject to termination. **A drug or alcohol test is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49 CFR Part 40, as amended.**



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 5 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

c. Alcohol Use

Agency and the **Federal Transit Administration Regulations** prohibit the following conduct as it relates to alcohol use:

- 1) **No safety-sensitive or non-safety-sensitive employee should report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her blood alcohol concentration is 0.04 or greater.**
- 2) **No employee shall have used alcohol within four hours of reporting for duty.**
- 3) **No employee shall use alcohol while performing safety-sensitive functions, or just before or just after performing a safety-sensitive function.**
- 4) **No employees shall use alcohol during the hours they are on call.**
- 5) **No safety-sensitive employee shall use alcohol for eight hours following an accident, unless the employee has first undergone a post-accident alcohol test.**

Violation of these provisions is prohibited, and will make the employee subject to disciplinary action up to and including termination.

2. Notifying the Transit System of Criminal , Alcohol and/or Drug Conviction

Any employee who fails to notify Omnitrans in writing within five (5) days of any criminal, alcohol and/or drug statute conviction shall be subject to disciplinary action up to and including termination. Omnitrans will then report the conviction as stated above to the FTA Regional Counsel within ten (10) calendar days.

3. Compliance with Testing Requirements

All safety-sensitive and non-safety-sensitive employees will be subject to urine drug testing and breath alcohol testing. Any employee who refuses to comply with a request for testing, who provides false information in connection with a test, or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately, and be subject to dismissal proceedings. Refusal can include an inability to provide a urine specimen or breath sample without



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 6 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

a valid medical explanation, as well as a verbal declaration, obstructive behavior, or physical absence resulting in the inability to conduct the test.

4. Self Identification and Rehabilitation

It is Omnitrans policy to encourage employees to identify and detect their alcohol and substance abuse problems, and to enter a rehabilitation program. Accordingly, the Agency will allow employees, with a minimum of one year's service, one opportunity to enter a rehabilitation program if they identify themselves before Agency detection of the problem, or the occurrence of a situation that may result in a requirement to undergo urine and breath testing.

5. Proper Application of the Policy

Omnitrans is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, all supervisory employees are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisory employee who knowingly disregards the requirements of this policy, or who is found to deliberately misuse, or neglect to enforce the policy in regard to subordinates, shall be subject to disciplinary action up to and including termination.

C. TESTING CIRCUMSTANCES

Analytical urine drug testing and breath testing for alcohol may be conducted when circumstances warrant or as required by Federal regulations. **All safety-sensitive and non-safety-sensitive employees shall be subject to testing prior to employment (post offer) or transfer to safety-sensitive positions, for reasonable suspicions/probable cause, fit for duty medical examination (post 90 day return from leave), and following an accident. Those employees who perform the safety-sensitive job listed in Appendix A to this policy shall also be subject to testing on a random, unannounced basis.**

Before performing any alcohol or drug test required by this policy, the Agency will notify the test subject the test is being required pursuant to this policy and/or Federal Transit Administration Regulations (49 CFR Part 655). The Agency will not represent that any requested test is required by federal regulations if, in fact, the individual to be tested is not subject to those regulations.



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 7 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

1. Pre-employment Testing

All safety-sensitive and non-safety-sensitive position applicants shall undergo urine drug testing prior to (post offer) employment. Receipt by Omnitrans of negative test result is required prior to beginning safety-sensitive duties. All employees being transferred from a non-safety-sensitive function to a safety-sensitive function will also be required to have a negative pre-employment drug test result prior to beginning any safety-sensitive function. The test must be performed within 90 days of beginning any safety-sensitive duties. If a test is cancelled for any reason, the employee or applicant must retake and have a negative result prior to being hired or beginning any safety-sensitive function. Failure of a drug test will disqualify an applicant for employment for a period of two (2) years.

Omnitrans will obtain written consent from applicants to request information from previous DOT regulated employers that had employed the individual within the previous two years. If the applicant does not provide consent, he/she may not perform any safety-sensitive functions.

Pursuant to Section 655.41(a)(2), all applicants and/or employees of safety-sensitive positions will be asked during the oral interview portion of the selection process if they have ever failed or refused a DOT pre-employment drug test including requiring evidence that the applicant and/or employee has successfully completed a referral, evaluation and treatment plan.

An employee who has not performed a safety-sensitive duty for 90 consecutive days or more and has not been in the random selection pool shall take a pre-employment physical examination that includes a DOT drug test with a verified negative result before returning to safety-sensitive duties.

2. Reasonable Suspicion Testing

All safety-sensitive and non-safety-sensitive employees may be subject to a fitness for duty evaluation, to include appropriate urine and/or breath testing when there are reasons to believe that drug or alcohol use is adversely affecting job performance including, but not limited to, any employee suspected of possessing, using or being impaired by alcohol or an illegal drug, a legal drug if such use would violate this



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 8 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

Policy or pose a safety threat, **while on duty** and/or in Agency uniform.

A reasonable suspicion referral for testing must be based upon specific, contemporaneous, articulate observations concerning appearance, behavior, speech, or body odors of the covered safety-sensitive and non safety-sensitive employee consistent with possible drug use or alcohol misuse. These observations will only be made by one supervisor who has received appropriate training in detecting the signs and symptoms of drug and alcohol use and will be documented by that individual on a “Reasonable Suspicion – Individual Test Summary” (Appendix J). A reasonable suspicion alcohol test will only be required if the reasonable suspicion observations are made just before, during or after the period of the work day that the covered employee is required to be in compliance with this policy.

If the reasonable suspicion alcohol test is not administered within two (2) hours following the reasonable suspicion determination, the Agency will document the reasons why the test was not promptly administered. If the test is not administered within eight (8) hours following the reasonable suspicion determination, the Agency will no longer attempt to administer an alcohol test and will document the reasons for its inability to do the test.

In any reasonable suspicion testing circumstance, an Agency representative will transport the individual to the collection facility and await the completion of the collection procedure. The Agency representative will then transport the individual back to the Agency’s premises where a family member or designated individual will be contacted to transport the individual from the premises. In the event no such individual is available, the Agency will contact a taxi to transport the employee home. The cost of the taxi will be reimbursed to the individual if the reasonable suspicion test result is negative. If the individual refuses to comply with any of these procedures and attempts to operate his/her own vehicle, the Agency will take appropriate efforts to discourage him/her from doing so, up to and including contacting local law enforcement officials. Any employee failing to cooperate with any of the above procedures will be subject to disciplinary action, up to and including termination.

Any safety-sensitive or non-safety-sensitive employee may not be assigned to a safety-sensitive function until a negative result has been received. An employee receiving a negative result shall be promptly returned to his/her former duties. While awaiting test result(s), employees



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 9 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

will be put on paid administrative leave.

3. Post-Accident Testing

a) Safety-sensitive employees will be required to undergo alcohol and drug testing if they are involved in an accident while operating an Omnitrans vehicle (regardless of whether or not the vehicle is in revenue service), if as a result of the accident:

- 1) An individual dies;**
- 2) An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident;**
- 3) With respect to an occurrence in which the mass transit vehicle involved a bus, electric bus, van or automobile, one or more vehicles incurs disabling damage as the result of the occurrence and is transported away from the scene by a tow truck or other vehicle. Disabling damage means damage which precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs, including damage to motor vehicles that could have been driven, but would have been further damaged if so driven. Disabling damage does not include damages which can be remedied temporarily at the scene of the accident without special tools or parts, tire disablement without other damage (even if no spare tire is available), headlamp or taillight damage, or damage to turn signals, horn or windshield wipers which makes them inoperative; or The total damage caused by the accident is estimated to exceed \$5,000.00.**

A post-accident test will be conducted on all surviving covered employees whose performance could have contributed to the accident, as determined by the Agency using the best information available at the time of the decision.

Post accident testing is stayed while the employee assists in the resolution of the accident or receives medical attention following the accident. In the event following an accident, an alcohol test is not administered within two (2) hours; the Agency will prepare and maintain record stating the reasons why the test was not promptly administered. The employee will be tested for alcohol within eight (8) hours of the accident, or the Agency will make no further effort to administer and will document the reasons why the test was not



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 10 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

administered within eight (8) hours. In the event a drug test is not administered within 32 hours following an accident, the Agency will cease its attempts to administer further drug testing. Any employee involved in an accident must refrain from alcohol use for eight hours following the accident or until he/she undergoes a post-accident alcohol test. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to drug and alcohol testing will be considered to have refused the test. Employees tested under this provision will include not only the operations personnel, but any other covered employee whose performance could have contributed to the accident.

- b) The Post-Accident Individual Test Summary form (Appendix I) shall be used by the supervisor to ensure that proper procedure is followed in post-accident drug and alcohol testing. This form will be identified with an identification number that corresponds with accident records. The form will be kept as part of the testing records.
- c) Testing will not be required after non-fatal accidents if the Agency determines, using the best information available at the time of the decision, that the covered employee's performance can be completely discounted as a contributing factor to the accident and that the employee's performance could not have contributed to the accident.

4. Random Testing

Any safety-sensitive employees subject to the Federal Transit Administration guidelines of this policy will be required to submit to random drug and alcohol testing. The Agency will conduct random drug and alcohol tests at no less than the minimum annual percentage rate as required by the FTA. The current minimum annual percentage rates are located in Appendix C.

The random selection process is completely objective and anonymous and utilizes a scientifically valid method using a computer-based random number generator matched with a random number assigned to the employee's social security number. The tests will be unannounced and the dates for the tests will be reasonably spread throughout the course of the calendar year and occur throughout the work shift. All employees will have an equal chance of being tested each time selections are made, regardless of the number of his/her previous



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 11 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

selections, if any.

Any covered employee notified of his/her selection for random testing will be required to proceed immediately to the test site. If a covered employee is performing a safety-sensitive function at the time of notification of the random test requirement, he/she will be required to cease performing the safety-sensitive function and proceed to the testing site as soon as possible. Covered employees will only be required to submit to a random alcohol test if they are performing a safety-sensitive function, about to perform a safety-sensitive function, or have just ceased performing a safety-sensitive function.

5. Refusal to Submit

Any covered employee who refuses to submit to an alcohol or drug test will be prohibited from performing or continuing to perform a safety-sensitive function and be subject to termination "Refusal to submit" to an alcohol or drug test constitutes a positive result, a violation of this policy, and includes the following conduct:

- a. Failing to provide adequate breath for alcohol testing, without a valid medical explanation after an individual has received notice of a required breath test;
- b. Failing to provide an adequate urine sample for drug testing, without a genuine inability to provide a specimen (as determined by a medical evaluation), after an individual has received notice of a required urine test;
- c. Engaging in conduct that clearly obstructs the testing process, including the failure or refusal to sign any document or form required under this policy or by any party authorized to carry out testing under this policy;
- d. Failing to remain readily available for testing, including notifying the Agency of his/her location if he/she leaves the scene of the accident, when an individual is involved in an accident as defined in this policy; and
- e. Failure of the employee to report to the collection/testing site in a timely manner, as defined by Omnitrans, once notification is given without a reasonable excuse for a required test (except for a pre-



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 12 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

employment test).

- f. Leaving a collection facility prior to a test completion (except in a pre-employment test where leaving before the test begins is not considered a test refusal).
- g. Failure to permit an observed or monitored collection when required.
- h. Failure to take a second test when required (i.e. a cancelled test).
- i. Failure to undergo a medical exam when required.
- j. For an observed collection, failure to follow the observers instructions to raise clothing above the waist, lower clothing and underpants and turn around.
- k. Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process.
- l. Admitting to the adulteration or substitution of a specimen to the collector or MRO.
- m. MRO's verification of a test as adulterated or substituted constitutes a refusal.

D. ALCOHOL TESTING METHODOLOGIES

- a. Alcohol Testing Personnel
 - a) Breath Alcohol Technician

All alcohol testing required under this policy will be carried out by a breath alcohol technician ("BAT") trained to proficiency in the operation of the evidential breath testing device ("EBT") being used by the Agency for alcohol testing and in the alcohol testing procedures required herein. The BAT will be required to successfully complete a course of instruction that meets the standards of the National Highway Traffic Safety Administration (NHTSA) model course and documents that the BAT has demonstrated competence in the operation of the specific EBT being used by the Agency.



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 13 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011 – September 4, 2013

b) Screening Test Technician (STT)

Anyone qualified to act as a Breath Alcohol Technician may act as a Screening Test Technician (STT), provided that he/she has demonstrated proficiency in the operation of the non-evidential screening device to be used by that individual. Any other individual may act as an STT as long as he or she successfully completes the Department of Transportation model course, or a course of instruction determined by the Department of Transportation's Office of Drug and Alcohol Policy Compliance to be equivalent to it.

2. Alcohol Testing Device

- a) **Evidential Breath Testing Device for the evidential testing of alcohol is listed in the "Conforming Products List (CPL) of Evidential Breath Measurement Devices." For confirmatory breath tests, the Agency will use an EBT that is capable of providing a printed result of each breath test in triplicate (or three consecutive identical copies). This device will be capable of assigning a unique and sequential number to each completed test. The EBT will also be able to distinguish alcohol from acetone at the 0.02 alcohol concentration level and be capable of testing an air blank prior to each collection of breath and performing an external calibration check.**
- b) **In order to be used for any alcohol testing under this policy, the EBT and must have a quality assurance plan (QAP) developed by the manufacturer and approved by National Highway Traffic Safety Administration (NHTSA). The Agency or its designated agent will ensure compliance with the QAP for each EBT it uses for alcohol testing under this policy.**

3. Alcohol Testing Site

- a) **The Agency will use an alcohol testing site that affords visual and aural privacy to the individual being tested sufficient to prevent unauthorized persons from seeing or hearing test results. The alcohol testing site will be secure and no unauthorized persons will be permitted access to it at any time when testing is being conducted or when the EBT remains unsecured. Alcohol testing will take place at locations designated by the Agency.**



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 14 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

b) In unusual circumstances (e.g., when it is essential to conduct a test outdoors at the scene of an accident) a test may be conducted at a place other than a designated testing facility, but the Agency or the BAT will ensure that visual and aural privacy will be provided to the greatest extent practicable.

4. The Breath Alcohol Testing Form

a) The Agency will use a Breath Alcohol Testing Form prescribed by the Department of Transportation for EBT alcohol screening devices.

E. ALCOHOL TESTING PROCEDURES

1. Screening and Confirmation Testing

All alcohol testing conducted under this policy will be done in accordance with the procedures outlined in 49 CFR Part 40, Subpart L. After providing photo identification to the BAT or STT, the employee and the BAT/STT will complete the Breath Alcohol Testing Form. Any employee who refuses to sign the acknowledgment of testing in Step 2 of the form will be considered to have refused to test. The employee will follow the BAT/STT's instructions and provide a breath sample for the initial test. If the result of the test is <0.02 alcohol concentration, the test is considered negative and the process is complete. The BAT/STT will complete and sign the breath alcohol testing form.

If the initial alcohol test result is 0.02 or greater, a confirmation test, using an EBT capable of printing the test results, will be conducted. After a waiting period of at least 15 minutes, during which the employee is observed and requested not to take anything by mouth or to the extent possible, not to belch during the waiting period; the employee will be asked to provide a breath sample.) The confirmation test will be completed within 30 minutes of the completion of the screening test. The purpose of the waiting period is to ensure that no residual mouth alcohol is present for the confirmation test. If the confirmation test result is >0.02 , the BAT will immediately notify the Agency representative, and the employee will remain at the testing facility until provided transportation home. The employee and the BAT will complete and sign the breath alcohol testing form and a copy of the form, including the test results, will be provided to the employee.

2. Inability to Provide a Sample



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 15 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

The employee will be asked to submit to a breath alcohol test. If the employee is unable to provide, or alleges he/she is unable to provide a breath sufficient to permit a valid breath test because of a medical condition, the BAT/STT shall again instruct the employee to provide an adequate amount of breath. If the employee cannot provide an adequate breath sample, the BAT/STT shall discontinue the testing process, notify the Agency representative, and the employee shall, as soon as practical, be evaluated by a physician, designated by the Agency. The physician shall determine if there is a medical condition or diagnosis that prevents the employee from providing an adequate breath sample. If the physician is unable to document a medical condition or diagnosis responsible for the employee's failure to provide an adequate sample, it is considered a refusal to test.

3. Invalid Alcohol Test Results

Alcohol results >0.02 on the confirmation test are deemed invalid if certain critical errors or omissions occur in the testing process. The reasons for invalidation of a test result include: failure of the EBT/STT on the next external calibration check; less than 15 minutes elapsed between screening and conformation; omission of or failure on an air blank before the confirmation test; failure of the BAT/STT to sign the Breath Alcohol Testing Form; no printed EBT result; or the BAT/STT's failure to note employee's refusal to sign the final certification statement in step 4 of the Breath Alcohol Testing Form; the sequential test number or alcohol concentration displayed on the EBT is not the same as the sequential test number or alcohol concentration on the printed result. If an event occurs during the testing process, or an error is discovered, that would invalidate a confirmation test result, the employee shall be subject to repeat the testing process, if practical.

4. Refusal to Test

For purposes of alcohol testing, the following are considered refusals to test:

- a) The employee refuses to sign Step 2 of the Breath Alcohol Testing Form
- b) The employee refuses to attempt to provide a sample
- c) The employee fails to cooperate with the testing process
- d) The employee is unable or unwilling to provide an adequate breath



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 16 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

sample and the examining physician does not find a medical condition or diagnosis that prevents the employee from providing the sample

- e) The employee fails to remain readily available for testing following an accident as defined in this policy.
- f) The employee fails to report to the collection/testing site for a required test in a timely manner, as defined by Omnitrans, once notification is given without a reasonable excuse.
- g) Failure to submit to a medical examination when required.
- h) Any employee who is deemed to have "refused to test" will be immediately removed from performing safety sensitive functions as defined by the FTA rules (49 CFR Part 655). The "refusal to test" constitutes a positive result. The Agency will impose disciplinary action as outlined in this policy.

F. CONTROLLED SUBSTANCE ABUSE TESTING METHODOLOGIES

1. Laboratory Analysis

All urine specimens tested for drugs of abuse under this policy will be analyzed at a laboratory certified by the Department of Health and Human Services (DHHS), Substance Abuse and Mental Health Services Administration (SAMHSA). The laboratory selected by the Agency for testing conducted under this policy is listed at Appendix D.

2. Initial Screening

All specimens will be tested for the drug or drug classes listed below using an immunoassay screen approved by the Food and Drug Administration (FDA). The immunoassay screen will use cut-off levels established by the DHHS to eliminate negative specimens from further consideration. Any initially positive test will be subject to confirmation through an additional, more precise testing methodology.

3. Confirmatory Tests

Any urine specimen identified as positive on the initial screen will be confirmed by a second analytical procedure which uses a different chemical technique and procedure. Gas chromatography/mass spectrometry (GC/MS) methodology will be used to conduct the confirmation analysis. GC/MS analysis will use cut-off levels established by the DHHS for confirmation. Any specimen that does not contain drug or drug metabolites above the



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 17 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

GC/MS confirmation cut-off levels will be reported by the laboratory as negative.

4. Specimen Adulteration/Dilution

When appropriate the laboratory may conduct analyses to determine if the specimen has been adulterated. Adulteration tests include, but are not limited to, specific gravity, creatinine, and pH. In addition, the laboratory may conduct additional analyses to identify or detect a specific adulterant added to the urine specimen. If the laboratory identifies an adulterant added to the specimen, the laboratory will report the specimen as adulterated, presence of (the substance identified).

A urine sample will be considered dilute when the creatine concentration is equal to or greater than 2 mg/dL, but less than 20 mg/dL, and the specific gravity is greater than 1.0010, but less than 1.0030.

5. Laboratory Reporting of Results

The laboratory will report all test results to the Medical Review Officer (MRO). The reporting of test results must be by confidential, secure electronic (not telephone) or hard copy transmission. The laboratory will send to the MRO a copy of the custody and control form bearing the test results. Test results will be reported as negative, positive (if positive, the drug(s) found will be specified), canceled, unsuitable for testing, test not performed, or specimen adulterated.

The laboratory shall only report quantitative levels of positive results to the MRO upon his/her specific request. Quantitative levels shall only be released to the employer if the employer is involved in an administrative or legal proceeding brought by the employee in challenging a test result. Otherwise, the Agency will receive a result of either "Positive- with the substance being identified", or "Negative". The laboratory will provide a quarterly statistical report to the Agency summarizing the testing activity for each quarter.

6. Specimen Retention and Storage

Negative specimens will be destroyed and discarded by the laboratory after results are reported to the MRO. Positive specimens will be retained in long-term frozen storage (-20 degrees C or less) for a minimum of one (1) year. Split specimens of positive results will be retained in frozen storage



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 18 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

for at least 60 days or until the MRO provides a written request for the split to be transferred to another laboratory for analysis (whichever occurs first).

7. Split Specimen Analysis

When a laboratory receives a split specimen (Bottle B) from the laboratory that conducted the confirmation analysis of Bottle A, the laboratory will conduct the analysis of Bottle B using GC/MS methodology. The specimen will be reported as a “reconfirmation of the drug(s)” if there is any detectable presence of the drug(s); GC/MS cut off levels do not apply. The results of the split specimen analysis are reported to the MRO. The split specimen will be retained in long-term frozen storage for a minimum of one (1) year by the laboratory that conducted the split specimen analysis. (Or longer if litigation concerning the test is pending).

G. CONTROLLED SUBSTANCES TESTING PROCEDURES

1. Urine Specimen Collection

Any person requested to undergo a drug test will be required to provide a urine sample at a designated collection site. Photo identification will be required. In order to ensure integrity of the specimen collection procedure, a standard Drug Testing Custody and Control Form will be used. This form will be completed by the employee and the specimen collection and will be forwarded along with the urine sample to a designated laboratory. The MRO, employee, collector and Agency representative also receive a copy of the Drug Testing Custody and Control Form.

All urine specimens will be collected in a clean, single-use specimen bottle(s) securely wrapped until filled with the specimen. A clean, single-use collection container that is securely wrapped until used may also be provided. The specimen bottle(s) will be labeled and sealed with tamper-evident tape/label by the collector in the employee's presence. The employee will initial the bottle(s) seals.

Any person requested to undergo a drug test will be provided a copy of written specimen collection procedures, which must be followed by the individual and the collection site personnel.

2. Specimen Collection Sites



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 19 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

The Agency will designate specimen collection sites/facilities. The facilities will have the personnel, materials, equipment and supervision necessary to provide collection in accordance with 49 CFR Part 40. The collection sites/facilities listed in Appendix D have been designated for specimen collections conducted under this policy.

Procedures shall provide for the collection site to be secure. If a facility cannot be dedicated solely to drug testing, the portion of the facility used for testing shall be secured during the drug testing. A facility normally used for other purposes, such as a public rest room or hospital examining room, may be secured by visual inspection to ensure other persons are not present and undetected access is not possible.

3. Chain of Custody and Collection Control

The collection site personnel shall keep the individual's specimen bottle within sight both before and after the individual has urinated. After the specimen is collected, it shall be properly sealed and labeled. The chain-of-custody block on the Drug Testing Custody and Control Form shall be executed by authorized personnel upon receipt of the specimen. This form shall be used for maintaining control and accountability of each specimen from the point of collection to shipment/transportation of the specimen.

4. Individual Privacy

Collection procedures shall allow urine specimens to be provided by the individual in private, unless there is reason to believe that the individual may alter or substitute the specimen, as set forth below:

- a) The employee has presented a urine specimen that falls outside the normal temperature (32°-38° C/ 90°-100° F
- b) The collection site person observes conduct clearly and unequivocally indicating an attempt to substitute or adulterate the sample (e.g., substitute urine in plain view, blue dye in specimen presented, etc.).
- c) An employee may also be required to provide a urine specimen under direct observation in the event specimen adulteration is suspected under Section F.4. and H.4. of this policy. However, a higher-level supervisor of the collection site or a designated employer representative shall review and concur in advance with any decision by



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 20 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

a collection site person to obtain a specimen under the direct observation of a same gender collection site person based upon the circumstances described above. During an observed collection, the employee will be required to raise and lower clothing and turn around in plain view as well as allowing the observer to view the urine stream from the donor to the collection container. Failure to follow the observers instructions during an observed collection to raise clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if the employee has any type of prosthetic or other device that could be used to interfere with the collection process will be considered a refusal per Section 40.191(a) (9) (10).

- d) If the sample is being collected from an employee in need of medical attention (e.g., as part of a post-accident test given in an emergency medical facility), necessary medical attention shall not be delayed in order to collect the specimen. Specimens will not be collected from deceased or comatose employees.

5. Insufficient Volume

Original specimen (with insufficient volume) will be discarded unless temperature is out of range or shows evidence of adulteration or tampering. The individual will remain at the collection site until process is complete.

The individual will be allowed to drink up to forty (40) ounces of fluid. If the specimen is not provided within three (3) hours of the first attempt, the collection process will be discontinued. The individual then will be referred to the MRO.

The individual will then have five (5) days to obtain a medical examination. The referring physician must be acceptable to the MRO. The medical examination will look for ascertainable physiological conditions or documented pre-existing psychological disorders present at the time of the examination.

6. Specimen Integrity and Identity

The Agency, the employee, and the collection site shall take appropriate precautions to preserve the integrity of the urine specimen by ensuring that it is not adulterated or diluted during the collection procedure and that



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 21 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

the urine specimen tested is that of the person from whom it was collected. Collection site personnel will be responsible for maintaining the integrity of the specimen collection and transfer process, but employees are expected to cooperate with collection site personnel and to exercise good faith in conjunction with the specimen collection procedures.

7. Split Specimen Procedures

There must be a sufficient volume of each specimen to allow for it to be subdivided, secured and labeled in the presence of the tested individual and retained in a secured manner to prevent the possibility of tampering. This will allow an individual the opportunity to request a retest of the specimen by an appropriate laboratory in accordance with Section F.7. of this policy.

8. Transportation to Laboratory

Collection site personnel shall arrange to ship the collected specimens to the drug-testing laboratory. The specimens shall be placed in a container designed to minimize the possibility of damage during shipment (e.g., specimen boxes and/or padded mailers); and those containers shall be securely sealed to eliminate the possibility of undetected tampering with the specimen and/or form. The collection site person shall ensure that the chain of custody documentation is enclosed in each container sealed for shipment to the drug-testing laboratory.

9. Failure to Cooperate

Any employee required to provide a urine sample may be asked to sign a consent or release form authorizing the collection of the specimen, analysis of the specimen for designated controlled substances, and release of the results to the employer. The employee will not be required to waive liability with respect to negligence on the part of any person participating in the collection, handling or analysis of the specimen or to indemnify any person for the negligence of others.

If the employee refuses to cooperate during the collection process (e.g., refusal to provide a complete specimen, complete paperwork, initial specimen), the collection site person will inform the Agency representative and document the employee's conduct on the Drug Testing Custody and Control Form. Employees are expected to exercise good faith and cooperate during the collection process and failure to do so will subject



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 22 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

the employee to disciplinary action, up to and including termination, independent and regardless of the results of any subsequent drug test.

H. CONTROLLED SUBSTANCE TEST RESULTS

1. Medical Review Officer (MRO)

All confirmed positive and negative test results will be reported by the laboratory directly to the medical review officer (MRO) prior to any results being released to the Agency. The MRO will be a licensed physician with knowledge of substance abuse disorders who has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his or her medical history and any other relevant biomedical information. The MRO will review and consider possible alternative medical explanations for the positive test result as well as the chain of custody to ensure that it is complete and sufficient on its face. The Agency will designate an MRO for its controlled substance testing program. The designated MRO is listed in Appendix D.

2. MRO Duties

The MRO will perform the following functions for the Agency:

- a) Review the results of drug testing before they are reported to the Agency;**
- b) Review and interpret each confirmed positive test result to determine if there is an alternative medical explanation for the confirmed positive test result. The MRO may include these steps:**
 - 1) Conducting a medical interview with the individual tested;**
 - 2) Reviewing the individual's medical history and any relevant biomedical factors;**
 - 3) Reviewing all medical records made available by the individual tested to determine if a confirmed positive test resulted from legally purchased medication.**
- c) Requiring, if necessary, that the original specimen be reanalyzed to determine the accuracy of the reported test result; and**
- d) Verifying that the laboratory report and assessment are correct.**

3. Action on Positive Test Results

Prior to making a final decision to verify a positive test result for an individual, the MRO will give the individual an opportunity to discuss the test



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 23 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

result. The MRO will contact the individual directly, on a confidential basis, to determine whether the individual wishes to discuss the test result. A staff person under the MRO's supervision may make the initial contact and a medically licensed or certified staff person may gather information from the individual. Except as provided below, the MRO will talk directly with the individual before verifying a test as positive.

If, after making and documenting all reasonable efforts to contact the individual, the MRO is unable to reach the individual directly, the MRO will contact a designated Agency representative who will direct the individual to contact the MRO as soon as possible. If it becomes necessary to reach the individual through an Agency representative, the representative will utilize procedures to ensure, to the maximum extent practicable, the requirement that the individual contact the MRO is held in confidence.

The MRO may verify a test as positive without having communicated directly with an individual about the results in three circumstances:

- a. If the individual expressly declines the opportunity to discuss the test;
- b. If the designated Agency representative has successfully made and documented a contact with the individual and instructed him/her to contact the MRO, and more than five (5) days have passed since the individual was successfully contacted; or
- c. If neither the MRO nor employer has successfully contacted the employee after fourteen (14) days of reasonable effort.

If a test is verified as positive because of an individual's failure to contact the MRO, the individual will have the opportunity to provide the MRO with evidence documenting that serious illness, injury or other circumstances unavoidably prevented him/her from timely contacting the MRO. The MRO, on the basis of such information, may reopen the verification and allow the individual to present information concerning a legitimate explanation for the confirmed positive test. If the MRO concludes that there is a legitimate explanation, the MRO will declare the test to be negative.

In verification of an opiate positive result the MRO may require that the employee submit to a medical examination by an Agency-designated physician. The purpose of the examination is to determine if there is clinical evidence of unauthorized use of an opiate substance. An employee's refusal to undergo the medical examination may result in a positive test determination.



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 24 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

4. MRO Determinations

If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result other than the unauthorized use of a prohibited drug, the MRO will report the test as negative.

If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result other than the unauthorized use of a prohibited drug, the MRO shall refer the individual tested to the Agency for further proceedings in accordance with this policy, report the test as positive, and provide the name of drug(s) detected.

If the MRO determines, based upon his/her review of the laboratory inspection reports, quality assurance and quality control data, and other drug test results, that a particular drug test result is scientifically insufficient for further action, the MRO will conclude that the test is canceled.

If the MRO determines that a specimen is unsuitable for testing, the MRO will cancel the test. The MRO will provide medical review and verification for all laboratories and reported substituted specimen results. If the MRO receives a laboratory report identifying the specimen as adulterated, the MRO will report the test as adulterated and inform the Agency that the employee has “refused to test”.

5. Disclosure of Information

The MRO will not disclose to any third party medical information provided by the individual to the MRO as part of the testing verification process, except as provided below:

- a. Before obtaining medical information from the employee as part of the verification process, the MRO will advise the employee that the information may be disclosed to third parties and of the identity of any parties to whom the information may be disclosed.

6. Split Specimen Procedures

The MRO will notify each employee who has a verified positive test that he/she has seventy-two (72) hours in which to request a test of the split



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 25 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

specimen. If the employee requests an analysis of the split specimen within seventy-two (72) hours of such notice, the MRO will direct, in writing, the laboratory to provide the split specimen to another DHHS-certified laboratory for analysis. The employee will not be allowed to request a reanalysis of the primary specimen and any retest will be at the employee's expense.

If the analysis of the split specimen fails to reconfirm the presence of the drug(s) or drug metabolite(s) found in the primary specimen, or if the split specimen is unavailable, inadequate for testing, or untestable, the MRO will cancel the test and report the cancellation and the reasons for it to the DOT, the employer and the employee. However, because some analytes deteriorate or are lost during freezing and/or storage, quantitation for a retest is not subject to a specific cutoff requirement, but must provide data sufficient to confirm the presence of the drug or metabolite.

If an employee has not contacted the MRO within seventy-two (72) hours, the employee may present the MRO with information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the verified positive test, or other circumstances unavoidably prevented the employee from timely contacting the MRO. If the MRO concludes that there is a legitimate explanation of the employee's failure to contact him/her within 72 hours, the MRO will direct that analysis of the split specimen be performed.

I. CONFIDENTIALITY AND RECORDKEEPING

1. Confidentiality

The Agency will maintain all records generated under this policy in a secure manner so that disclosure to unauthorized persons does not occur. Thus, the results of any tests administered under this policy and/or any other information generated pursuant to this policy will not be disclosed or released to anyone without the express written consent of the employee, except where otherwise required or authorized by law. In addition, the Agency's contract with its designated laboratory requires it to maintain all employee test records in confidence.

However, the laboratory or the Agency may disclose information required to be maintained under this policy to the employee, the employer or the decision-maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual, and arising from the results of an alcohol and/or



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 26 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

drug test administered under this policy, or from the employer's determination that the employee engaged in conduct prohibited by this policy (including, but not limited to, a worker's compensation, unemployment compensation, or other proceeding relating to a benefit sought by the employee.)

2. Access to Facilities and Records

Upon written request by any covered employee, the Agency will promptly provide copies of any records pertaining to the employee's use of alcohol or drugs, including any records pertaining to his or her alcohol or drug tests. Access to a covered employee's records will not be contingent upon payment for records other than those specifically requested.

The Agency will also permit access to all facilities utilized and alcohol or drug testing documents generated in complying with the requirements of 49 CFR Part 655 to the Secretary of Transportation, any DOT agency with regulatory authority over the employer or any of its covered employees, or to a State oversight agency. When requested by the National Transportation Safety Board as part of an accident investigation, the Agency will disclose information related to the employer's administration of a post-accident alcohol and/or drug test administered following the accident under investigation.

Records will also be made available to an identified person or a subsequent employer upon receipt of a written request from an employee, but only as expressly authorized and directed by the terms of the employee's written consent. The subsequent release of such information by the person receiving it will be permitted only in accordance with the terms of the employee's consent.

J. EMPLOYEE ASSISTANCE PROGRAM/SUBSTANCE ABUSE PROFESSIONAL

1. Employee Education

The Agency will provide employees subject to this policy with education materials explaining the requirements of the Federal Transit Administration drug and alcohol regulations and the Agency policies and procedures for meeting them. In addition, employees will be provided with information concerning the effects of drug use and alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol or drug problem. This information will be



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 27 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

included in the following:

- a. Distribution of an employee Personnel Policy Manual.
- b. Display and distribution of a community service hot-line telephone number for employee assistance.
- c. Appendix E.

Covered employees will receive at least sixty (60) minutes of training on the effects and consequences of prohibited drug use on personal health, safety and the work environment and on the signs and symptoms which may indicate prohibited drug use.

Copies of the above materials and this policy will be distributed to each covered employee prior to the start of alcohol and drug testing required herein and to each employee subsequently hired or transferred into a position requiring the performance of a safety-sensitive function covered by this policy. Each employee who receives a copy of these materials will be required to sign a statement certifying that he or she has received a copy of the same. The Agency will retain the original of the signed certificate and will provide a copy to the employee, if requested. Appendix F. The Agency will also provide written notice to representatives of employee organizations as to the availability of this information.

Any questions about the requirements of this policy should be directed to the program contact individual listed in Appendix D.

Please refer to Appendix E on the effects of Alcohol Abuse.

2. Supervisory Training

Any individual designated to determine whether reasonable suspicion exists to require a covered employee to undergo a drug or alcohol test under this policy will be required to receive at least sixty (60) minutes of training on alcohol misuse and 60 minutes of training on drug use. This training will cover the physical, behavioral, speech, and performance indicators of probable alcohol misuse and prohibited drug use.

3. Referral, Evaluation and Treatment

- a. Available Resources

Any employee who engages in conduct prohibited by this policy will



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 28 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: ~~December 7, 2011~~ September 4, 2013

be provided with information about the resources available for evaluating and resolving problems associated with the misuse of alcohol or prohibited drug use, including the names, addresses, and telephone numbers of substance abuse professionals and counseling and treatment programs. Appendix D.

b. Substance Abuse Evaluation

Although an employee's employment with the Agency may be **terminated** for a violation of this policy, **employees will be advised to undergo an evaluation by an appropriate substance abuse professional, who will determine what, if any, assistance the employee may need in resolving problems associated with alcohol misuse and/or prohibited drug use.** This requirement will apply regardless of whether such conduct is discovered as a result of a positive drug or alcohol test, or independent employer knowledge. **The referral, evaluation and rehabilitation requirements outlined above do apply to job applicants who refuse to submit to or test positive in a pre-employment drug test.**

4. Substance Abuse Professional (SAP)

For purposes of this policy, a substance abuse professional (SAP) is defined as a licensed physician (M.D. or D.O.), or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by DOT, NAADAC or ICRC) who has knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol-related disorders.

K. DISCIPLINE

In addition to the removal from safety-sensitive functions required by Federal Transit Administration Regulations, the Agency will take the following disciplinary action against any individual who violates this policy.

1. Applicants

An individual who tests positive on a pre-employment or pre-duty test for a prohibited drug will not be hired for a covered function position. Failure of a drug or alcohol test will disqualify an applicant for employment for a period of two (2) years. **Information on referral to a substance abuse professional will be provided to all applicants who test positive.**



PERSONNEL POLICY MANUAL

POLICY 701 PAGE 29 OF 44

SUBJECT

**Substance Abuse
(Alcohol, Drugs & Narcotics)**

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: December 7, 2011– September 4, 2013

2. Employees

An employee who has a confirmed alcohol concentration of 0.02 or greater but less than 0.04 will result in removal from his position for eight (8) hours unless a retest results in a concentration measure of less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy.

Any employee that has a confirmed positive drug or alcohol test will be removed from his/her position, informed of educational and rehabilitation programs available, and evaluated by a Substance Abuse Professional (SAP). A positive drug and/or alcohol test will also result in termination of employment.

L. RECORDKEEPING AND REPORTING

1. Retention of Records

The Agency will maintain records relating to this policy as outlined in 49 CFR Part 655. These records will be maintained in a secure location with controlled access for the specified periods of time, measured from the date of the document's or data's creation.

2. Management Information System

The Agency will prepare and submit by March 15 of each year, two (2) summary results report of all drug and alcohol testing performed under this policy. The Agency will also submit these reports for all contractors who were doing contracted services for the covered year. These reports will be submitted to the FTA Office of Safety and Security. The alcohol summary will contain all of the information required by 49 CFR Part 655 and the drug summary will contain all the information in 49 CFR Part 655.



APPENDIX A

OmniTrans' Safety-Sensitive Function Job Titles

Dispatcher
Dispatch Supervisor
Coach Operator
Field Supervisor
Fleet Safety and Training Supervisor
Fleet Safety and Training Instructor
Shop Supervisor
Equipment Mechanic
Mechanic Helper
Tire Repair Worker
Utility Service Worker
Any Other Employee who holds a Commercial Driver's License and
Performs a Function that Requires a Commercial Driver's License.

APPENDIX B

Minimum Thresholds – Cut Off Levels

Initial Testing

1. The initial test shall use an immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The following initial cut off levels shall be used when screening specimens to determine whether they are negative for these five drugs or classes of drugs:

<u>Types of Drugs</u>	<u>Initial Test Cut Off Levels (ng/ml)</u>
Marijuana Metabolites	50
Cocaine Metabolites	150
Opiate Metabolites	2000*
Phencyclidine	25
Amphetamines	500

*-25ng/ml if immunoassay specific for free morphine.

Confirmation Testing

2. All specimens identified as positive on the initial test will be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the cut off levels listed in this paragraph for each drug. All confirmations will be by quantitative analysis. Concentrations that exceed the linear region of the standard curve will be Documented in the laboratory record as “greater than highest standard curve value”.

<u>Types of Drugs</u>	<u>Confirmation Test Cut Off Levels (ng/ml)</u>
Marijuana Metabolites	15*
Cocaine Metabolites	100 **
Opiates: Morphine	2000
Codine	2000
Phencyclidine	25
Amphetamine: Amphetamine	250
Methamphetamine	250 ***

* Delta –9-Tetrahydrocannabinol-9-Acid

** Benzoylcegonine

*** Specimen must also contain amphetamine at a concentration greater than or equal to 100 ng/ml.

Cut off levels at both the initial and confirmatory levels are subject to change by the Department of Health and Human Services as advances in technology or other considerations warrant identification of the substances at other concentrations.



APPENDIX C

Random Testing – Minimum Annual Percentages for Drug and Alcohol Testing

The annual random testing rates for drug and alcohol are determined separately based on the industry wide positive rate for the preceding two (2) consecutive year period, based on annual MIS reports submitted by covered employers. Rates for future years will be announced each year with the rates dependent on industry wide experience rates.

Drugs

The current annual percentage of covered employees that need to be tested on an annual basis is 25%.

Alcohol

The current annual percentage of covered employees that need to be tested on an annual basis is 10%.



APPENDIX D

Company Designated Service Providers for Drug and Alcohol Testing Conducted Under the Terms of This Policy:

1. Company Drug and Alcohol Testing Program Contact

For all questions concerning the Agency's policy or implementation of the Agency's drug and alcohol testing program, employees should contact the individual named below:

Name: Marjorie Ewing
Title: Director of Human Resources
Address: 1700 W. 5th Street
San Bernardino, CA 92411
Phone: (909) 379-7261

2. Drug Testing Laboratory

The following DHHS-certified laboratory has been designated by the Agency to conduct the analysis of all urine specimens tested under the terms of this policy:

Name: Clinical Reference Laboratory
Address: 8433 Quivira
Lenexa, KS 66215

3. Medical Review Officers

The following physicians have been designated by the Agency to perform Medical Review Officer functions for all drug tests conducted under the terms of this policy:

Name: U.S. HealthWorks National MRO/Doctor Donald L. Bucklin, MD
Address: 28035 Avenue Stanford West
Valencia, CA 91355
Phone: (800) 340-3810

Name: U.S. HealthWorks/Doctor Mohammed Mahmud, MD
Address: 2171 S. Grove Avenue, Ste. A
Ontario, CA 91761
Phone: (909) 923-4080

Name: U.S. HealthWorks/Doctor Michael S. Valdez, MD
Address: 1760 Chicago Avenue. Ste. J
Riverside, CA 92507
Phone: (909) 781-2200

Name: U.S. HealthWorks/Doctor G. L. McMurray, MD
Address: 599 Inland Center Drive, Suite 105
San Bernardino, CA 92408
Phone: (909) 889-2525



Name: U.S. HealthWorks Colton Clinic/Doctor Donald L. Bucklin, MD
Address: 28035 Avenue Stanford West
Valencia, CA 91355
Phone: (800) 340-3810

4. Substance Abuse Professional (SAP)

Substance Abuse Professional (SAP) services, including information, referral, assessment, and evaluation, are available from the following Agency designated individuals/organization:

Name: Dr. Kathleen Bruner
Robert Bruner, CEAP
Gordon Van Cleve, DOT
National Substance Abuse Professionals Network
Address: 1615 Orange Tree Lane
Redlands, CA 92374
Phone: 1-800-879-6428

5. Collection Sites

The following clinics have been designated by the Agency to perform collection functions for all drug and alcohol tests conducted under the terms of this policy.

Name: U.S. HealthWorks
Address: 2171 S. Grove Avenue, Ste. A
Ontario, CA 91761
Phone: (909) 923-4080

Name: U.S. HealthWorks
Address: 1760 Chicago Avenue, Ste. J
Riverside, CA 92507
Phone: (909) 781-2200

Name: U.S. HealthWorks
Address: 599 Inland Center Drive, Suite 105
San Bernardino, CA 92408
Phone: (909) 889-2525

Name: U.S. HealthWorks
Address: 850 East Washington St.
Colton, CA 92324
Phone: (909) 370-0572

APPENDIX E

ALCOHOL MISUSE INFORMATION

Alcohol is a drug. It is a central nervous system depressant that slows down the body's functions. For some people, the use of alcohol can become addictive. The body develops a tolerance for alcohol, thus needing more of the drug to achieve the same effects. Once addicted to alcohol, the body experiences withdrawal symptoms when alcohol is not present in the bloodstream. Alcohol addiction, or alcoholism, is a disease. If left untreated, alcoholism is progressive- that is the damage to the body continues, and it is ultimately fatal.

Alcohol misuse, alcohol abuse, and alcoholism affect an individual's work performance. Alcohol, even in very small amounts, affects judgments, reflexes, thinking ability, coordination, and attention. Alcohol is particularly dangerous when an individual needs to make a decision and act in an emergency or unfamiliar situation. Alcohol in a person's bloodstream affects one's ability to operate a vehicle or complex machinery, and to perform many safety-sensitive related tasks. Coming to work with a "hangover" also affects an employee's ability to perform. Hangover symptoms include diminished clarity in thinking, tremors that reduce fine motor coordination and flu-like feelings that decrease alertness and well-being.

Alcohol misuse, alcohol abuse and alcoholism also affect an individual's personal and family life. Heavy alcohol drinkers have more illness and medical conditions requiring treatment. Financial and legal complications from excessive drinking are common problems. In the late stages of alcoholism, the individual's life is centered around alcohol; family, job, friends (except drinking buddies) are unimportant and ignored. Alcohol abuse and alcoholism can cause permanent damage to the liver, heart, brain, and other vital organs.

The following are indicators that alcohol is a problem in an individual's life: Calling in "sick" from work because of heavy drinking or hangover. Making repeated promises to family/friends to "cut down" or stop drinking.

- Needing increasing amounts of alcohol to "feel good or get high".
- Morning shakes or tremors that are relieved by taking a drink.
- Being arrested for drunk driving.
- Needing a drink to get through a shift at work.
- Refusing to participate in leisure activities where alcohol is unavailable.
- Experiencing periods of "blackout" when drinking (not remembering some events or situations that occurred while drinking).



SUBSTANCE ABUSE POLICY ACKNOWLEDGEMENT

I, the undersigned, do hereby acknowledge that I have received a copy of the Omnitrans SUBSTANCE ABUSE POLICY and understand that I must abide by its provisions.

Employee's Name (PLEASE PRINT)

Employee's Signature

Date

APPENDIX F



APPENDIX G

Breathe Alcohol Testing Procedures

9/30/11 FTA determined this appendix is not required



APPENDIX H

DOT Urine Specimen Collection Procedures

9/30/11 FTA determined this appendix is not required



APPENDIX I

POST-ACCIDENT INDIVIDUAL TEST SUMMARY

- 1) Accident Identifier: _____
- 2) Location of Accident: _____

- 3) Accident Date: _____ Time: _____
- 4) Report Date: _____ Time: _____
- 5) Name of Employee: _____
- 6) Identification Number: _____
- 7) Position: _____
- 8) Result of Accident: _____ Fatality
_____ Disabling Damage*to One or More Vehicles
_____ Injury Requiring Immediate Transport to
Medical Facility
_____ Employee _____ Other Vehicle
_____ Passenger _____ Other, Specify: _____

- 9) Was the Employee sent for a post-accident test? _____ Yes _____ No
- 10) If No, Explain: _____

- 11) Decision to Test: FTA Authority _____ Yes _____ No
Company Authority _____ Yes _____ No
- 12) Type of Test: _____ Drug _____ Alcohol
- 13) Supervisor Making Determination: _____
- 14) Notification of Test: Date: _____ Time: _____
- 15) Test Conducted, Drug: Date: _____ Time: _____
Alcohol: Date: _____ Time: _____



16) Did the alcohol test occur more than two hours from the time of the accident?

_____ Yes _____ No

If Yes, Explain:

17) If no alcohol test occurred because more than eight hours elapsed from time of the accident, please explain:

18) Did the employee leave the scene of the accident without just cause? ____ Yes ____ No

If Yes, Explain:

19) If no drug test was performed because more than 32 hours had passed since the time of the accident, explain why:

Supervisor making determination: _____

20) Test Result: _____ Positive _____ Negative _____ Cancelled

21) Attachments:

- # Test Result Summary
- # Order to Test
- # Chain of Custody
- # Alcohol Testing Form

* *Disabling Damage* means damage which precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement, without damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors, or windshield wipers that makes them inoperative.



APPENDIX J

**REASONABLE SUSPICION
INDIVIDUAL TEST SUMMARY**

Employee Name: _____

Safety Sensitive Position: _____

Observation Date: _____ **Time:** _____

Circumstances of

Observation: _____

(Attach additional sheets as necessary)

Objective Facts Identified (Attach additional sheets as necessary)

Behavior: _____

Appearance: _____

Speech: _____

Odor: _____

Other: _____

Determination Date: _____ **Time:** _____

Notification Date: _____ **Time:** _____

Test Date: _____ **Time:** _____

Type of Test Conducted:

_____ **Drug**

_____ **Alcohol**

_____ **DOT**

_____ **Non-DOT**

Supervisor: _____

Date of Supervisor Training: _____

Test Results

Drug: _____ **Positive**

_____ **Negative**

_____ **Cancelled**

Alcohol: _____ **Positive**

_____ **Negative**

_____ **0.02-0.039**

Comment: _____

Attachments: () **Test Result Summary Form**

() **Consent Form**

() **Other**

() **Chain of Custody**

() **Alcohol Test Form**



APPENDIX K

SAFETY- SENSITIVE EMPLOYEE PRESCRIPTION DRUG USE FORM

INSTRUCTIONS FOR EMPLOYEES IN SAFETY SENSITIVE POSITIONS

You must complete this form if:

1. You are disclosing the use of a new prescription drug. You must complete the "Employee Section" of this form. Have your physician complete the "Physician Section" and forward to your supervisor or the Human Resources Department.
2. You are disclosing a prescription drug renewal (#1 has previously been completed). You must complete the "Employee Section" of this form and attach a copy of your prescription renewal label, and forward to your supervisor or the Human Resources Department.

Employee Section:

Printed Name: _____ Employee # _____

Employee's Safety-Sensitive Job Function (check those that apply) (for a list of Safety-Sensitive positions refer to Policy 701, Appendix A):

- ____ Operate a public transit bus
- ____ Operate a non-revenue service vehicle
- ____ Control the dispatch or movement of company transit buses
- ____ Maintain and/or repair transit vehicles
- ____ Supervisor whose duties require the performance of any of the above functions

- Employees must wait at least 4 hours after taking any medication containing alcohol before working.
- Employees must wait 8 hours after taking any over-the-counter medications containing the following ingredients before they perform safety-sensitive duties:

Cold & Allergy Medications	Diphenhydramine, Chlorpheniramine, Clemastine
Motion Sickness Medications	Bonine (Meclizine) and Dramamine (Dimenhydrinate)
Sleep Medications	Doxylamine, Diphenhydramine

I understand that it is my obligation to inform my physician of my job functions and inform Omnitrans of any medication I am taking and to obtain approval from Omnitrans to work while taking this medication.

Employee's Signature

Date



Physician Section:

PRESCRIPTION DRUGS

**** To Be Completed By Physician Only ****

Based on your best medical opinion, make your determination and complete the section below and check the applicable box. You may contact the Human Resources Department at (909) 379-7260 if you have any questions.

Safe – This patient's condition and medication will not interfere with his/her ability to perform job duties safely.

Potential Impairment – This medication may impair functioning; patient should not take while performing job duties or for a period of time prior to duties (please specify).

Name of Drug

Dosage/Frequency

1. _____

☐ Safe ☐ Potential Impairment – Employee should not take during or for _____ hours before duties.

2. _____

☐ Safe ☐ Potential Impairment – Employee should not take during or for _____ hours before duties.

3. _____

☐ Safe ☐ Potential Impairment – Employee should not take during or for _____ hours before duties.

I have reviewed the above named employee's job functions and medical records. It is my opinion that this patient's condition and the medication(s) he/she is taking or has been prescribed will not interfere with his/her ability to safely perform those job functions.

Physician's Signature

Physicians Medical Office Stamp

Physician's Printed Name

Date

FOR HR OR SUPERVISOR USE ONLY

Date Supv. Received: _____

Received by: _____

Date HR Received: _____

Received by: _____

HR: ☐ Approved ☐ Not Approved

☐ Supervisor Notified: _____

Date: _____ Time: _____

[Fn 04/07/10]



APPENDIX L

SAFETY- SENSITIVE EMPLOYEE NON-PRESCRIPTION FORM
**** Over-the-Counter Medications Only ****

INSTRUCTIONS FOR EMPLOYEES IN SAFETY SENSITIVE POSITIONS

You must complete this form if you are disclosing the use of non-prescription over-the-counter medications.

Name of Medication: _____

Dosage Taken: _____

I take this medication during my work hours (check one): Yes ☐ No ☐

This medication affects my ability to drive or operate machinery (check one): Yes ☐ No ☐

- Employees must wait at least 4 hours after taking any medication containing alcohol before working.
- Employees must wait 8 hours after taking over-the-counter medications containing the following ingredients before they perform safety-sensitive duties:

Cold & Allergy Medications	Diphenhydramine, Chlorpheniramine, Clemastine
Motion Sickness Medications	Bonine (Meclizine) and Dramamine (Dimenhydrinate)
Sleep Medications	Doxylamine, Diphenhydramine

I understand that it is my obligation to inform my supervisor/Omnitrans of any medication I am taking that may affect my ability to perform my safety-sensitive job duties while taking this medication (Policy 701, Prescription & Non Prescription (Over-the-Counter) Drug Use, III., A., 3.).

Employee's Name (printed)

Employee #

Employee's Signature

Date

FOR HUMAN RESOURCES OR SUPERVISOR USE ONLY

Date Supv. Received: _____

Received by: _____

Date HR Received: _____

Received by: _____

HR: ☐ Approved ☐ Not Approved

Supervisor Notified: _____

Date: _____ Time: _____

[Fn 04/07/10]

Highland Community News

Wednesday, July 17, 2013



Vital Signs Initiative brings together local experts

By Anne Viricel

Published: Wednesday, July 17, 2013 2:48 PM PDT

Issues identified as salient to a healthy San Bernardino County were the focus of the July 10 Community Vital Signs Initiative Stakeholders' Summit held at the National Orange Show conference center. The event was the first of a planned series of summits on the Initiative which came about through the County's Visioning process.

The Vital Signs Initiative, described as an inclusive, community-driven process, addresses quality of life issues.

"The county's Vision recognizes that the well-being of the area's residents is tied to a range of factors," said county CEO Greg Devereaux, providing examples such as access to breakfast improves student test scores. "We as a community have said, 'This is where we want to go. This is the kind of future we want for our community.'"

A highlight of the Summit was issue-driven breakout sessions in which topical experts broke into small groups to review and discuss data provided by the county and to set short term priorities. Table topics included access to health professionals, active transportation, community safety, delays in access to health care, health insurance coverage, high school graduation rate, homelessness, housing affordability, obesity, puberty, suicide, unemployment and more community issues.

Following, each group reported on their discussion.

The group addressing homelessness noted efforts by the Veterans Administration, but disagreed with the county's data regarding the number of homeless youth. The group's spokesperson also noted that current systems have "made people very comfortable to be homeless," but, citing a HUD study, said that providing housing is a less expensive alternative.

They also felt the county did not offer adequate access to transportation.

"If people can't get to services, they aren't going to go."

The group tackling the issue of safety expressed significant concern with the AB-109-mandated prison realignment.

"Painting a picture that crime is down presents an erroneous picture," said their spokesperson. "Realignment presents the biggest change and the biggest challenge in a generation."

He added that the group felt the only beneficiary of the program was the state and that some of the \$1.5-2 billion they saved each year should be rerouted to cities to deal with their increased role in the process. Further, the group felt that education partners, especially middle schools, should be a part of the county safety discussion.

The group dealing with transportation issues also took exception with some of the data presented.

Comprised of representatives from the Transportation Department of Aging and Adult Services, Omnitrans, SANBAG, and Safe Routes to School, they questioned the fact that the report showed only like miles.

"We need to take a broader perspective including public health, increases in physical activity, and social indicators," said their spokesperson, suggesting also leveraging transit and commuter data.

The group addressing obesity shared that the county's data indicated childhood obesity was declining while adult obesity was on the rise. They suggested special interventions for adults, and more research as to why certain groups of children were walking more.

"We feel the data needs to be broken down more by what the reason for walking is. Do they walk because that's the only way they can get to school or is it for exercise?" their spokesperson asked.

Director of Public Health Trudy Ramondo thanked the participating groups, emphasizing the critical need to improve county health from multiple integrated perspectives including education to provide enough physicians, dental and mental health professionals, environmental health focused on safe clinics and hospitals, and business to ensure enough local jobs in the health field.

Ramondo said the county was currently looking at a model called Collective Impact which "brings wellness into a common agenda within safety, access, education, etc."

Fifth District Supervisor Janice Rutherford also thanked participants.

"The County Vision isn't a top-down model," she said, likening the gathering to Pinterest, a web-based social network driven by common interest.

"We're going to take the best and most creative ideas and we're going to pin them and bring them to fruition," she said.

Max Freund of LF Leadership closed the summit with a discussion of further steps in the Community Vital Signs Initiative process.

"We plan to go from isolated areas of impact to creating collective impact through a countywide conversation on health and wellness," he said, stating that five regional meetings, each hosted by their respective Board of Supervisors member were planned.

Most local to Highland, the August 27 summit will be hosted by Supervisor Ramos at the University of Redlands. As with the July 10 summit, these meetings will include community from members across the county. Recommendations gathered at summit and the public forums will be included in a final report that will be released in November and updated every three years. Also sought are those willing to host local summits.

For more information of hosting a facility or to learn more about the Community Vital Signs Initiative, visit www.communityvitalsigns.org.

Daily Bulletin

Monday, August 05, 2013

INLAND VALLEY DAILY BULLETIN

Freeze in transportation funds could lead to layoffs, longer waits

Neil Nisperos, Staff Writer

Posted: 08/05/2013 10:55:16 PM PDT

Updated: 08/05/2013 11:57:08 PM PDT

The Inland Empire's regional bus services may consider potential workforce and service reductions with the freeze of millions of dollars in transportation funds.

Omnitrans, which serves about 50,000 riders daily, said it would be losing about \$30 million in operation and maintenance funding from the Federal Transportation Authority, because of a labor dispute over California's pension legislation.

The issue could lead to the agency laying off more than a third of its employees -- about 200 employees -- including coach operators, said Omnitrans marketing director Wendy Williams.

The possible plan, Williams said, may also include reducing stopping frequencies from every 15 minutes to every 30 to 60 minutes. In addition, the funding issue could potentially delay the San Bernardino Transit Center Project, a bus station at E Street and Rialto Avenue to which all of the lines in the East Valley would connect, she said.

"There's an impact on capital projects, but it's not as imminent a problem as the service impacts on the employees," Williams said. "It could also mean trouble for the people that use our service daily. We have upwards of 50,000 boarding daily and certainly all of those people that are making trips would be impacted. The convenience of service would be impacted. People are getting to jobs and to school so there's the human element."

Williams said agency officials are in the process of developing a detailed contingency plan to deal with the loss of funds.

Williams said there is enough money to complete the SBX rapid bus transit system and for several months of operation, which is slated for completion at the end of the year, and service by April of next year. She said it's too soon to say whether the funding issue will be an impact to future operations and maintenance for SBX. The agency has yet to hire additional employees for the system, which will have stops running north and south on E Street.

"We did include a couple of months of operating the service into the current year," Williams said. "I think this is part of something we will assess and maybe have to discuss as we develop a more detailed contingency plan."

Bradley Weaver, spokesman for the Riverside Transit Agency, said the lack of federal funding is a major

concern for the bus service - which stands to potentially lose about \$31 million.

Weaver said the RTA is currently looking at a possible contingency plan that could reduce service by about 30 percent. The RTA, which serves about 31,000 riders on weekdays, employs about 700 people, including coach operators, maintenance crews, administrative staff and contract employees.

"We simply cannot absorb that big of a hit without taking significant steps and this could include employee layoffs and service reductions," Weaver said. "In terms of the numbers of people and what kind of service reductions, I cannot say, because it's too early. We're not at that point yet."

Weaver said, "The real victims are the customers who rely on us to get to work, medical appointments, and school."

The Amalgamated Transit Union in April filed objections to the U.S. Department of Labor regarding transit agency application for grant funds. The objection is in response to California's new pension reform legislation, The Public Employee's Pension Reform Act of 2013. The union claims the legislation takes away its bargaining rights.

Daniel Pellissier, president of California Pension Reform, a group that worked with Gov. Jerry Brown last fall, said the unions are trying to get the Democratically controlled Legislature to exempt mass transit employees from rollbacks on pensions that extended the age of retirement, capped retirement awards and required new workers to pay 50 percent of their own pension costs.

Assemblyman Luis Alejo, D-Watsonville, authored legislation that would exempt about 20,000 mass transit workers from the pension reform act in order to free up federal transit funds. That bill is still in committee.

THE PRESS-ENTERPRISE **PE.com**

TRANSIT: Inland bus agencies prepare for steep cuts



FRANK BELLINO/STAFF PHOTOGRAPHER

Customers board one of the RTA buses at the parking structure in the Promenade Mall in Temecula.



STAFF PHOTO

Passengers board a Omnitrans bus on Waterman Ave. near 9th St. in San Bernardino in September 2012.

BY IMRAN GHORI

Published: August 07, 2013; 05:28 PM

The two largest bus agencies in Riverside and San Bernardino counties are preparing for steep cuts in service because of a possible loss of federal funding.

Riverside Transit Agency and Omnitrans bus riders could see longer waits and reduced operating hours by next January if the money does not come through, agency officials said.

Omnitrans could lose almost \$30 million, which would mean a 40 percent cut to service and the possible layoff of 200 of its 650 employees, agency spokeswoman Wendy Williams said.

Riverside Transit Agency is facing a loss of \$31 million, almost a third of its combined \$79 million operating and capital budgets, said agency spokesman Brad Weaver said. The agency also is considering layoffs but has not developed an estimate yet, he said.

Both agencies have begun putting together contingency plans to implement cuts in bus service if they lose funding from the Federal Transit Administration. The cuts also could affect 14 other transit agencies in California including Los Angeles.

"Omnitrans is in the position of hoping for the best and preparing for the worst," Williams said.

The approval of federal grants that supplement local operating and capital costs is usually a routine annual matter, Williams said.

But in April, the Amalgamated Transit Union, which represents transit employees at several agencies including Omnitrans and Riverside Transit Agency, objected to the grant funding for the California transit agencies.

As a result, the Department of Labor put a hold on the grant funding. Omnitrans has written to the labor secretary asking that the hold be lifted and funding be restored.

The union fears that California's new pension reform law, which was backed by Gov. Jerry Brown and took effect this year, could take away bargaining rights provided for under federal transportation law, an Omnitrans memo states.

Jeff Caldwell, president of Amalgamated Transit Union Local 1704, representing Omnitrans bus drivers, said the pension law changes were made without bargaining with their union. The group believes the transit agencies cannot receive federal funds if they violate federal labor law and are hoping the state will allow an exemption.

Caldwell said the group is willing to contribute more to their pension but they must be negotiated. He said he's optimistic that the funds will not be cut. "It will all be settled before (the transit agencies) have their contingency plans in place," he said.

In the meantime, the agency is preparing a plan to reduce the frequency and hours of bus service starting in January, Williams said. The intent is to maintain its current network of routes even though service would be significantly reduced, she said.

Riverside Transit Agency has enough funding to get through its current budget year but will start looking at cuts in the 2014-2015 fiscal year, which begins next July, Weaver said. He said he could not provide details about the types of service cuts that might take place.

"It's crucial that that money be freed up and made available to transit agencies that it the most," Weaver said.

BUS TRANSIT

Service cuts ahead?

Freeze in federal funds could lead to layoffs, building delays

By Neil Nisperos

neil.nisperos@inlandnewspapers.com
@RanchoNow on Twitter

The Inland Empire's regional bus services may consider potential work force and service reductions with the freeze of millions of dollars in transportation funds.

Omnitrans, which serves about 50,000 riders daily, said it would be losing about \$30 million in operation and maintenance funding from the Federal Transportation Authority because of a labor dispute over California's pension legislation.

The issue could lead to the agency laying off more than a third of its employees — about 200 employees — including coach operators, said Omnitrans marketing director Wendy Williams.

The possible plan, Williams said, may also include reducing stopping frequencies from every 15 minutes to every 30 to 60 minutes. In addition, the funding issue could delay the San Bernardino Transit Center Project, a bus station at E Street and Rialto Avenue to which all of

Buses

FROM PAGE 1

the lines in the East Valley would connect, she said.

"There's an impact on capital projects, but it's not as imminent a problem as the service impacts on the employees," Williams said. "It could also mean trouble for the people that use our service daily. We have upwards of 50,000 boarding daily, and certainly all of those people that are making trips would be impacted. The convenience of service would be impacted. People are getting to jobs and to school so there's the human element."

Williams said agency officials are developing a detailed contingency plan to deal with the loss of funds.

Williams said there is enough money to complete the SBX rapid bus transit system and for several months of operation, which is slated for completion at the end of the year, and service by April of next year. She said it's too soon to say whether the funding issue will be an impact to future operations and maintenance for SBX.

The agency has yet to hire additional employees for the system, which will have stops running north and south on E Street.

"We did include a couple of months of operating the service into the current year," Williams said. "I think this is part of something we will assess and maybe have to discuss as we develop a more detailed contingency plan."

Bradley Weaver, a spokesman for the Riverside Transit Agency, said the lack of federal funding is a major concern for the bus service — which stands to lose about

\$31 million.

Weaver said the RTA is looking at a possible contingency plan that could reduce service by about 30 percent. The RTA, which serves about 31,000 riders on weekdays, employs about 700 people, including coach operators, maintenance crews, administrative staff and contract employees.

"We simply cannot absorb that big of a hit without taking significant steps, and this could include employee layoffs and service reductions," Weaver said. "In terms of the numbers of people and what kind of service reductions, I cannot say, because it's too early. We're not at that point yet."

Weaver said, "The real victims are the customers who rely on us to get to work, medical appointments and school."

The Amalgamated Transit Union in April filed objections to the U.S. Department of Labor in response to California's Public Employees Pension Reform Act of 2013. The union claims the legislation takes away its bargaining rights.

Daniel Pellissier, the president of California Pension Reform, a group that worked with Gov. Jerry Brown last fall, said the unions are trying to get the Democrat-controlled Legislature to exempt mass-transit employees from rollbacks on pensions that extended the age of retirement, capped retirement awards and required new workers to pay 50 percent of their own pension costs.

Assemblyman Luis Alejo, D-Watsonville, authored legislation that would exempt about 20,000 mass-transit workers from the Pension Reform Act to free up federal transit funds. That bill is still in committee.

The San Bernardino Sun
August 6, 2013

Transit users caught in middle of California pension fight: Editorial

It was bad enough a few months ago when transit workers' unions lodged official complaints about last year's California pension reform legislation, a relatively modest package of changes in a state retirement system that needs many more.

But now it appears the unions' fight with pension reformers could lead to Southern California bus and train riders getting caught in the middle. A union hurting working people. Is that what labor leaders want?

As our Steve Scauzillo reports, union complaints to the U.S. Department of Labor about the pension-reform laws have led the federal government to withhold more than \$2.2 billion in grants to the Los Angeles County Metropolitan Transportation Authority. Metro needs the money for bus and rail operation and maintenance, the Westside subway extension and a downtown connector tunnel. Those projects would create about 43,000 jobs, a Metro spokesman said.

Losing that money could lead Metro to make up for the lost money by cutting service or raising fares, inconveniencing some of the people who can least afford it.

The Teamsters and other unions representing California transit workers argue that the changes in government employee pensions passed by the Legislature and signed by Gov. Jerry Brown last year violated federally protected collective bargaining rights. They're backing a bill introduced in January to exempt about 20,000 transit workers from the changes. The bill, AB 160, by Assemblyman Luis Alejo, a Democrat from Watsonville, is in the Assembly Appropriations Committee.

Legislators should defeat the bill, lest it invite the unions representing other groups of public-sector workers to seek their own exemptions from pension changes.

And legislators should tell their allies in the transit unions that the complaint should be withdrawn, freeing the grant money and removing the threat of service cutbacks and fare hikes.

Imagine how many hard-working Southern California commuters the unions and their allies in Sacramento would be willing to inconvenience if the 2012 pension reform were really something to complain about — that is, if it were real reform.

Instead, the reforms in AB 340 were a watered-down version of the originally proposed changes. They raised the retirement age for new employees, raised retirement benefit contributions from some employees, put limits on annual pension payments and prevented pension spiking. All of those are steps in the right direction. But not enough to call the problem solved.

Who knows if California would have gotten even those half-measures if state officials weren't putting on a show of responsibility as they tried (successfully) to persuade voters to approve the Proposition 30 tax increases?

However limited the pension changes were, and whatever the motivation, they should be defended and expanded upon, not riddled with exemptions.

The only good thing that could come out of the unions' complaints and the potential disruption for bus and rail riders would be if they angered enough Californians to jumpstart the campaign for the more serious pension reform the state needs.

###

Daily Bulletin

Tuesday, August 06, 2013

INLAND VALLEY DAILY BULLETIN

Transit users caught in middle of California pension fight: Editorial

By Los Angeles News Group
Posted: 08/06/2013 03:20:04 PM PDT
Updated: 08/07/2013 04:35:30 PM PDT

It was bad enough a few months ago when transit workers' unions lodged official complaints about last year's California pension reform legislation, a relatively modest package of changes in a state retirement system that needs many more.

But now it appears the unions' fight with pension reformers could lead to Southern California bus and train riders getting caught in the middle. A union hurting working people. Is that what labor leaders want?

As our Steve Scauzillo reports, union complaints to the U.S. Department of Labor about the pension-reform laws have led the federal government to withhold more than \$2.2 billion in grants to the Los Angeles County Metropolitan Transportation Authority. Metro needs the money for bus and rail operation and maintenance, the Westside subway extension and a downtown connector tunnel. Those projects would create about 43,000 jobs, a Metro spokesman said.

Losing that money could lead Metro to make up for the lost money by cutting service or raising fares, inconveniencing some of the people who can least afford it.

The Teamsters and other unions representing California transit workers argue that the changes in government employee pensions passed by the Legislature and signed by Gov. Jerry Brown last year violated federally protected collective bargaining rights. They're backing a bill introduced in January to exempt about 20,000 transit workers from the changes. The bill, AB 160, by Assemblyman Luis Alejo, a Democrat from Watsonville, is in the Assembly Appropriations Committee.

Legislators should defeat the bill, lest it invite the unions representing other groups of public-sector workers to seek their own exemptions from pension changes.

And legislators should tell their allies in the transit unions that the complaint should be withdrawn, freeing the grant money and removing the threat of service cutbacks and fare hikes.

Imagine how many hard-working Southern California commuters the unions and their allies in Sacramento would be willing to inconvenience if the 2012 pension reform were really something to complain about -- that is, if it were real reform.

Instead, the reforms in AB 340 were a watered-down version of the originally proposed changes. They raised the retirement age for new employees, raised retirement benefit contributions from some employees, put limits on annual pension payments and prevented pension spiking. All of those are steps in the right direction. But not enough to call the problem solved.

Who knows if California would have gotten even those half-measures if state officials weren't putting on a show of responsibility as they tried (successfully) to persuade voters to approve the Proposition 30 tax increases?

However limited the pension changes were, and whatever the motivation, they should be defended and expanded upon, not riddled with exemptions.

The only good thing that could come out of the unions' complaints and the potential disruption for bus and rail riders would be if they angered enough Californians to jumpstart the campaign for the more serious pension reform the state needs.

August 11, 2013

Commentary

Rapid transit project promises roadway improvements

By Scott Graham

For people driving through the future Omnitrans sbX E Street Corridor Bus Rapid Transit line in San Bernardino and Loma Linda, it is clear that construction continues to take place on a large scale.

Each day, about 100 workers can be seen in concentrated areas along the 15.7-mile route. From concrete to iron to electrical workers, there are numerous tasks being performed daily to keep the project moving forward for the start of service in April 2014.

When complete, the sbX line will provide express service along one of the busiest bus corridors in the Omnitrans system, which serves about 4,000 daily riders. It will give the commuting public

a time-efficient and cost-effective option to get to major work, educational, medical, retail and restaurant centers.

Most of the construction activities that are impacting E Street and Hospitality Lane in San Bernardino are estimated for completion in the fall of this year. In the coming months, construction crews will work on reinforcing the center-running lane area from Court Street to 10th Street along E Street, and on Hospitality Lane in select areas between Carnegie Drive and Tippecanoe Avenue. This is similar to work already completed on E Street from Rialto Avenue to Hospitality Lane.

However, there is one major difference. On the corridor where the street has been widened, crews will add a top layer of asphalt that will create a smooth

driving surface from curb to curb. The uneven road conditions that the public has raised concerns about will be fixed.

Additionally, residents can be assured that roadway intersection work such as that at the Marshall Avenue and E Street park-and-ride location will also include a new and seamless layer of asphalt. And at sbX side-boarding stations along Kendall Avenue and on E Street, new asphalt will be added to smooth the roadway.

All construction work will continue to be inspected by the cities of San Bernardino and Loma Linda. This will assure quality of work and conformity to highway and Federal Transit Administration standards.

While there is much work in the coming months, there are areas in San Bernardino and Loma Linda that are nearing comple-

tion. In fact, the overall project is approximately 80 percent complete.

As we enter the final months of construction, we would like to remind the public that their input helps us address issues that are of concern. Recently, a local dentist off of Hospitality Lane expressed frustration about motorists not being able to make a left turn on a street because of a new median.

After reviewing the situation, we discussed the issue with the city and came up with a solution. A legal U-turn was added on Hospitality Lane in the eastbound direction at Waterman Avenue. This change took place because of the phone call made by a concerned citizen.

So if you have a concern or question about the project, please call the project helpline. You

might be surprised to learn that it is not an answering machine, but rather a cellphone manned by a project team member that will answer the phone 24-hours a day, seven days a week. And if for some reason we are unable to pick up the phone, we will return your call at our earliest opportunity. The helpline is 855-sbX-NEWS (729-6397).

As with any major project, there are challenges and impacts during construction. We are committed to mitigating issues the best we can and to deliver the project on time and on budget. We value your concerns and are optimistic that the new sbX BRT service will provide positive benefits over time in the cities we serve.

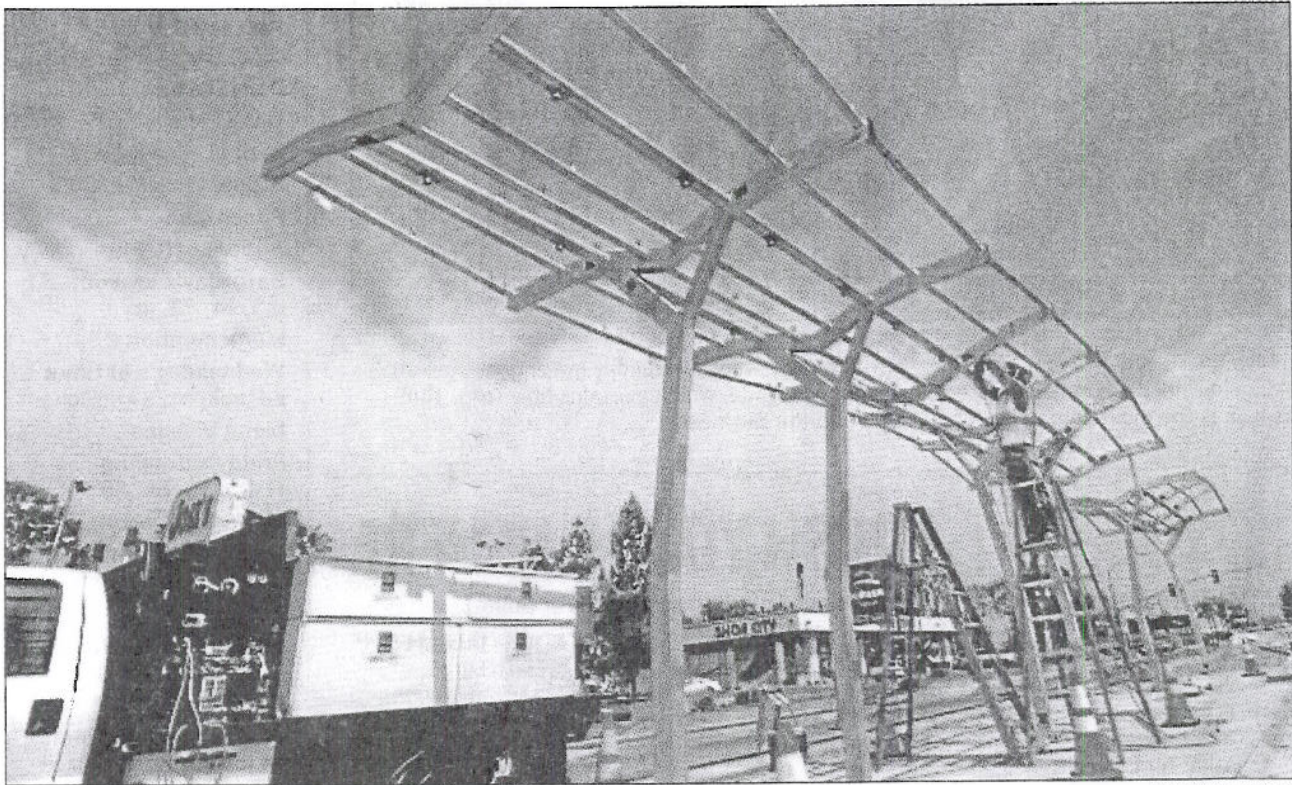
Scott Graham is interim CEO/general manager of Omnitrans.

PUBLIC TRANSPORTATION

AUDIT UNCOVERS MISMANAGEMENT

Omnitrans: FTA says busing service violated multiple federal guidelines

Contracts: Agency has started amendments based on some of the findings



STAFF FILE PHOTO

A Federal Transit Administration audit has found that San Bernardino Valley's public busing service, Omnitrans, violated multiple federal guidelines in awarding contracts for its sbX Rapid Transit Bus line, which is under construction.

THE SAN BERNARDINO SUN

August 12, 2013

By Joe Nelson

joe.nelson@
inlandnewspapers.com
@SBCountyNow on Twitter

The San Bernardino Valley's public busing service, Omnitrans, violated multiple federal guidelines in awarding contracts for its sbX Rapid Transit Bus line, including one no-bid contract worth \$15 million and another that included a 15 percent markup on all change orders, according to a Federal Transit Administration audit.

The contracts and how they were awarded and managed are in violation of federal guidelines for the pro-

curement of grant monies for major transportation projects, according to the audit, called a procurement system review, conducted between April 15 and 18 and made public last week.

The sbX line is being constructed between north San Bernardino and Loma Linda. Service is expected to begin early next year.

Omnitrans board members will discuss findings from the audit at its meeting today, Omnitrans spokeswoman Wendy Williams said in an email Friday.

In response to the 19 deficiencies cited by the FTA in its sbX audit, Omnitrans dis-

agreed with some and agreed with others, including the awarding of what is called a cost-plus-percentage of cost contract, which is forbidden by the FTA for projects it awards grants for.

A cost-plus contract is one in which a contractor is covered by the hiring agency for the cost of the project plus a tacked-on percentage to allow for additional profit.

"Omnitrans agrees with this assessment and has already initiated a contract amendment," Omnitrans stated in its response included in the audit.

Botched contract procedures pertaining to the sbX

project constituted the bulk of errors found by the FTA auditor.

In one case, a change order for \$400,000 was not evaluated properly, and another contract initially awarded for \$99,000 was allowed to escalate to \$539,000, indicating a lack of control and contract management, according to the audit.

In another case, Omnitrans awarded a no-bid contract valued at \$15 million for preliminary architecture and engineering services. Omnitrans stated in its response that the awarding of the contract fell within the scope of

AUDIT » PAGE 4

Audit

FROM PAGE 1

procurement guidelines.

The FTA recommended that Omnitrans update its policies and procedures to ensure that adequate controls are in place for contract management and that any changes to the contracts be adequately evaluated.

In regards to the construction contract that swelled from \$99,000 to more than a half million dollars, Omnitrans stated in its response that it considered the increased cost and con-

tract amendment a "small procurement" and utilized the FTA's small purchase procedures accordingly.

Procurement system reviews are part of a rigorous federal oversight program to ensure taxpayer funds are being used as intended, FTA spokeswoman Angela Gates said.

The FTA auditor also cited a range of other issues surrounding contracts, including undated estimates and budgeted amounts being used as estimates.

Omnitrans did not dispute those findings but stated in its response that a new procurement director has been

appointed to ensure its procurement practices are in line with FTA guidelines in the future.

The abrupt resignation of Omnitrans CEO and General Manager Milo Victoria on June 5 followed the FTA's audit, but Omnitrans officials will not say why he resigned and if it is related to the audit.

County Board of Supervisors Chairwoman Janice Rutherford, who also serves on the Omnitrans board of directors, found the FTA's findings disturbing and said she had reservations about the public transportation agency's competency in

overseeing large-scale construction/infrastructure projects.

Despite the FTA setback, Omnitrans is ensuring the public the sbX project will be completed on time, in early 2014, and within budget.

And Omnitrans plans to continue working cooperatively with the FTA.

"Omnitrans is dedicated to being a good steward of public funds," Williams said. "We welcome suggestions for continual improvement. Omnitrans has been proactive in addressing deficiencies and continues to work towards full compliance with FTA's recommendations."

Other

Monday, August 12, 2013



MONDAY, AUGUST 12, 2013

Special interests obstructing RTA and Omnitrans transit

Before addressing this controversy, we must make very clear for the men and women working for the Transit Agency and Omnitrans. We understand that majority of individual employees working for our transit their contractors work very hard everyday to service needs and to provide for their families. By no means dissenting such productive and honest work. What we fair-minded individuals question are the actions by the interest groups, entities which are supposed to will and rights of their dues-paying workers.

Under heavy pressure from informed Californians to control wasteful government spending, overpaid public employee salaries, and unfunded retirement benefits, special interest groups are becoming desperate and turning toward trivial means to maintain the status quo. We've all seen and heard about the [BART fiasco up in the Bay area](#), but it gets worse locally. The desperation is so bad that one local Inland Empire group is going as far to [obstruct RTA's and Omnitrans's federal funding sources](#). Instead of acknowledging the fact that the state simply cannot afford the continued spending madness, this special interest labor group has clearly demonstrated that defending labor rights includes putting their worker's jobs in limbo.



one point
Riverside
the vast
agencies and
our transit
are we
and many
special
represent the

Claiming that the California's Public Employee's Pension Reform Act of 2013 violated collective bargaining rights, local leaders of the Amalgamated Transit Union in April filed objections to the U.S. Department of Labor



which led to a freeze of Federal Transit Administration grants last week to RTA and Omnitrans. Federal transportation money is a major source of funding for our local transit agencies and is rightly so given that all of us here in the Inland Empire pay into the federal system. \$31 million of RTA's \$79 million total annual budget comes from the feds--almost 40%. Omnitrans gets \$30 million from Uncle Sam. As a result, both of these agencies have begun contingency plans for the next fiscal year should the federal government decide not to obligate the funds at all. If that happens, serious transit cuts will be on the table and The Transit Coalition will fight against it by holding ATU, the state and feds accountable. Here's the irony behind all this: Many of ATU's workers

will have their hours cut--or worse yet, face layoffs. Omnitrans has reported the possible layoff of 200 workers should the agency not receive money from the feds.

Here's how trivial this case is. According to [an editorial](#) by the *Press Enterprise*, California's pension reform only affected new hires. The new law also did not obstruct future negotiations or bargaining over pensions, but merely caps what the state government can offer going forward. Californians should be appalled at how loopholes are being undermined by these special interests with their agendas all in the name of worker's rights.

To be fair, labor unions have played an important role in history, bringing workers days of rest, safer working conditions, breaks in the day, justified hours, livable wages, child labor laws and other vital labor rights issues. However, there comes a point where agendas can turn into abuse. The fact is that the pension madness in the

Inland Empire will actually harm hard working transit workers, putting hundreds of transit jobs in jeopardy, and well over a third of the Inland Empire's transit operations in fiscal limbo. Both the state and federal government must step in, work together, get RTA and Omnitrans the funding that Inland Empire taxpayers paid into, close up the federal loopholes, and pass fair and fiscally sound labor laws which cannot be exploited.

If the state wants to increase wages and benefits statewide as demanded by the special interests, make California a better place to do business, inspire entrepreneurs to come back and invest in the Golden State which will stimulate the job market and balance the job-to-worker ratio. Underpaid employees will then have the option to seek better work in the marketplace which drives up employee retention and salaries. Employers not taking care of their workers will be faced with high turnovers--something that many businesses want to avoid. Remember the days when you always saw the "Now Hiring" signs at the corner McDonald's or Wal-Mart? That's how we can get rid of the double-digit unemployment and increase wages and benefits to livable levels. It's long past time for the special interests, the state and the feds to accept and adopt this notion.

August 13, 2013

TRANSPORTATION

Omnitrans audit will address deficiencies

Officials say a report
detailing changes will
be provided by Sunday

By Canan Tasci

canan.tasci@inlandnewspapers.com
@ChinoValleyNow on Twitter

SAN BERNARDINO » Omnitrans is expected to provide the Federal Transit Administration with a report by Sunday detailing how the agency is going to correct a number of deficiencies it was cited for in an April audit, officials said Monday.

The audit found that San Bernardino Valley's public busing service violated 22 federal guidelines, with 19 deficiencies cited by the FTA dealing with awarding contracts for its sbX Rapid Transit Bus line.

Those contracts, and how they were awarded and managed, were in violation of federal guidelines for procuring grant money for major transportation projects, according

OMNITRANS » PAGE 4

August 13, 2013

Omnitrans

FROM PAGE 1

to the 162-page audit, called a procurement system review.

The \$191 million project to build the sbX line is being constructed between north San Bernardino and Loma Linda, with service expected to begin early next year.

Local leaders have touted the line as having the potential to be an economic boon for the region.

Omnitrans' Administrative and Finance Committee met on Monday to review the deficiencies and discuss what measures have been put in place to meet all FTA standards.

The staff report included the FTA's observations and recommendations, as well as Omnitrans' plan of action, along with completion dates.

Omnitrans' efforts to correct deficiencies include training staff on contract administration requirements and obtaining adequate completion for small purchases.

Officials said they will request an extension to fix one

of the issues, however as for the other issues the report will reflect how they met the FTA's requirement by training employees.

Omnitrans has "focused efforts on increasing training for new and existing employees," according to Omnitrans staff report.

"I think any time the FTA finds a deficiency they're going to require training, and as a public agency we engage in training all the time to make sure staff is proficient in everything. So it's not an unusual requirement at all," said Jennifer Sims, director of procurement.

The FTA contracted with Calypso Consulting Group, Inc. of Cambridge, Mass. to conduct the audit that was done between April 15 and 18. Violations included one no-bid contract worth \$15 million and another that included a 15-percent markup on all change orders, according to the FTA's findings.

In response to the 19 deficiencies cited by the FTA in its sbX audit, Omnitrans disagreed with some and agreed with others, including the awarding of what is called a cost-plus-percentage of cost contract, which

is forbidden by the FTA for projects it awards grants for.

A cost-plus contract is one in which a contractor is covered by the hiring agency for the cost of the project plus a tacked-on percentage to allow for additional profit.

San Bernardino Mayor Pat Morris and the committee's chair called the number of deficiencies concerning and disturbing.

"But Jennifer Sims has described what she's done in leading the deficiencies and I'm relatively confident that when the internal audit is done on the 18th of this month that those deficiencies will have been corrected," Morris said on Monday after the meeting.

County Board of Supervisors Chairwoman Janice Rutherford, who also serves on the Omnitrans board of directors, also called the findings disturbing and said Omnitrans has had real challenges in managing these contracts.

"I do believe that the specific procurement lapses that were cited by the FTA would not happen with the current procurement director and CEO," she said.

Sims said while the defi-

ciencies were a concern, it did not come as a surprise.

"They were a concern when I was hired on so I started working towards making the corrections and changes to prevent further deficiencies," she said.

The item is expected to be brought back to the finance committee in September and to the Omnitrans board in October.

Omnitrans spokeswoman Wendy Williams said some of the deficiencies are "relatively minor in the scheme of things and the corrective action is training."

Morris said there is nothing like a \$200 million project to challenge a staff of a relatively small institution.

"We've from conception been challenged, because Omnitrans has never done this before," he said.

"But we have 10 of these projects planned ... the question that this board will have to address in the future is whether or not we will partner with (San Bernardino Associated Governments), who does this for a living and let them lead the construction management of the project or whether we continue to do it from this agency."

THE DAILY BULLETIN

Annual quality of life survey for San Bernardino County residents shows drop in approval rating



Officer Sochilt Martinez questions a man along the I-210 freeway in San Bernardino August 14, 2013. CSUSB's Institute of Applied Research will be releasing its findings in regards to national public opinions with on a variety of topics including the economy, crime and confidence in elected officials. (GABREL LUIS ACOSTA/STAFF PHOTOGRAPHER)

By [Neil Nisperos](#), Inland Valley Daily Bulletin

Posted: 08/14/13, 9:16 PM PDT |

The results of a new quality-of-life survey from Cal State San Bernardino's Institute for Applied Research showed a steep decline in the percentage of San Bernardino County residents who rated the area as a very or fairly good place to live.

According to the survey, the majority of residents surveyed rated the county as a very good or fairly good place to live this year. But at 62 percent, this year's figure represents a 5-point drop from last year. A high of 74 percent of residents rated the county as a very or fairly good place to live in 2002. This year's approval rating represents the lowest its been since the annual survey

began recording data 16 years ago, said Cal State San Bernardino professor Barbara Sirotnik, one of the lead investigators on the report.

Researchers suggest that the reasons for the drop may include a rise in the fear of crime and negative perceptions about the health of the regional economy.

“There was a very strong relationship between fear of crime and the other ratings and so since fear of crime went up, the other rating is going to drop accordingly,” Sirotnik said.

Fear of crime in the region, according to the report, is rising after a decrease in 2007, with 39 percent of respondents saying they were fearful or somewhat fearful of being the victim of a serious crime. The figure rose from 37 percent last year and 34 percent in the 2011 survey.

Over the past 16 years, the figure has fluctuated, but the number represents that at least a third of respondents indicated they were afraid of being a victim of a serious crime, within the time period, according to the report.

The authors of the report reasoned that the increase in fear of crime may be due to changing demographics, budget cuts resulting in decreased levels of law enforcement staffing, and the effects of the state prison realignment program.

It’s unclear, according to the report, whether increased crime rates can be attributed to prison realignment, or to other factors such as the economy, cutbacks in law enforcement staffing, or changing demographics.

“In this case, it’s a perception based on the prison realignment and all of the press it’s gotten recently,” Sirotnik said. “In some cities, there had been an increase in crime, but in others there has not. It may be more perception than the actual crime rate going up.”

Respondents rated crime and gang activity, and lack of job opportunities as the top negative factors of living in the county. The total number of people mentioning crime and gang activity as the predominant negative factor of the county rose from 22 percent in 2011, to 29 percent this year.

On the question of the economy, 40 percent of respondents rated the economy of the region “poor,” with 44 percent agreeing that the economy was “fair.” With San Bernardino County being one of the hardest impacted regions in the nation by the Great Recession, 8 percent of survey respondents cited a lack of job opportunities as a negative.

Concern over traffic as a negative factor of living in the county fell to 3 percent this year. The figure was 9 percent in 1997 and 15 percent in 2001.

Also dropping was the number of respondents who cited “smog” as a negative factor. This year’s 3 percent represents an all-time low, according to the report. About 9 percent said smog was an issue in 1997, with a high of 15 percent in 2001.

“The concern over air quality seems to have declined,” Sirotnik said. “That is a case of perceptions matching objective reality. I’m a longtime Inland Empire resident and I’ve seen air quality improvement, and people’s perceptions are catching up with that.”

A major sponsor of the study this year is Omnitrans. Data from the survey will help the regional transit agency with marketing and outreach efforts, said its marketing director, Wendy Williams.

Overall respondent awareness of Omnitrans, according to the survey, is at 85 percent. The transit service, according to the survey, received a positive perception rating of 70 percent, 14 percent were neutral, and 16 percent gave a negative rating.

Younger people gave Omnitrans better ratings than older people, with the typical rider in the 18 to 34 age range, according to Omnitrans.

Another area of the survey also found that the median commute time for county residents has declined slightly from 38.8 minutes to 37 minutes.

Coach operator Benito Zavalza honored as Employee of the Quarter Community News



Left to Right: Interim Director of Operations Diane Caldera, Board Chair Alan Wapner, Coach Operator Benito Zavalza, and Interim CEO/General Manager Scott Graham.

This month, Coach Operator Benito Zavalza was presented with the Employee of the Quarter award by the Omnitrans Board of Direc-

tors. Benito has received numerous commendations for professionalism, friendliness, heroism and outstanding customer service.

Frozen Federal Funds Threatens

Bus Service Community News

The Board approved the development of contingency plans to reduce bus service if there is no resolution to the objection filed by the Amalgamated Transit Union (ATU) against California's Public Employees' Pension Reform Act of 2013 (PEPRA) which caused the US Department of Labor (DOL) to place a hold on Federal Transit Administration (FTA) grant funding for Omnitrans. The federal grant funds on hold, include:

\$16.3 million for employee wages and bus maintenance.

\$8.3 million to build the San Bernardino Transit Center.

\$5.1 million to purchase new buses. 16 California transit agencies with ATU representation are affected. The union contends that PEPRA provisions are negotiated items and therefore transit should be exempt from the new state law which took effect in January 2013. Without the federal funds, Omnitrans would need to reduce service by up to 40% and lay off about 200 employees beginning in January 2014.

THE PRESS-ENTERPRISE

SAN BERNARDINO COUNTY: Residents still wary of economy



KURT MILLER/STAFF PHOTOGRAPHER *Folks wait in line at a job fair in Ontario on Sept. 12, 2012. A survey of residents found that the economy continues to be a concern for San Bernardino County residents.*

[BY IMRAN GHORI](#) STAFF WRITER

August 15, 2013; 12:01 AM

San Bernardino County residents continue to remain wary about the local economy even as they showed a slight increase in optimism, according to a survey released Thursday, Aug. 15.

Sixteen percent of residents who participated in the 2013 Inland Empire Annual Survey described the county's economy as excellent or good, a slight increase from 13 percent the previous year. But local views of the economy remain gloomy — 84 percent of respondents said the economy is fair or poor — compared to 2006, when 46 percent chose "excellent" or "good" to describe the county's economic situation. The record low was 9 percent in 2010, researchers said.

The survey of the county's quality of life was conducted by the Institute of Applied Research and Policy Analysis at Cal State San Bernardino and is in its 16th year. It telephone survey, conducted in April, is sponsored by Cal State San Bernardino, the Mojave Water Agency and Omnitrans.

Despite some signs of economic recovery nationally, local residents still are not optimistic, said Barbara Sirotnick, the report's principal author.

Only 18 percent of those surveyed said they were personally better off this year than the previous year, and only 38 percent believe they will do better next year. Fifteen percent said they believe they will be worse off in the coming year.

Still, a majority of those surveyed consider San Bernardino County a good place to live, although the number has dipped from previous years. Sixty-two percent feel it's a good place — the lowest in the survey's history — compared to 67 percent in 2012 and a high of 74 percent in 2002.

Sirotnick said she believes that drop reflects residents' view of the local economy.

The survey also found that younger residents, Hispanics, renters and those with higher levels of education and higher income are more optimistic about the economy, although the study did not ask why they feel that way.

Crime continues to be a concern, even though crime rates have stayed steady in recent years. Thirty-nine percent of those surveyed said they fear they will become the victim of a serious crime.

Sirotnick said she believes that may be linked to the state's realignment law that went into effect last fall. The program garnered lots of publicity and concerns from politicians about an increase in crime.

As for local politicians, they continue to enjoy the trust of 57 percent of residents, a small increase. That's despite past county corruption scandals and the city of San Bernardino filing for bankruptcy protection.

"I really was expecting to see that drop significantly, so that was surprising," Sirotnick said.

She said its unclear why.

Other

Friday, August 16, 2013

American Planning Association

Inland Empire cities are planning for bus rapid-transit routes

Inland Valley Daily Bulletin (CA), 2013-06-23

View: System Map | Rt-61 Corridor Map

A rapid-transit bus system is being prepared by Inland Empire cities.

The first of 10 Omnitrans' bus rapid transit, or BRT, systems, is in what is known as the E Street Corridor in the San Bernardino area. It is set to be completed within a year and will allow bus riders to travel north and south from Cal State San Bernardino to Loma Linda University.

Dubbed SBX, which stands for San Bernardino Express, buses will have designated stops and the ability to change stoplights to green for speedier travel through. In some cities, designated lanes have been envisioned for bus travel.

Still in the first planning phase, Omnitrans -- the public bus agency for an area extending from Chino Hills on the west to Yucaipa on the east -- has been able to secure a \$850,000 Federal Transit Administration grant to conduct a route and mode-of-transit analysis for the Holt Blvd./Fourth Street Corridor.

This route will run from Fontana, near Kaiser Permanente Medical Center, through Rancho Cucamonga, Ontario, Montclair and end at the Transcenter in Pomona.

"We recognize this as a different type of premium transit opportunity for people not only visiting relatives in different communities, but also living in a community and working in another," said Matt Pilarz, acting city engineer. "It's just a faster way for people to use transit other than their car and give them something competitive if they are using a car."

Construction for the rapid-transit bus corridors is dependent on funding, and Omnitrans officials hope SBX's potential success will help bring in money for the rest of the system.

"We would have to go through the same process we did with the current project to get the project grant agreement with the federal government to begin work on the next corridor," said Omnitrans spokesman David Rutherford. "Our plan now is to go forward with the Holt Boulevard project because that's the one we've received funding for."

All corridor projects start at this first phase, formally called the alternative analysis phase. Next is an environmental phase followed by a design phase.

When those are complete, Rutherford said, Omnitrans would submit a full plan to the FTA, which could then issue a full grant agreement, and "that's when the construction would begin."

Local cities, however, are not waiting around for the project's dirt to move. They've already started planning.

Ontario and Fontana are both conducting studies on the feasibility of bus rapid transit along the corridor in their cities and have begun to identify optimal locations for stations/stops and dedicated transit lanes.

Ontario's Holt Boulevard Mobility and Streetscape Strategic Plan was presented to its City Council on April 5, while Fontana's Sierra Valley Land Use Study was presented to its Planning Commission on March 19. Both studies involved public outreach, including surveys, and both studies are nearing completion, Omnitrans officials said.

For the past three years, Fontana officials have met with Omnitrans, the Southern California Association of Governments, or SCAG, and San Bernardino Associated Governments, or SanBAG, on their system-wide transit plan and corridors.

Moreover, the city's general plan has goals and policies set in their support of the rapid transit system.

"We've been collaborating as far as design, defining the route, where it would be best suited in the city and what would be preferred as far as dedicated or shared lanes," said Stephanie Hall, Fontana's senior planner.

In Pomona, Pilarz said having a bus-dedicated lane wouldn't be viable because there is not much opportunity for widening streets.

"Another thing we would be looking at is connecting with the transit center. That's an obvious hub here to link up to," he said.

"If that link is made, you're obviously going to have more demand of people wanting to park, which means we would need a parking structure. We've gotten into some specifics to what would be needed for this thing to happen."

At a recent Rancho Cucamonga planning meeting officials were given a report from Terra Nova, a Palm Desert-based land planning consulting firm, with recommendations and ideas on how to support high-density transit-oriented development near proposed bus stations on Foothill Boulevard.

Two corridor projects in Rancho Cucamonga on Foothill Boulevard are expected in the system-wide plan.

Terra Nova certified planner John Criste said statistics have shown office workers and residents as primary bus rapid transit users, but residents in proximity to a transit station were more willing to walk a greater distance than office workers.

The Foothill and Holt Boulevard/Fourth Street corridors were identified as the top routes for potential ridership. The Holt Boulevard/Fourth Street Corridor is based on the existing Omnitrans Route 61, which has the highest ridership in the Omnitrans system at around 6,000 average daily boardings, agency officials said.

Ontario Councilman Alan Wapner, who is also the president of the Omnitrans board, said the Holt route would have a dedicated bus lane.

"BRT is the intermediate step between bus and light rail, so normally you use BRT to test a route to see what the ridership will be. It certainly creates an economic opportunity because you can do transit oriented development -- as you would do with high rail," Wapner said.

"What's really neat about BRT is once it proves itself as a really successful route we can then lay light rail on there and take the buses and do BRT somewhere else in the city. It can be interchanged."

The overall vision for the SBX system was approved by SanBAG in 2004 with goals that included mitigating increasing traffic on the region's freeways, increasing bus ridership, fostering transit-oriented development in San Bernardino County's West End, and providing better transit links between the Omnitrans system, Metrolink, the Gold Line, and L.A./Ontario International Airport.

Staff writers Liset Marquez and Neil Nisperos contributed to this report.

A service of YellowBrix, Inc.

ITEM # F1

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

FROM: P. Scott Graham, Interim CEO/General Manager

SUBJECT: CEO/GENERAL MANAGER'S REPORT

A draft of the Operations and Maintenance Plan (OMP) for the sbX was presented to the Federal Transit Administration (FTA) at the Quarterly Meeting held August 27. Initial comments received from the Project Management Oversight Consultant were positive; noting the first cost loaded construction schedules, reduction in Time & Material (T&M) contract changes to Lump Sum Payments, and initial discussions with Griffith/Comet on possible contract changes on T&M mark ups. Staff was highly professional and knew their subject matter. FTA was confident in the direction of the project and our ability to manage the project.

The Department of Labor delayed issuing its decision regarding the Amalgamated Transit Union's objection to the pension reform enacted by the State Legislature; therefore Omnitrans is moving forward with the Call for Public Hearings (later in the agenda) to present the proposed Service Plan reductions to the public as required by law.

Omnitrans provided the required documents requested by the FTA in preparation for the FTA Triennial Review scheduled in January 2014.

The monthly meeting with SANBAG Executive Director was held August 12. I also participated in the meeting regarding the upcoming Consolidation Study with SANBAG and joined Ray Wolfe and Wendy Strack in meetings with Congressmen Gary Miller and Paul Cook, and Congresswoman Gloria-Negrete-McLeod to brief the congressional leaders on the 13c issue and the impact of the Department of Labor's hold on grant funding as a result of the Amalgamated Transit Union Local #1704 objection to the PERS Reform Act.

We are pleased to report that California State University San Bernardino will be rejoining our Go Smart program for the 2013-14 academic year. With funding from CSUSB student government and administration, the approximately 17,500 enrolled students will have access to unlimited rides on Omnitrans service, including our sbX line when it launches next spring. The Board's support of the Go Smart program, most notably generous city funding of the pilot program, has been instrumental in its success.

Interviews to replace the vacant Director of Information Technology position were held and an offer has been extended.

MONTHLY STATISTICS

Ridership for July 2013 was 1,204,242 compared to 1,196,236 in July 2012. This is a 6.7% percent increase from July of last year. Fixed route ridership increased by 5,244 passengers year-to-date. Ridership on Access increased by 2,752 passengers, and OmniLink increased by 10 passengers. OmniGo ridership was 10,493, which is 3.0 percent over July 2012.

Year-to-date pass outlet sales through July 2013 decreased by 6,489 units with 2,481 sold compared to 8,970 last year. This represents a decrease of 72.3 percent. Revenue from bus pass and ticket sales, combined with the Go Smart college program revenue, decreased 26.7 percent through June (\$264,722.85 vs. \$361,116.95 last year, a decrease of \$96,394.10). This is due to Stater Brothers returning their passes. A refund of \$50,000 to Stater Brothers affected sales.

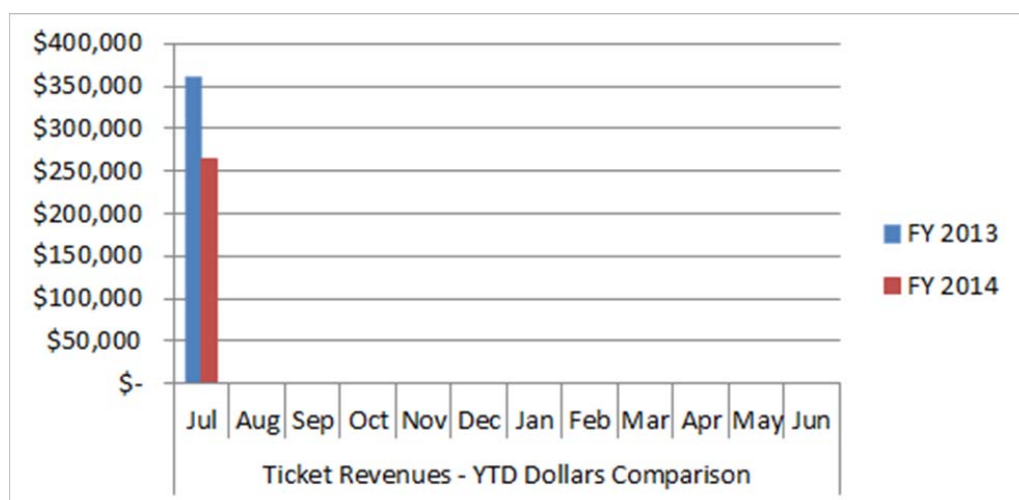
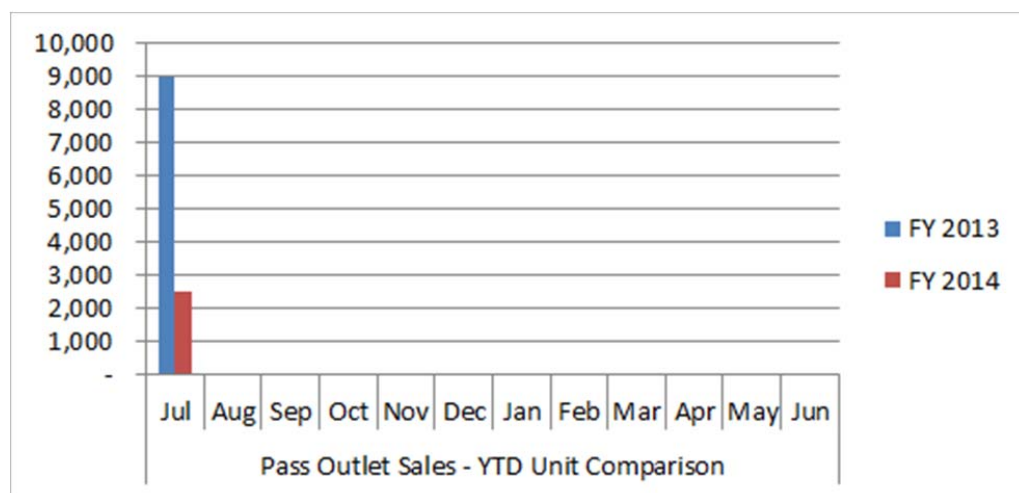
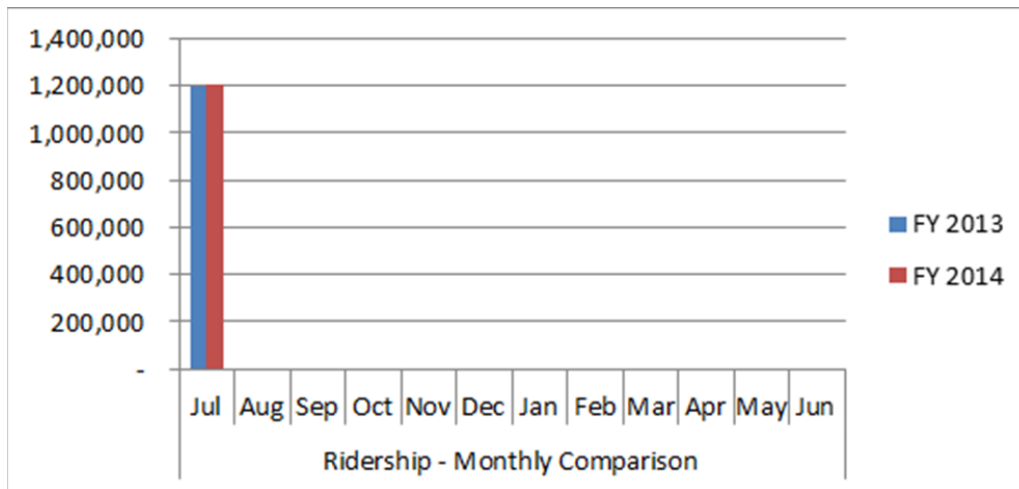
Year-to-date fixed route revenue through July 2013 was \$1,001,830 compared to \$960,377 last year, which is an increase of 4.32 percent.

On-time performance for July 2013 was 88.97 percent.

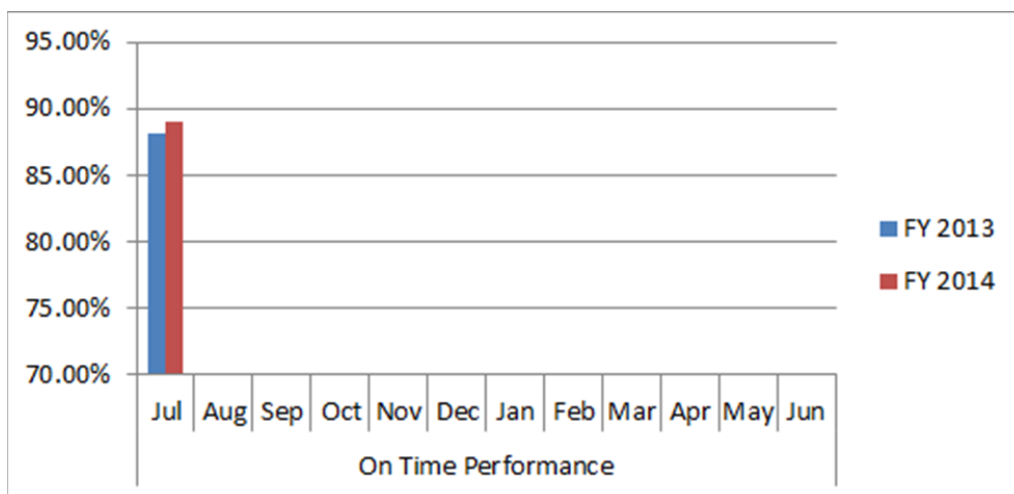
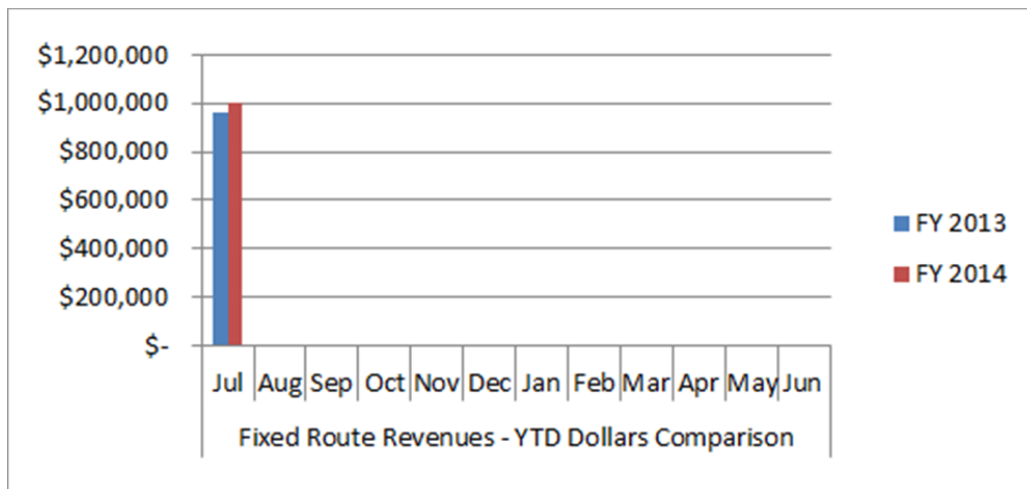
Omnitrans participated in 13 outreach events in July – Travel Training Bus at Gardens at Sierra, Fontana, July 8; Travel Training Bus at Fountains at Sierra, Fontana, July 8; Travel Training Bus at Montclair Senior Center, July 10; Art Institute GoSmart Outreach, July 17; Travel Training Bus at Village at Sierra, Fontana, July 18; Travel Training Bus at Plaza at Sierra, Fontana, July 18; Omni Night at 66ers Game, July 21; Carter High School Registration, July 23 and 24; Travel Training Bus at Project Ayuda, San Bernardino, July 30; Cajon High School Registration, July 29, 30 and 31.

PSG:CA

CEO/General Manager Report - July 2014



CEO/General Manager Report - July 2014



ITEM # F2

DATE: September 4, 2013

TO: Board Chair Alan Wapner and Members of the Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: FTA PROCUREMENT SYSTEM REVIEW FINAL REPORT AND
CORRECTIVE ACTION PLAN**

FORM MOTION

Receive and file the FTA up Procurement System Review Final Report and Omnitrans' Corrective Action Plan.

This item was reviewed by the Administrative & Finance Committee at its August 12, 2013, meeting, and recommended to the Board of Directors for receive and file.

BACKGROUND

On March 1, 2013, Omnitrans was informed by the Federal Transit Administration (FTA) that Omnitrans was scheduled for a Procurement System Review (PSR) to address issues regarding Federal procurement requirements and Omnitrans' entire procurement system.

The FTA contracted with Calyptus Consulting Group, Inc. of Cambridge, Massachusetts, to conduct the review. An entrance conference was held on Monday, April 15, and concluded with an exit conference on Thursday, April 18. Calyptus reviewed Omnitrans' Procurement Policies and Procedures, analyzed the contents of forty-four contract files, and clarified answers to questions provided by the Procurement Director, sbX Project Manager, Procurement staff, Finance staff, Treasury Manager, Legal Counsel, Director of Internal Audits, and Program Managers.

The review analyzed 60 system-wide and individual elements, as defined in FTA Circular 4220.1F. Omnitrans was found non-deficient in 32 elements, deficient in 22 elements, with six elements not-applicable/observable. The consultant noted during the exit conference that "efforts have clearly been made in the last year in the areas of micro-purchases, cost and price analysis, and responsibility determinations" as well as "focused efforts on increasing training for new and existing employees." Additional strengths noted were the organized file system and efforts underway to address all requirements of the FTA Circular 4220.1F.

Principal weaknesses identified were that the contract administration system does not adequately ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders and applicable Federal, State and Local requirements, that the sbX construction agreement provides cost plus a percentage of cost provisions strictly prohibited by the FTA, and excessive use of sole source procurements.

A draft report was provided to Omnitrans by the FTA in May 2013, listing deficiencies and recommendations for corrective action. Omnitrans respectfully disagreed with four of the twenty-two deficiencies and prepared and submitted a corrective action plan to address the remaining 18 deficiencies. On July 18, 2013, Omnitrans received the FY 2013 FTA Procurement System Review Final Report. The FTA did not remove any of the challenged deficiencies and staff proceeded with developing a corrective action plan to address these remaining four items.

A training session on the initial 18 deficiencies was held on June 13, 2013. The training included detailed segments on Request for Proposals (RFPs) and how to develop cost analysis to form the basis for making fair and reasonable price determinations. Two additional sessions were conducted on July 31, 2013. The first session was focused on the remaining deficient elements, while the latter provided in depth training on developing Independent Cost Estimates and meeting the FTA's brand name restrictions.

The remaining element requires a revision to Procurement Policy 4000 as it relates to Piggyback/Intergovernmental agreements. A time extension will be requested to afford proper vetting through County Counsel. The FTA revised Circular 4220.1F three weeks prior to the PSR. Consequently, staff is revising the policy to meet the current circular requirements and will bring it to the September Administrative & Finance Committee Meeting.

The FTA has requested supplemental documentation on two sbX contracts as they relate to element No. 2, "Contract Administration System," No. 38, "Sole Source If Other Award Is Inadequate" and No. 48, "Cost Plus Percentage of Cost." Management is actively negotiating with the JV to amend the contract to remove the deficient language and to convert Time and Materials change orders to lump sums. The FTA will make a Federal participation determination once the documentation is received and reviewed. The Interim CEO/General Manager will advise the Board of the determination.

In addition to training, ten elements required internal audit follow-up and six elements required a review to validate compliance within 30 days of the PSR Final Report. Upon completion of the negotiations with the JV, and Board approval and implementation of the revised Procurement Policy 4000-1 as it relates to Piggybacking, Omnitrans will have fully complied with the FTA's recommendations as detailed in the Procurement System Review Final Report.

UPDATE SINCE ADMINISTRATIVE AND FINANCE COMMITTEE REVIEW

The corrective action table has been updated since this item was reviewed by the Board Administrative and Finance Committee to illustrate that all training and compliance reviews/internal audits have been completed. Element 2 was updated to illustrate management's decision to terminate the staff augmentation agreement with APSI for \$539,000. Staff will evaluate the need for continued services and if necessary, seek Board approval to release a new solicitation in accordance with FTA Circular 4220.1F.

(The full 140 page response to the Final PSR is available upon request.)

PSG:js

ATTACHMENT A

**Omnitrans
July 2013 Procurement System Review
Correction Action Plan**

Element	Reviewers' Observations	Reviewers' Recommendations	Management Correction Action	Target Complete Date/Tasks% Completed
2) Contract Administration System (FTA C 4220 1F, ¶ III, 3.)	The contract administration system was found to be deficient due to multiple concerns in this area based on procurements related to the Omnitrans sbX E Street Corridor Bus Rapid Transit (BRT) Project. For example, a change order for \$400,000 pertaining to this project was not evaluated appropriately, and water channeling work was conducted without adherence to procurement procedures such as developing an independent cost estimate. Furthermore, a staff augmentation contract originally awarded for \$99,000 was allowed to escalate to \$539,000, indicating a lack of control and contract management.	Administration of various contracts for the sbX E Street Corridor BRT Project, including the administration of the staff augmentation services contract, failed to meet the requirements of FTA C 4220.1F, Chapter III, Section 3, related to contract administration systems. Omnitrans must update policies and procedures to ensure that adequate controls are in place for contract management and that all change orders, options periods, and modifications are adequately evaluated. Training must be conducted with staff on these requirements and changes in the procurement system must be verified within ninety (90) days from the date of the final report.	Policies and procedures will be reviewed to ensure adequate coverage of effective contract administration practices, staff will be trained on contract administration requirements, and compliance must be verified within ninety (90) days from the date of the final report. Staff augmentation agreement IPMO12-23 with APSI in the not to exceed amount of \$539,000 will be terminated.	October 2013 100% Complete (Policies & procedures reviewed in May 2013; Training conducted on 7/31/13 [Attachment B]; Compliance verified 8/15/13 [Attachment C]; IPMO12-23 Terminated [Attachment E])
7) Independent Cost Estimates (FTA C 4220 1F, ¶ VI, 6.)	Of the thirty-two (32) procurements reviewed, twelve (12) were found to be deficient and twenty (20) were not deficient. The deficiencies stemmed from a range of issues including undated estimates, budgeted amounts being used as the estimate,	Omnitrans already has coverage of independent cost estimates in Procedure 4000-1 of their policy and procedure manual; however, the lack of compliance in the element indicates that procedures are not being followed for all procurement methods. Omnitrans must update its manual to include detailed procedural guidance	Compliance will be verified within thirty (30) days from the date of the final report.	August 2013 100% Complete (Compliance verified 8/15/13 [Attachment C])

ATTACHMENT A

	and insufficient detail or supporting analysis. The deficiencies in this element pertained to sole source and RFP procurements.	on developing independent cost estimates for each procurement method such as IFBs, RFPs, sole source, and small purchases. Training must be conducted with staff on updated procedures and compliance with these updated requirements must be verified by conducting an internal audit of procurements within thirty (30) days from the date of the final report.		
13) Brand Name Restrictions (FTA C 4220 1F, ¶ VI, 2. A. (3))	Of the twenty-three (23) procurements reviewed, six (6) were found to contain brand names. Of these, two (2) were found to be deficient. One deficiency was related to the procurement of fourteen (14), sixty-foot buses. The other pertained to the purchase of brand name bus filters that lacked the “or equal” designation and salient characteristics in specifications.	Omnitrans policies and procedures contain adequate coverage of brand name or equal specifications; however, training must be conducted with user departments and requisitioners to ensure that procedures are being followed. Compliance with procedures must be verified by conducting an internal audit of procurements within thirty (30) days from the date of the final report.	Omnitrans will conduct training on brand name requirements and verify compliance within thirty (30) days from the date of the final report.	August 2013 100% Complete (Training sessions conducted on 7/31/13 [Attachment B]; Compliance verified 8/15/13 [Attachment C])
16) Written Procurement Selection Procedures (FTA C 4220 1F, ¶ III, 3. a.; VI, 2. e.)	Of the seventeen (17) procurements reviewed, seven (7) were found to be deficient and ten (10) were not deficient. In an IFB procurement, the selection procedures in the solicitation document stated that “Contract award will be made to the bidder whose bid meets the requirements contained herein and is most advantageous to Omnitrans.”	Omnitrans policies and procedures contain contractor selection requirements for each procurement method and do not need to be revised. However, training must be conducted on these requirements and compliance must be verified within thirty (30) days from the date of the final report.	Training was provided to the Procurement Team on June 13, 2013. Compliance will be verified within (30) days from the date of the final report and annually thereafter	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Compliance verified 8/15/13[Attachment C])

ATTACHMENT A

	<p>This statement is clearly inconsistent with the standard process of awarding an IFB to the lowest responsive and responsible bidder. Another deficiency was related to a towing services RFP-method procurement that contained different evaluation factors and weighting assignments across the solicitation, evaluation forms completed by the evaluation committee, proposal analysis completed by the contract specialist, and letters of regret communicated to unsuccessful offerors. Procurements for onsite security services and paratransit on-board video surveillance were also conducted without following the evaluation process stated in the solicitation.</p>			
<p>18) Award to Responsible Contractors (FTA C 4220 1F, ¶ VI, 8. b.)</p>	<p>Of the twenty-six (26) procurements reviewed for compliance with this element, nineteen (19) were found to be deficient and seven (7) were not deficient. In many cases the procurement documentation lacked evidence of an EPLS/SAM check for debarment/suspension or the responsibility determinations were not completed prior to award. However, it was</p>	<p>During the period of the PSR review, Omnitrans added an EPLS/SAM search to their standard responsibility checklist. Evidence must be provided of this updated checklist, staff must be trained on using the new form, and compliance must be verified by conducting an internal audit of procurements within thirty (30) days from the date of the final report.</p>	<p>Omnitrans will conduct training with staff on responsibility requirements and conduct an internal audit of procurements within thirty (30) days from the date of the final report to verify compliance.</p> <p>Responsibility Determination form revised to include EPLS/SAM verification.</p>	<p>August 2013</p> <p>100% Complete</p> <p>(Training session conducted on 6/13/13; Form revised on 7/30/13 [Attachment F]; follow-up training on how to use revised form conducted on 7/31/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])</p>

ATTACHMENT A

	apparent from the contract files reviewed that Omnitrans has made a recent effort to conduct responsibility checks post-award and that a system is currently in place.			
21) Fair and Reasonable Price Determination (FTA C 4220 1F, ¶ VI, 3. a.)	Of thirteen (13) procurements reviewed for this requirement, twelve (12) were found to be deficient and one (1) was not deficient. These deficient micro purchase files did not include a fair and reasonable price determination that was conducted prior to award. Omnitrans had recently completed a post-award fair and reasonable price determination form, which showed that a process is now being followed.	Policies and procedures currently provide adequate requirements on conducting fair and reasonable price determinations for micro purchases. Staff training must be conducted on these procedures and compliance must be verified by undergoing an internal audit of micro-purchase files within thirty (30) days from the date of the final report.	Staff training was conducted in January, however follow-up training was provided again on June 13, 2013. Compliance will be verified by conducting an internal audit within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
23) Price Quotations [Small Purchases] (FTA C 4220 1F, ¶ VI, 3. b.)	Of the six (6) small purchases reviewed for this requirement, one (1) was found to be deficient and five (5) were not deficient. The deficient procurement was for methane detection services and did not include an adequate number of quotations.	Omnitrans explicitly requires three or more price quotations for all procurements between \$3,000.01 and \$25,000 in their current policies and procedures. Staff must be trained on these requirements and compliance must be verified by conducting an internal review of procurement files within thirty (30) days from the date of the final report.	Training will be conducted on obtaining adequate competition for small purchases and compliance must be verified within thirty (30) days from the date of the final report.	August 2013 100% Complete (Training conducted on 7/31/13; Compliance verified 8/15/13 [Attachment C])
24) Complete Specifications (FTA C 4220 1F, ¶ VI, 2. a.; VI, 3. c.)	Of the thirty-two (32) procurements reviewed for this requirement, one (1) was found to be deficient and thirty-one (31) were not deficient. The deficiency was	Omnitrans procurement procedures contain more specific guidance on specifications for formal solicitation methods than for small purchases. Procedures should be revised to incorporate requirements regarding	Training was conducted on June 13, 2013 to reinforce their staff understanding. Compliance will be verified by undergoing an internal audit of the files within	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B];

ATTACHMENT A

	due to a procurement for MS Office Training that did not include a specification or statement of work.	clear and accurate specifications for small purchases to ensure compliance going forward. Training must be conducted on these revised procedures and compliance must be verified through a self-audit of small purchases within thirty (30) days from the date of the final report.	thirty (30) days from the date of the final report, and annually thereafter	Compliance verified 8/15/13 [Attachment C])
25) Adequate Competition - Two or Responsible Bidders (FTA C 4220 1F, ¶ VI, 3. c. (b))	Of the seventeen (17) procurements reviewed for this requirement, three were found to be deficient and fourteen (14) were not deficient. The most significant deficiency in this area was related to preliminary architecture and engineering services for the sbX E Street Corridor Bus Rapid Transit (BRT) Project. Only a single bid was received for this procurement, which was valued at over \$15 Million. Given the magnitude of the opportunity and the sizeable market of suppliers available to complete this work, multiple bids should have been received and additional market research should have been conducted to identify potential suppliers.	Procurement policies and procedures currently provide sufficient guidance on adequate competition. However, training must be conducted with staff on these requirements – particularly for those individuals involved in the procurement of A&E services. Training and verification of compliance with procedures must be completed within thirty (30) days from the date of the final report.	Omnitrans will conduct training with staff on adequate competition requirements and verify compliance within thirty (30) days from the date of the final report.	August 2013 100% Complete (Training conducted on 7/31/13 [Attachment B]; Compliance verified 8/15/13[Attachment C])
32) Bid Opening [Sealed Bid] (FTA C 4220 1F, ¶ VI, 3.c.(2)(e))	Of the four (4) sealed bid procurements reviewed for this requirement, three (3) were deficient and one (1) was not deficient. The sealed bid procurement for the sbX E	Omnitrans must implement a standard bid opening form that can be utilized in future sealed bid procurements. Evidence of this form must be provided and included in policies and procedures. Staff must be trained on	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the	August 2013 100% Complete (Training conducted on

ATTACHMENT A

	Street construction project contained a bid opening document that was not signed. The bus painting and wrapping procurement only included a sign-in sheet for the bid opening and no documentation providing evidence that all bids were opened at the time and date set in the solicitation. The third deficiency related to a VoIP system procurement that was missing a bid opening form altogether. The bid opening documentation associated with the vehicle maintenance facility construction project was not deficient.	these updated procedures and compliance must be verified within thirty (30) days from the date of the final report.	final report, and annually thereafter.	6/13/13 [Attachment B]; Compliance verified 8/15/13 [Attachment C])
36) Evaluation [RFP] (FTA C 4220 1F, ¶ 3. d. (2) (d))	Of the thirteen (13) procurements reviewed for this requirement, five (5) were found deficient and eight (8) were not deficient. The solicitations for towing services, onsite security services, and paratransit onboard surveillance did not state the relative importance of evaluation factors. In another solicitation for HVAC and EMS maintenance/repair, the evaluation criteria section stated that “any other relevant factors as determined solely by the agency” would be considered in the evaluation of proposals.	There is a lack of knowledge around the RFP evaluation process at Omnitrans. Training must be conducted on RFP procedures and evaluations and compliance with updated requirements must be verified within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])

ATTACHMENT A

38) Sole Source if Other Award is Infeasible (FTA C 4220 1F, ¶ VI, 3. h.)	Of the nine (9) sole source procurements reviewed for this requirement, seven (7) were found deficient and two (2) were not deficient. The sole source justifications for the procurement of vehicle parts, bus wash repair components, computer supplies, and cellular services did not meet FTA conditions for the use of this procurement method. Furthermore, two (2) software maintenance contracts were renewed without competition and lacked base contracts with the software providers. Beyond the nine (9) contract files reviewed, there have been 490 sole source procurements over the last two years alone. This is a cause for overall concern regarding competition and corrective action must be taken to improve in this area.	Omnitrans has detailed procedures regarding the appropriate use of sole source procurements; however, there appears to be confusion between the correct approaches for FTA-funded versus non-FTA-funded procurements. Omnitrans must conduct training on FTA sole source requirements and conduct a follow-up audit evidencing compliance within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
39) Cost Analysis Required [Sole Source] (FTA C 4220 1F, ¶ VI, 6. a.)	Of the nine (9) sole source procurements reviewed for this requirement, eight (8) were found to be deficient. In the majority of these cases, there was no visible effort made to conduct a sole source cost analysis and no documentation was provided.	Omnitrans must conduct training on developing cost and profit analysis for sole source procurements (including analysis of fixed fee) and verify compliance by conducting a self-audit of sole source procurements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
40) Evaluation of Options (FTA C 4220 1F, ¶ VI, 6. b.)	Of the twenty-six (26) procurements reviewed for this requirement, two (2) were	Omnitrans must conduct training on the evaluation of options and verify compliance with FTA requirements	Training was provided on June 13, 2013. Compliance will be verified by	August 2013

ATTACHMENT A

VI, 7. b.)	deficient, five (5) were not deficient, and nineteen (19) were not applicable. Option period pricing was not evaluated at the time of award for the sbX E Street construction project and for the procurement of fourteen 60 foot buses. Option pricing must be evaluated at the time of award if Omnitrans reasonably expects to exercise options in the future and this evaluation should be sufficiently documented in the procurement file.	within thirty (30) days from the date of the final report.	undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
41) Cost or Price Analysis (FTA C 4220 1F, ¶ VI, 6.)	Of the twenty-three (23) procurements reviewed for this requirement, ten (10) were deficient and thirteen (13) were found not deficient. The deficiencies were either caused by missing cost or price analysis or by incomplete efforts that lacked profit evaluation or analysis of extreme discrepancies in pricing received.	Omnitrans must conduct training on cost and price analysis procedures and verify compliance with updated requirements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
42) Written Record of Procurement History (FTA C 4220 1F, ¶ III, 3. d)	Of the thirty-one (31) procurements reviewed for this requirement, nine (9) were found to be deficient and twenty-two (22) were not deficient. Though Omnitrans demonstrated the implementation of written record templates, the history of the procurement was often	Omnitrans has developed and plans to implement a procurement planning template for use in future procurements. Omnitrans must conduct training on written record procedures and templates and verify compliance with FTA requirements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])

ATTACHMENT A

	missing elements such as the basis for contract type, basis for contract price, and reasons for contractor selection or rejection. This deficiency was not isolated to a single procurement method and spanned small purchases, sole source, RFPs, and IFBs.			
43) Exercise of Options (FTA C 4220 1F, ¶ V, 7. a. (1) (a) (b))	Of the twenty-six (26) procurements reviewed for this requirement, three (3) were deficient and twenty-three (23) were not applicable. These deficiencies were primarily due to the fact that option periods were exercised without verifying that prices were still fair and reasonable for the sbX E Street construction project and for the procurement of fourteen 60 foot buses.	Omnitrans must conduct training on procedures regarding exercising options, and verify compliance with FTA requirements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
44) Out of Scope Changes (FTA C 4220 1F, ¶ VI, 3. h. (3) (c))	Of the twenty-six (26) procurements reviewed for this requirement, two (2) were deficient and twenty-four were not applicable. A change order for \$400,000 pertaining to the sbX E Street construction project was not evaluated appropriately, and a staff augmentation contract originally awarded for \$99,000 was allowed to escalate to \$539,000.	Change orders for the staff augmentation contract for the sbX E Street Corridor BRT Project failed to meet the requirements of FTA C 4220.1F, Chapter VI, Section 3(i)(1)(b), related to out of scope changes. Omnitrans must conduct training on procedures regarding contract changes and verify compliance with FTA requirements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter. Staff augmentation agreement IPMO12-23 with APSI in the not to exceed amount of \$539,000 will be terminated.	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C]; IPMO12-23 Terminated [Attachment E])

ATTACHMENT A

47) Time and Materials Contracts (FTA C 4220 1F, ¶ VI, 2.c.(2)(b))	Of the twenty-six (26) procurements reviewed for this requirement, two (2) were found to be deficient, and two (2) were not deficient. The procurements for staff augmentation and vehicle maintenance facility A&E services did not include a determination that no other type of contract was suitable.	Omnitrans must conduct training on procedures for justifying time and materials type contracts and verify compliance with FTA requirements within thirty (30) days from the date of the final report.	Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter	August 2013 100% Complete (Training conducted on 6/13/13 [Attachment B]; Audit completed 8/15/13 [Attachment C])
48) Cost Plus Percentage of Cost (FTA C 4220 1F, ¶ VI, 2.c.(2)(a))	Of the twenty-six (26) procurements reviewed for this requirement, one (1) was found to be deficient and twenty-five (25) were not deficient. The joint venture contract for the sbX E Street construction project contained a fifteen percent markup on all change orders, which constitutes a cost plus percentage of cost type contract.	The joint venture contract for the sbX E Street construction project failed to meet the requirements of FTA C 4220.1F, Chapter VI, Section 2(c)(2)(a), related to the prohibition of cost plus percentage of cost contracts. Policies and procedures must be revised to explicitly prohibit the use of cost plus percentage of cost type contracts. Training must be conducted on this requirement and compliance must be verified within thirty (30) days from the date of the final report.	Omnitrans will amend the contract with the Joint Venture. Training was conducted on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 66% Complete (Training conducted on 6/13/13 [Attachment B]; Amendment submitted to the JV for signature on 7/9/13; Audit completed 8/15/13 [Attachment C])
50) Piggybacking (FTA C 4220 1F, ¶ V, 7. a. (2))	Of the three (3) procurements reviewed for this requirement, all three (3) were deficient. Common areas of concern in these deficient piggybacks included insufficient inclusion of Federal clauses, missing minimum and maximum quantities, and a lack of market analysis of prices before purchases were approved. In one instance, a purchase for cellular and mobile data services was	Omnitrans must revise its policies and procedures with regards to piggybacking to include FTA requirements and instructions on buying off of GSA contracts. Training must be conducted on revised procedures and compliance must be verified within thirty (30) days from the date of the final report.	Omnitrans will revise its policies and procedures with regards to piggybacking to include updated FTA requirements (FTA C4220.1F, rev 3) and instructions on buying off of GSA contracts. Training was conducted on June 13, 2013. Compliance will be verified within thirty (30) days from the date of the final report.	October 2013 66% Complete (Training conducted on 6/13/13 [Attachment B]; Compliance verified 8/15/13 [Attachment C]; Revised Procurement Policy 4000-1 will go to the Admin. & Finance Committee on September 9, 2013 and if approved,

ATTACHMENT A

	made off of a GSA contract without obtaining competition. Procurements off of GSA schedules must be competed and are subject to all FTA piggybacking requirements.			forwarded to the Board on October 2, 2013)
56) Clauses (FTA C 4220 1F, ¶ IV, 2.)	Of the thirty-two (32) procurements reviewed for this requirement, twenty-two (22) were found to be deficient and ten (10) were not deficient. There were a variety of reasons for clause deficiencies. In some cases, Omnitrans had inserted Best Practice Procurement Manual discussions about clauses rather than designing concrete clauses based on the manual guidance. The Best Practices Procurement Manual should be used only as a guide in the development of clauses. In other cases, the Access to Records clause utilized in contracts did not grant direct access to records by the FTA and federal government. Finally, several purchase orders incorporated clauses by reference to the Omnitrans website without actually having FTA clauses available online.	Federal clauses must be included on the Omnitrans website if there is reference to them on purchase orders. In addition, Omnitrans must conduct training and verify compliance with FTA requirements within thirty (30) days from the date of the final report.	Federal clauses were posted on the Omnitrans website on April 17, 2013. Training was provided on June 13, 2013. Compliance will be verified by undergoing an internal audit of the files within thirty (30) days from the date of the final report, and annually thereafter.	August 2013 100% Complete (Compliance verified 8/15/13 [Attachment C])

ITEM # F3

DATE: September 4, 2013

TO: Board Chair Alan Wapner and Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

SUBJECT: AUTHORIZE AMENDMENT NO. 2, CONTRACT FIN14-08, SECURITY TRANSPORTATION SERVICES AND AUTHORIZE RELEASE OF REQUEST FOR PROPOSALS NO. RFP-FIN14-38, ARMORED VEHICLE & FARE COLLECTION COUNTING SERVICES

FORM MOTION

Authorize the Interim CEO/General Manager to execute Amendment No. 2 to extend Contract FIN14-08 with Los Angeles Federal Armored, Inc. DBA LA Federal Armored Services, Los Angeles, CA, for the provision of Security Transportation Services, from September 15, 2013 to January 31, 2014, and increase the contract amount by \$50,000, for a new total not-to-exceed contract amount of \$75,000.

Authorize the Interim CEO/General Manager to release Request for Proposals No. RFP-FIN14-38 for the provision of Armored Vehicle & Fare Collection Counting Services for a two year base period with three one-year options.

BACKGROUND

Omnitrans' current Contract No. FIN14-08, with LA Federal Armored Services expires on September 15, 2013. This contract was executed under the Interim CEO/GM's authority to allow for the continuation of security transportation services while a new solicitation is completed. This agreement includes increased accountability and controls to ensure proper credit to the agency.

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 RFP-FIN14-38 for Armored Vehicle & Fare Collection Counting Services project is \$241,008 for the two-year base period.

FUNDING SOURCE

The cost associated with this procurement is budgeted in the Finance Department's Budget as follows:

Departments	1800
Expenditure Code	503260

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

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

CONCLUSION

Approval of the extension of the existing contract and solicitation will allow Omnitrans to have continuous security transportation services until a replacement solicitation is issued and awarded.

PSG:JMS:JC

**AMENDMENT NO. 2 TO
CONTRACT NO. FIN14-08**

BETWEEN

OMNITRANS

AND

***LOS ANGELES FEDERAL ARMORED, INC.
dba LA FEDERAL ARMORED SERVICES***

Security Transportation Services

This Contract Amendment, effective September 16, 2013 is entered into by and between Omnitrans (hereinafter called "Agency") and Los Angeles Federal Armored, Inc. (hereinafter called "Contractor").

RECITALS

WHEREAS:

- I. Agency and Contractor have entered into Contract No. FIN14-08 on July 1, 2013.
- II. The Agency amended the Contract under Amendment No. 1 to extend the term of service from September 1, 2013 to September 15, 2013.
- III. The Agency hereby amends the Contract under Amendment No. 2 to extend the term of service from September 16, 2013 to January 31, 2014 and increase the total contract by \$50,000 for a not-to-exceed amount of \$75,000.

NOW THEREFORE, AGENCY and CONTRACTOR hereby amend their Contract as follows:

- IV. Page 4, Section 2 (Period of Performance), delete in its entirety and replace with the following:

2. PERIOD OF PERFORMANCE

Period of performance shall commence on September 16, 2013 and end January 31, 2014 or pursuant to the provisions of this Agreement, or unless earlier terminated pursuant to Section 8 or Section 9 of this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

- V. Page 4, Section 3 (Contract Sum), delete in its entirety and replace with the following:

3. CONTRACT SUM

For CONTRACTOR's full and complete performance of its obligations under this Agreement, OMNITRANS shall pay CONTRACTOR on a FIXED PRICE basis at the fully burdened fixed rates shown and agreed to in pricing proposal attached at Attachment B, Schedule of Fees, and subject to the maximum cumulative payment obligation.

OMNITRANS' maximum cumulative payment obligation under this Agreement is Seventy Five Thousand Dollars (\$75,000), including all amounts payable to CONTRACTOR for all costs, including but not limited to direct labor, other direct costs, subcontracts, indirect costs including, but not limited to, leases, materials, taxes, insurance and profit.

- VI. As hereby amended, the Contract remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 effective as of the day and year first therein above written.

OMNITRANS

**LOS ANGELES FEDERAL
ARMORED SERVICES, INC. dba
LA FEDERAL ARMORED
SERVICES**

P. Scott Graham
Interim CEO/General Manager

Jesse Anthony Ash
Senior Vice President

Date

Date

DE
CM


ITEM # G1

DATE: September 4, 2013

TO: Board Chair Alan Wapner & Members of the Omnitrans Board of Directors

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Rohan Kuruppu, Director of Planning and Development Services

SUBJECT: **CALL FOR PUBLIC HEARINGS FOR POTENTIAL TEMPORARY SERVICE REDUCTIONS**

FORM MOTION

Call for a public hearing concerning a potential temporary up to forty percent (40%) service reduction related to the Amalgamated Transit Union's (ATU) objection to the U.S. Department of Labor (DOL) regarding Omnitrans' Federal Transit Administration grant funding to be held at the following times and locations:

Date	Time	Place	Address	Routes Serving Location
Monday October 7, 2013	3:00-6:00 P.M.	Montclair Transit Center	5091 Richton Road, Montclair	65, 66, 67, 68, 80
Tuesday October 8, 2013	6:00-10:00 A.M.	Fontana Transit Center	16777 Orange Way, Fontana	10, 14, 15, 19, 20, 61, 66, 67, 82
Wednesday October 9, 2013	7:00-10:00 A.M.	4 th St. Transfer Center	South Side of 4 th St. between F St. & G St., San Bernardino	1, 2, 3, 4, 5, 7, 8, 9, 10, 14, 15, 215
Wednesday October 9, 2013	2:00-6:00 P.M.	4 th St. Transfer Center	South Side of 4 th St. between F St. & G St., San Bernardino	1, 2, 3, 4, 5, 7, 8, 9, 10, 14, 15, 215
Thursday October 10, 2013	8:00-11:00 A.M.	Ontario City Hall Conference Room	303 E. B Street, Ontario	61, 63, 80, 81, 83
Thursday October 10, 2013	2:00-4:00 PM	City of Redlands Council Chambers	35 Cajon Street, Redlands	8, 9, 15, 19
The official comment period will close on Thursday October 17 th at 5:00 P.M.				

BACKGROUND

On August 7, 2013, the Omnitrans Board of Directors authorized staff to develop contingency service plan reductions, including the scheduling of public hearings, to address the current hold on Federal Transit Administration grant funding.

On April 16, 2013, the ATU's General Counsel, on behalf of ATU Local #1704, submitted objections to the DOL regarding Omnitrans' Federal Transit Administration application for grant

funds. This objection is in response to the newly enacted California pension reform law, Public Employees' Pension Reform Act of 2013 (PEPRA), which became effective January 1, 2013.

Similar objections have been filed by the ATU and Teamsters across the state. These objections have impacted dozens of transit agencies and have resulted in the withholding of over \$1 billion in FTA grant funding until the objections are resolved.

Omnitrans has approximately \$29.7 million dollars in FTA grant funding frozen pending action on the objections. As of the beginning of July 2013, approximately \$11.7 million dollars of operating funds has been expended by Omnitrans in reliance upon these grants. Currently, the Agency is expending approximately \$900,000 a month in operating costs which are reimbursable through these grants. Omnitrans does not have the ability to continue current operations with this reduced funding level.

Omnitrans, through legal counsel, has notified the DOL and the ATU of the potential impact of this impasse. On July 25, 2013, a letter was sent to the DOL outlining specific reasons why the objections should be deemed insufficient and requesting release of funds that will enable Omnitrans to maintain current service levels. On July 26, 2013, a letter was sent to the ATU General Counsel requesting a negotiated solution. Neither of the letters has generated a response. As of August 16, 2013, the DOL has decided to delay any decision relating the withholding of transit funds due to the objections filed by the ATU and Teamsters throughout California.

However, it is unknown when a final decision will occur and if transit agencies will be blocked from receiving their federal grant funds. Therefore, in order to comply with federal procedures relating to the impending decision of the DOL, Omnitrans will continue with the necessary step to comply with the required public hearing schedule.

PLANNING ASSUMPTIONS

As described above, Omnitrans now faces a shortfall of approximately \$900,000 per month in operating costs that would have normally been reimbursed through the FTA Grants that have been placed on hold. Omnitrans' Finance Department has identified that in the worst case scenario, closing this gap would require a 40% reduction in bus service.

In order to evaluate possible service options for closing this gap, Planning identified three key assumptions:

1. The withholding of grant funding is for an indeterminate, but ultimately short-term period.
2. Omnitrans' goal is to minimize the impact on riders by specifically minimizing the impact on current rider's ability to make their established trips.
3. For short-term funding disruptions, maintaining service coverage and lifeline service is more important than maintaining higher frequencies on productivity-oriented service.

These three assumptions suggest that the primary goal of any temporary service reduction should focus on maintaining Omnitrans' existing service network. This allows current riders to continue

to use the system to make established trips without a steep learning curve. While trips may take longer, maintaining the network ensures that all trips can be made.

Following the need to maintain the network of routes, maintaining service span is of secondary importance so that riders can make established early morning and evening trips.

With a stated objective of maintaining the network and maintaining service span, frequency of service will be the primary service characteristic impacted.

Should the withholding of grant funding continue for a longer period of time and/or become a reoccurring problem, then Omnitrans would need to reprioritize this approach with a focus on network design rather than frequency adjustments.

Omnitrans has an existing plan in place with similar planning precepts as described above. This plan is the Emergency Service Deployment Plan, which is updated every few years.

This plan covers multiple scenarios ranging from earthquakes and fires to labor disputes, such as strikes and sickouts. In each of these scenarios, Omnitrans has developed operating scenarios when some external condition temporarily limits the work force. The ATU objection of PEPRAs has effectively done the same thing. A reduced funding level because of a grant hold has temporarily limited the workforce available to Omnitrans.

EMERGENCY SERVICE DEPLOYMENT PLAN

The Emergency Service Deployment Plan is a temporary plan that prioritizes planning objectives in the same order as was developed though the assumptions expressed above. These priorities are: 1) Maintain the Network; 2) Maintain Service Span; and, 3) Maintain Frequency.

The Emergency Service Deployment Plan has seven scenarios ranging from level 1 (status quo) to level 7 (significant emergency). The deployment strategies are:

- Level 1: Status Quo (0% reduction)
- Level 2: Reduce 15 & 20 minute routes to 30 minutes (≈20% reduction)
- Level 3: Level 2 and reduce 30 minute routes to 60 minutes (≈30% reduction)
- Level 4: Level 3 and reduce all routes to 60 minutes (≈40% reduction)
- Level 5: Level 4 and reduce the service span (≈45% reduction)
- Level 6: Level 5 and eliminate four routes (≈50% reduction)
- Level 7: Level 6 and eliminate ten additional routes (≈65% reduction)

These levels are visually shown in the chart below:

Action Taken	Emergency Service Deployment Level (Level 1 to Level 7)						
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7
Maintain status quo. NO CHANGE IN SERVICE							
Reduce 15- and 20-minute frequencies to 30-minutes							
Reduce 30-minute (original) frequencies to 60-minutes							
Reduce ALL service to 60-minute frequency							
Reduce Service Span to 6:30 AM to 6:30 PM							
Eliminate lowest-tier (lowest impact) routes							
Eliminate next lowest-tier (second lowest impact) routes							

In order to close the identified 40% worst case scenario from the current ATU objection, the Level Four Emergency Service Deployment strategy of all Omnitrans routes have a 60-minutes headway would be employed.

Since the 40% service reduction is the worst case scenario, the proposed service plan presented to the public will have the ability to incrementally dial back the reduction. The public will be presented with both the 40% reduction and the prioritized list of changes that move as low as status quo.

This approach will give Omnitrans the greatest flexibility to adapt to the situation as it unfolds. This flexibility will be necessary as the FTA and DOL may choose to partially release funding, or the ATU may end its objection to part of the funding. Additionally, other revenue sources or cost cutting opportunities may present themselves, which will allow for a more limited service cut. To avoid requiring multiple rounds of public hearings, the planned flexibility will be presented.

PROPOSED TEMPORARY SERVICE CHANGES

Due to the Amalgamated Transit Union's (ATU's) objection to the State of California's Public Employees' Pension Reform Act of 2013 (PEPRA) to the U.S. Department of Labor (DOL) and the subsequent withholding of \$29.7 million in Federal Transit Administration (FTA) Grants, Omnitrans proposes a potential and temporary reduction in service. This reduction in service will amount to approximately a 40% reduction in Omnitrans fixed route bus service. This will be accomplished by reducing all routes to a 60 minute service frequency from their current frequency today. Despite the severity of the funding reduction and frequency cuts, all Omnitrans bus routes will continue to run. Without a resolution to the ATU's PEPRA objection, the reduction is proposed to begin on January 6, 2014.

Exhibit 1 on the next page compares the frequency of service today to what is proposed.

Exhibit 2 on the following page provides Omnitrans' existing route map.

Exhibit 3 on provides the current peak vehicle requirements for each service.

Exhibit 1: Service Frequency Comparison

Service Frequency by Route by Day Type (Based on a 40% Reduction in Service in January due to ATU PEPRA Objection)							
	Route	Weekday		Saturday		Sunday	
		Today	Jan	Today	Jan	Today	Jan
East Valley	1	15/30	60	30	60	30	60
	2	15/30	60	20	60	20/30	60
	3	15/20	60	20	60	20	60
	4	15/20	60	20	60	20	60
	5	30/35	60	60	60	60	60
	7	30/60	60	60	60	60	60
	8	60	60	60	60	120	120
	9	60	60	60	60	120	120
	10	30/60	60	60	60	60	60
	11	60	60	60	60	60	60
	14	15	60	15/30	60	15	60
	15	30	60	60	60	60	60
	19	30	60	60	60	60	60
	20	30	60	60	60	60	60
	22	30	60	60	60	60	60
	29	60	60	60	60	n/a	n/a
	215	30	60	60	60	60	60
West Valley	61	15	60	15	60	15	60
	63	60	60	60	60	60	60
	65	60	60	60	60	60	60
	66	15/30	60	30	60	30	60
	67	60	60	n/a	n/a	n/a	n/a
	68	20/40	60	60	60	60	60
	80	60	60	60	60	60	60
	81	60	60	n/a	60	n/a	n/a
	82	60	60	60	60	60	60
	83	60	60	60	60	60	60
Contracted	308	30/60	60	30	60	60	60
	309	30	60	30	60	60	60
	310	30/60	60	n/a	60	n/a	n/a
	325	70	70	70	70	70	70
	365	60	60	60	60	60	60



Exhibit 3: Peak Vehicle Requirements

Peak Vehicle Requirements									
(Based on a 40% Reduction in Service in January due to ATU PEPPA Objection)									
Route	Weekday			Saturday			Sunday		
	Today	Jan	Δ	Today	Jan	Δ	Today	Jan	Δ
1	7	2	(5)	4	2	(2)	4	2	(2)
2	11	3	(8)	8	3	(5)	8	3	(5)
3	6	3	(3)	5	3	(2)	5	3	(2)
4	6	3	(3)	5	3	(2)	5	3	(2)
5	4	2	(2)	2	2	0	2	2	0
7	4	2	(2)	2	2	0	2	2	0
8	3	3	0	3	3	0	3	3	0
9	4	4	0	3	3	0	Interline	Interline	0
10	4	2	(2)	2	2	0	2	2	0
11	3	2	(1)	2	2	0	2	2	0
14	8	2	(6)	7	2	(5)	7	2	(5)
15	8	4	(4)	4	4	0	4	4	0
19	7	4	(3)	4	4	0	4	4	0
20*	2	1	(1)	0	0	0	0	0	0
22	4	2	(2)	2	2	0	2	2	0
29*	1	1	0	0	0	0	0	0	0
215	4	1	(3)	1	1	0	1	1	0
EV Total	86	41	(45)	54	38	(16)	51	35	(16)
61	14	4	(10)	13	4	(9)	13	4	(9)
63	2	2	0	22	2	(20)	2	2	0
65	2	2	0	2	2	0	2	2	0
66	11	3	(8)	6	3	(3)	6	3	(3)
67	3	3	0	0	0	0	0	0	0
68**	7	4	(3)	3	3	0	0	0	0
80**	2	2	0	2	2	0	2	2	0
81	3	3	0	0	0	0	0	0	0
82	4	4	0	2	2	0	2	2	0
83	2	2	0	2	2	0	2	2	0
WV Total	50	29	(21)	52	20	(32)	29	17	(12)
MBDO Total	136	70	(66)	106	58	(48)	80	52	(28)
308	1	1	0	1	1	0	1	1	0
309	1	Interline	(1)	1	Interline	(1)	Interline	interline	0
310	1	1	0	0	0	0	0	0	0
320*	0	0	0	1	1	0	1	1	0
325	1	1	0	1	1	0	1	1	0
329*	0	0	0	1	1	0	0	0	0
365	2	2	0	2	2	0	2	2	0
Contract	6	5	(1)	7	6	(1)	5	5	0
Grand Total	142	75	(67)	113	64	(49)	85	57	(28)
*20/320 and 29/329 are the same route from the customer's perspective using a smaller cutaway vehicle on weekends.									
**68/80 May require one more vehicle to maintain a one hour headway on both routes. Current interlining saved a bus and the emergency plan calls for the bus to be added back to 80									

Exhibit 4 below shows a comparison of key miles, hours and peak vehicle requirements in an annualized amount. Hours and miles decline by approximately 41%.

Exhibit 4: Service Characteristics for the Proposed Temporary Service Reduction

Directly Operated Bus Service (Excludes sbX)	Annualized Data		Change from Status Quo	
	Status Quo	Proposed	Δ	% Δ
Revenue Hours	588,000	348,000	(240,000)	-40.8%
Total Hours	613,000	362,000	(251,000)	-40.9%
Revenue Miles	7,500,000	4,416,000	(3,084,000)	-41.1%
Total Miles	8,116,000	4,747,000	(3,369,000)	-41.5%
Peak Vehicles	136	70	(66)	-48.5%
Passengers	15,509,000	12,027,000	(3,482,000)	-22.5%
Fare Revenue	\$ 13,282,000	\$ 10,343,000	\$ (2,939,000)	-22.1%

1. Status Quo was estimated year end FY2013
2. Estimated ridership is based on a service elasticity of 0.55, which implies that a 10% decrease in revenue hours would yield a 5.5% reduction in ridership.
3. Fare revenue is estimated based on \$0.86 per passenger

This reduction in service results in a significant impact on ridership and fare revenue. Ridership is projected to drop by 22.5% which would impact 3.4 million passengers on an annualized basis. The longer any temporary reduction lasts the greater and more lasting the impact on ridership.

This loss of ridership would further exacerbate Omnitrans' financial strain. Passenger revenue would drop by 22.1% or an estimated \$2.9 million on an annualized basis. This amounts to a reduction in fare revenue of approximately \$240,000 per month in addition to the loss of \$900,000 in grant funding.

In addition to the loss of service and loss of ridership, the proposed temporary service plan impacts approximately 200 positions.

PRIORITIZED ADJUSTMENTS TO PROPOSED TEMPORARY SERVICE CHANGES

Since there are still many moving parts and potential adjustments to the withholding of grant funding, the actual service reduction that may be needed is likely not to be the worst case 40% cut expressed above. However, at this time, the exact size of the necessary cut is unknown.

In order to get public feedback, staff will present both the 40% cut and the prioritized pull back to the Level 3 and Level 2 Emergency Deployment Plans. There are several million dollars between each deployment plan so the priority list of routes adds the ability to dial in service to meet the funding level.

The determination of route level priority between the levels of the Emergency Service Deployment Plan is recommended based on a three factor weighting criteria. The three factors

are total ridership, passengers per hour and a Title VI consideration for the Low-Income and Minority population.

Exhibit 5 below prioritizes each addition of service from the proposed emergency service deployment plan back to status quo.

Exhibit 5: Prioritized Adjustments to Level 4 Emergency Deployment Plan

Priority	Route	Frequency
1	61	30 minute
2	14	30 minute
3	1	30 minute
4	4	30 minute
5	3	30 minute
6	2	30 minute
7	66	30 minute
Reached Level 3		
8	15	30 minute
9	19	30 minute
10	5	30 minute
11	10	30 minute
12	215	30 minute
13	68	30 minute
14	7	30 minute
15	22	30 minute
16	63	30 minute
17	20	30 minute
18	308/309	30 minute
Reached Level 2		
19	61	15 minute
20	14	15 minute
21	1	15 minute
22	4	20 minute
23	3	20 minute
24	2	15 minute
25	66	15 minute
Reached Status Quo		

As the public is given the opportunity to comment on the reintroduction of service if the entire 40% cut is not necessary, Omnitrans will be able to tailor the specific recommendations received at the public hearings.

CONCLUSION

Staff has provided a detailed description of a potential temporary 40% service reduction that may take place in January 2014 due to the ATU's objection of PEPRA to the DOL. Staff has also provided a priority list that allows for the appropriate selection of a service reduction less than 40% should it be needed. Staff will present a final proposal to the Board of Directors after considering input from the public.

Staff requests that the Board of Directors formally open a public hearing at the locations listed above related to the proposed service changes, with the public hearing scheduled to close on October 17, 2013, at 5:00 P.M.

PSG/RK/JB