



## ADMINISTRATIVE & FINANCE COMMITTEE

MONDAY, JUNE 10, 2013 – 11:00 A.M.

OMNITRANS METRO FACILITY

1700 WEST 5TH STREET

SAN BERNARDINO, CA 92411

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

### A. CALL TO ORDER

### B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: July 8, 2013, at 11:00 a.m.  
Omnitrans Metro Facility Board Room

### C. COMMUNICATIONS FROM THE PUBLIC

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

### D. POSSIBLE CONFLICTS OF INTEREST ISSUES

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

### E. AGENDA ITEMS

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| 1. Approve Administrative & Finance Committee Minutes – May 15, 2013   | 7  |
| 2. Approve Joint Administrative & Finance Committee Minutes – May 15, 2013   | 11 |
| 3. Receive & File Forward Fuel Purchase Program Update for June 2013   | 15 |
| 4. Receive & Forward to Board of Directors, Construction Progress Report No. 17 through May 31, 2013 – sbX E Street Corridor BRT Project | 18 |
| 5. Receive and Forward to Board of Directors, Response to SAP Enterprise Resource Planning (ERP) Enhancement Project Final Update        | 39 |
| 6. Receive and Forward to Board of Directors, FY 2009-2011 Triennial Performance Audit of Omnitrans – Final Report                       | 41 |



**ADMINISTRATIVE & FINANCE COMMITTEE**

**MONDAY, JUNE 10, 2013 – 11:00 A.M.**

**OMNITRANS METRO FACILITY**

**1700 WEST 5TH STREET**

**SAN BERNARDINO, CA 92411**

- |   |     |
|---|-----|
| 7. Recommend Approval to Board of Directors, Authorize Additional Spend Authority<br>Contract IPMO 11-5, sbX E Street Corridor Construction   | 96  |
| 8. Recommend Approval to Board of Directors, Authorize Additional Spend Authority<br>Contract IPMO12-10, Vehicle Maintenance Facility Construction  | 99  |
| 9. Recommend Approval to Board of Directors, Authorize Additional Spend Authority<br>Contract IPMO11-1, Vehicle Maintenance Facility Modification Architectural and<br>Engineering Services | 102 |
| 10. Recommend Approval to Board of Directors, Authorize Additional Spend Authority<br>Contract IPMO11-24, Methane Detection System Consulting Services                                      | 105 |

**F. ADJOURNMENT**

ITEM #     D1    

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Jennifer Sims, Director of Procurement

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

**FORM MOTION**

Staff hereby provides a listing of principals and subcontractors associated with action items on the agenda for the Administrative and Finance Committee Meeting scheduled June 10, 2013.

Item No.	Contract	Principals & Agents	Subcontractors
E7	Recommend Approval Authorize Additional Spend Authority Contract IPMO11-5, sbX E Street Corridor Construction Contract	<i>Griffith/Comet Joint Venture Brea, CA Ryan Auckerman Attorney-in-Fact</i>	<i>CGO Construction Ontario, CA  Cindy Trump Inc/Lindys La Habra, CA  ACE Fence Co. La Puente, CA  CPR Trucking Sulmar, CA  KJ La Londe Signal Hill, CA  RMA Group Rancho Cucamonga, CA  JP Striping Beaumont, CA  JC Supply Ontario, CA</i>

			<p><i>Duos Technologies, Inc.</i> <i>Jacksonville, FL.</i></p> <p><i>Bithell Inc.</i> <i>Covina, CA</i></p> <p><i>Amber Steel</i> <i>Rialto, CA</i></p> <p><i>The Landscape Center</i> <i>Riverside, CA</i></p> <p><i>ADS Signs</i> <i>Corona, CA</i></p> <p><i>Southwest Steel</i> <i>Henderson, NV</i></p> <p><i>Kimley-Horn &amp;</i> <i>Associates</i> <i>Woodland Hills, CA</i></p> <p><i>B&amp;C Transit</i> <i>Oakland, CA</i></p> <p><i>GFI Genfare,</i> <i>Elk Grove Village, IL</i></p> <p><i>Adkan Engineers</i> <i>Riverside, CA</i></p> <p><i>All American Asphalt</i> <i>Corona, CA</i></p> <p><i>Republic ITS Inc.</i> <i>Novato, CA</i></p> <p><i>SAK Construction</i> <i>El Monte, CA</i></p>
E8	Recommend Approval Authorize Additional Spend Authority, Contract IPMO12-10, Vehicle Maintenance Facility Construction	<p><i>USS Cal Builders, Inc.</i> <i>Stanton, CA</i> <i>Jennifer Hotrum, President</i></p> <p><i>Jonathan Kliora</i> <i>Program Manager</i></p>	<p><i>Upland Contracting,</i> <i>Inc.</i> <i>Ontario, CA</i></p> <p><i>Southern Counties</i> <i>Masonry</i> <i>Santa Ana, CA</i></p> <p><i>Golden State Roofing</i> <i>Carson, CA</i></p>

			<p><i>R&amp;J Sheet metal Fountain Valley, CA</i></p> <p><i>DW Holland Orange, CA</i></p> <p><i>Dittemore Insulation Contractors Orange, CA</i></p> <p><i>Platinum Construction Anaheim, CA</i></p> <p><i>Americal Contractors Group Pomona, CA</i></p> <p><i>Southwest Lift &amp; Equipment Running Springs, CA</i></p> <p><i>N.S. Corporation Inglewood, CA</i></p> <p><i>Sunland Fire Protection, Inc. Tujunga, CA</i></p> <p><i>HR Plumbing Oceanside, CA</i></p> <p><i>TM Design Anaheim, CA</i></p> <p><i>RMS Calabasas, CA</i></p> <p><i>Air &amp; Lube Systems Sacramento, CA</i></p> <p><i>Amtek Construction Whittier, CA</i></p> <p><i>Pacific Lift &amp; Equipment Pasadena, CA</i></p> <p><i>Anning Johnson Co. Industry, CA</i></p> <p><i>Junior Steel</i></p>
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			<i>Gardena, CA</i>  <i>Simplex Grinnel Ranch Cucamonga, CA</i>
E9	Recommend Approval Authorize Additional Spend Authority, Contract IPMO11-1 Vehicle Maintenance Facility Modification Architectural and Engineering Services	<i>STV Incorporated Rancho Cucamonga, CA</i>  <i>David L. Borger PE, Senior Vice President</i>	<i>Diaz Yourman &amp; Associates Santa Ana, CA</i>  <i>Raymundo Engineering Co., Inc. Walnut Creek, CA</i>  <i>Cordoba Corporation Los Angeles, CA</i>
E10	Recommend Approval Authorize Additional Spend Authority, Contract IPM011-24 Methane Detection System Consulting Services	<i>Carlin Environmental Consulting, Inc.</i>  <i>Gary T. Carlin, President/REA 3403</i>  <i>Larry Leis, Associate Professional Engineer</i>	<i>None</i>

MV/JS

ITEM #           E1          

**ADMINISTRATIVE & FINANCE COMMITTEE  
MINUTES  
May 15, 2013**

The Administrative & Finance Committee meeting was called to order by Chair Alan Wapner at 8:06 a.m. on May 15, 2013.

Committee Members Attending

Councilmember Alan Wapner, City of Ontario - Chair  
Mayor Paul Eaton, City of Montclair  
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 Pro Tem Paul Foster, City of Redlands  
Councilmember Frank Gonzales, City of Colton

Other Board Members

Councilmember Ron Dailey, City of Loma Linda  
Mayor Pro Tem Penny Lilburn, City of Highland  
Mayor Pro Tem Sam Spagnolo, City of Rancho Cucamonga  
Mayor Pro Tem Debra Stone, City of Upland  
Supervisor Josie Gonzales, San Bernardino County  
Supervisor Janice Rutherford, San Bernardino County

Omnitrans Staff

Milo Victoria, CEO/General Manager  
Wendy Williams, Director of Marketing  
Sam Gibbs, Director of Internal Audit 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  
Oscar Tostado, Maintenance Manager  
Jeremiah Bryant, Planning & Scheduling Manager  
Anna Rahtz, Planning Project Manager  
Joanne Cook, Contracts Administrator  
Debra NiCastro, Sr. Contracts Administrator  
Denise Raygoza, Sr. Contracts Administrator  
Vicki Osborne, Assistant to CEO/General Manager

Carol Angier, Administrative Secretary

Other

Carol Greene, Legal Counsel

**C. Possible Conflict of Interest Issues**

None

**D. Agenda Items**

1. Approve Administrative & Finance Committee Minutes of April 8, 2013

M/S (Graham/Eaton) to approve the minutes of the April 8, 2013 Committee meeting. Motion was unanimous by members present.

2. Receive and Forward to the Board of Directors, Construction Progress Report No. 16 for the sbX E Street Corridor BRT Project through March 20, 2013

sbX Project Manager Joshi said the sbX BRT Project is still under budget and will be completed on schedule (April 30, 2014). Thirteen of the fourteen articulated BRT buses have arrived.

M/S (Riddell/Eaton) to forward to the Board of Directors for receipt and file Construction Progress Report No. 16 for the sbX E Street Corridor BRT Project through March 20, 2013. Motion was unanimous by members present.

3. Receive & File Forward Fuel Purchase Program Update for May 2013

Director of Finance Walker said Omnitrans currently hedges approximately 140,000 gallons of CNG fuel, or 45 percent of our usage. This hedge contract will be in place until June 2014, and staff will make a recommendation within the next few months if the fuel hedge should continue. In March, Omnitrans had an unfavorable variance of approximately \$5,000, but that is balanced out by a year-to-date favorable variance of \$10,000.

This was a receive and file agenda item.

4. Recommend to Board of Directors, Authorize CEO/General Manager to Execute San Bernardino Transit Center Funding Agreement with SANBAG

Planning Project Manager Rahtz gave a brief background of the San Bernardino Transit Center (SBTC), as this project started ten years ago. The development of the SBTC will be done in phases, with private developers paying for buildings on the site in the final phase. Omnitrans is also looking at private company partnerships for the site, such as a driver training center sponsored by Cal State San Bernardino. Phase I involves a bus way, landscaping, and the transit center. Costs for the SBTC have fluctuated over the years. Omnitrans and SANBAG have worked to bring down the costs and identify all possible funding sources, but there still is a shortfall in the funding for the project. SANBAG wanted Omnitrans to not charge the 3.27 percent for Omnitrans' indirect costs for the project, but this would have a negative impact on our operating budget.



CEO/General Manager Victoria said he met with Ray Wolfe of SANBAG regarding the MOU between Omnitrans and SANBAG. It does not adequately address the pass-through charges for Omnitrans. Staff is still researching because the FTA may still require Omnitrans to charge the 3.27 percent. Member Rutherford asked why both SANBAG and Omnitrans are designated as project managers for the SBTC. Treasury Manager Mansion said that SANBAG is the project manager for the project, but Omnitrans, as the designated FTA funding pass-through, is required to provide project oversight.

After some discussion, Chair Wapner requested that the Administrative & Finance Committee authorize taking this agenda item to the Board of Directors without recommendation. This item should be placed on the Discussion portion of the agenda and not Consent.

5. Recommend to Board of Directors, Award Contract IPMO13-145, Managed Router Solutions – sbX E Street Corridor BRT Project

Director of Procurement Sims said sixteen of the sbX stations will have routers to feed the wireless information from the ticket automated machines to each other, along with feeding information to the digitalized boards listing bus schedules, delays and updates. Fiber optic cable is necessary to accomplish this, and Verizon has the fiber optic component. This part of the project was not put in the contract with Griffith/Comet Joint Venture, as doing it separately saved Omnitrans approximately \$80,000.

M/S (Riddell/Eaton) to receive and forward to the Board of Directors for approval to authorize the CEO/General Manager to execute Contract IPMO13-145 agreement with Verizon Business Services for Managed Router Services, and Transparent Local Area Network (LAN) Services; related to the sbX E Street Corridor BRT Project, in the amount of \$1,545,544.60 for FY 2013/2014 through FY 2017/2018, which includes \$176,136.40 in sales tax and surcharge. Motion was unanimous by members present.

6. Recommend to Board of Directors, Authorize Purchase of Fourteen Paratransit Vehicles from North County Transit District

Director of Finance Walker said North County Transit District (NCTD) had a contract for paratransit service, and paratransit vehicles were to be provided on an as-needed basis. Due to changes in their service delivery, 34 NCTD vehicles were no longer needed and would be sitting unused. Omnitrans is seeking to purchase fourteen of these vehicles to replace older ADA paratransit vehicles.

M/S (Graham/Stanckiewicz) to recommend to the Board of Directors to authorize the CEO/General Manager to accept the transfer of the Federal Transit Administration (FTA) interest in fourteen (14) FTA funded 2009 Ford E450 paratransit vehicles from North County Transit District in an amount not-to-exceed \$38,253. Motion was unanimous by members present.

7. Amend Fiscal Year 2014 Budget and Fiscal Year 2008 – 2014 Short Range Transit Plan to Include \$7,000,000 of Local Transportation Funds (LTF) for the sbX E Street Corridor BRT Project

Treasury Manager Mansion said that while the sbX Project is still on budget, staff is having some cash flow issues. Prop 1B funds have not been as timely as anticipated, and staff will be asking SANBAG to provide LTF funds for the sbX Project to replace the Prop 1B funds.

M/S (Eaton/Graham) to recommend to the Board of Directors to authorize the CEO/General Manager to amend Fiscal Year 2014 Budget and 2008-2014 Short Range Transit Plan to include \$7,000,000 of LTF to be used for the sbX E Street Corridor BRT Project. Motion was unanimous by members present.

8. Pending Grant Issues that may Require Advance of Fiscal Year 2014 Local Transportation Funds from SANBAG and/or Service Adjustments

Treasury Manager Mansion said that on April 16, the Department of Labor gave notification to all transit agencies with the Amalgamated Transit Union labor union that the ATU objected to the referral of Federal Transportation Grant. This is part of a wider objection that the ATU has with the Public Employees' Pension Reform Act of 2013. The ATU states this should be a negotiated item, and transit should be exempted from the reform. As a result of this, some grants are put on hold for transit agencies. Omnitrans will have three grants impacted – FY2013 Capital Assistance, San Bernardino Transit Center, and Purchase of 40-Foot CNG Coaches. It is unknown how long it will take to resolve this issue. Therefore, Omnitrans has asked SANBAG to provide advance in LTF funding. SANBAG and Omnitrans are still discussing the details of this transaction.

M/S (Riddell/Eaton) to recommend to Board of Directors, to authorize the CEO/General Manager to notify San Bernardino Associated Governments (SANBAG) of pending grant issues that may require an advance of Local Transportation Funds (LTF) approved in the FY2014 Transportation Development Act claim to be submitted to SANBAG to cover the balance of Fiscal Year 2013 costs. Motion was unanimous by members present.

The Administrative & Finance Committee meeting adjourned at 8:45 a.m. The next Administrative & Finance Committee Meeting is scheduled for June 10, 2013 at 11:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

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Carol Angier, Recording Secretary

ITEM # E2

**JOINT MEETING OF THE  
ADMINISTRATIVE & FINANCE COMMITTEE  
AND  
PLANS & PROGRAMS COMMITTEE  
MINUTES  
May 15, 2013**

The Joint Meeting of the Administrative & Finance Committee and Plans & Programs Committee meeting was called to order by Chair Riddell at 8:45 a.m. on May 15, 2013.

Administrative & Finance Committee Members Attending

Councilmember Alan Wapner, City of Ontario  
Mayor Paul Eaton, City of Montclair  
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

Administrative & Finance Committee Members Absent

Mayor Pro Tem Paul Foster, City of Redlands  
Councilmember Frank Gonzales, City of Colton

Plans & Programs Committee Members Attending

Councilmember Ron Dailey, City of Loma Linda  
Supervisor Josie Gonzales, County of San Bernardino  
Mayor Pro Tem Penny Lilburn, City of Highland  
Mayor Dick Riddell, City of Yucaipa  
Mayor Pro Tem Sam Spagnolo, City of Rancho Cucamonga  
Mayor Pro Tem Debbie Stone, City of Upland (alternate)

Plans & Programs Committee Members Absent

Mayor Pat Morris, City of San Bernardino  
Councilmember Ed Palmer, City of Rialto  
Supervisor James Ramos, San Bernardino County

Other Board Members

Supervisor Janice Rutherford, San Bernardino County

Omnitrans Staff

Milo Victoria, CEO/General Manager  
Wendy Williams, Director of Marketing  
Sam Gibbs, Director of Internal Audit 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  
Oscar Tostado, Maintenance Manager  
Jeremiah Bryant, Planning & Scheduling Manager  
Anna Rahtz, Planning Project Manager  
Joanne Cook, Contracts Administrator  
Debra NiCastro, Sr. Contracts Administrator  
Denise Raygoza, Sr. Contracts Administrator  
Vicki Osborne, Assistant to CEO/General Manager  
Carol Angier, Administrative Secretary

Other

Carol Greene, Legal Counsel

**C. Possible Conflict of Interest Issues**

None

**D. Agenda Items**

1. Recommend to Board of Directors, Adopt Revised Management and Service Elements of the Fiscal Year 2014 Management Plan

Chair Riddell said at the May 1 Board of Directors' meeting, the Budget and Marketing Elements of the FY14 Management Plan were approved, but not the Management and Service Elements. The purpose of this joint committee meeting is to go over the revised Management and Service Elements in order to take them back to the Board of Directors for approval in June.

CEO/General Manager said Omnitrans held two Board Workshops in January and February 2013 in order to discuss the FY14 Management Plan, and the twelve goals in the plan were the result of those workshops. Chair Riddell suggested going over each goal to address issues the Committee members may have.

*Goal 1: Complete the E Street sbX Construction & Grand Opening Plan*

There were no issues to discuss on this goal.

*Goal 2: Operation, Management and Marketing (O&M) Plan of sbX Program*

Member Graham asked if Omnitrans is considering the alternative of contracting out the sbX service. CEO/General Manager Victoria said yes.

*Goal 3: Complete the Comprehensive Operational Analysis (COA)*

CEO/General Manager Victoria said that after the May 1 Board of Directors' meeting, staff was informed the COA had been completed. Staff made a list of issues, how the COA should be implemented, and how to address the funding shortfall Omnitrans will have over the next fiscal years. A COA Ad Hoc Committee will meet after this joint committee meeting to discuss these issues.

*Goal 4: Prepare 2035 Strategic Plan and FY2015-2020 Short Range Transit Plan (S RTP)*

Member Rutherford asked why Omnitrans plans to prepare new transportation services. That is SANBAG's job. CEO/General Manager Victoria said the 2007 MOU between Omnitrans and SANBAG is not specific on this, and staff will be meeting with SANBAG to resolve which agency does what. Member Rutherford said there is some duplication of services between Omnitrans and SANBAG. CEO/General Manager Victoria said this will be clarified, and "transit services" will be replaced with "bus service" to avoid confusion in the Management Plan.

*Goal 5: Bus Arrival Prediction Information System Phase II: Install Information Displays at Major Transit Centers and Transfer Centers*

Member Dailey requested that measurable key performance indicators be identified more clearly.

*Goal 6: SANBAG-Omnitrans Partnership*

Member Rutherford said staff needs to identify what SANBAG and Omnitrans does and work together to get this clarification accomplished. Member Gonzales said Omnitrans' JPA was done in 1976, and needs to be updated. Legal Counsel Greene said she has been working on amending the JPA. After her review, a committee needs to be appointed to address all issues the Board has. The revised JPA will go to the Omnitrans Board of Directors for approval and then to each member city/county for approval at their respective meetings. After all member agencies have approved the revised JPA, it needs to be filed with the Secretary of State. This will be a lengthy process.

*Goal 7: Create an Innovative Financing Strategy, Partnership, Policy and Structure*

Member Rutherford requested some language clarification changes in this goal.

*Goal 8: 2020 Employee Development Program*

There were no issues to discuss on this goal.

*Goal 9: sbX Bus Rapid Transit (BRT) Program*

Member Rutherford said this goal should be part of Goal #6 to develop a relationship with SANBAG. Member Wapner said Omnitrans also needs to work with the individual cities that service is provided to, and this is independent of SANBAG.

*Goal 10: Explore Fare Collection Technologies to Meet Customer Needs, Reduce Dwell Time and Administrative and Maintenance Costs*

There were no issues to discuss on this goal.

*Goal 11: Explore Intelligent Transportation Systems (ITS) Solutions to Management Operations*

There were no issues to discuss on this goal.

*Goal 12: Explore Options for Future Governance Structure of Omnitrans*

Member Wapner said he requested this goal be added to the Management Plan at the February Board Workshop. He said a consultant should be hired to look at various ways to restructure Omnitrans' governance, as it is time to change it.

Chair Riddell asked the committee members if they had any issues with the Service Element. Member Rutherford stated there is a lack of consistency with the sbX ridership projections. She said they seem overly optimistic. Service Planning & Scheduling Manager Bryant said the sbX projected ridership was done using the FTA-approved guidelines. Member Dailey said the COA had different sbX ridership projections. Service Planning & Scheduling Manager Bryant explained that the COA

projections were based on service reductions starting in 2014. However, there will be no service reductions in 2014, and the ridership assumptions have now changed.

Member Gonzales expressed concern that sbX ridership will not increase unless the City of San Bernardino works on community development with this project. Service Planning & Scheduling Manager Bryant said staff took a conservative approach on the projected sbX ridership. BRTs in other cities within the United States have all experienced significant increased economic development. It is believed this will also happen for the sbX BRT. Member Gonzales said the cities with BRT being developed should make a commitment to support it. This did not happen with sbX, and this is a lesson learned during the process.

Chair Riddell said both committees need to make a motion on the Management and Service Elements of the FY14 Management Plan.

M/S (Eaton/Riddell) to recommend to the Board of Directors to adopt the Revised Management and Service Elements of the Fiscal Year 2014 Management Plan with suggested changes. Motion was unanimous by Administrative & Finance Committee members present.

M/S (Spagnolo/Gonzales) to recommend to the Board of Directors to adopt the Revised Management and Service Elements of the Fiscal Year 2014 Management Plan with suggested changes. Motion was unanimous by Plans & Programs Committee members present.

The Joint Administrative & Finance Committee and Plans & Programs Committee meeting adjourned at 10:17 a.m.

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Carol Angier, Recording Secretary

ITEM #       E3      

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative & Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Robert Miller, Chief Financial Officer

**SUBJECT: OMNITRANS CHIEF FINANCIAL OFFICER'S REPORT ON  
FORWARD FUEL PURCHASES FOR JUNE 2013**

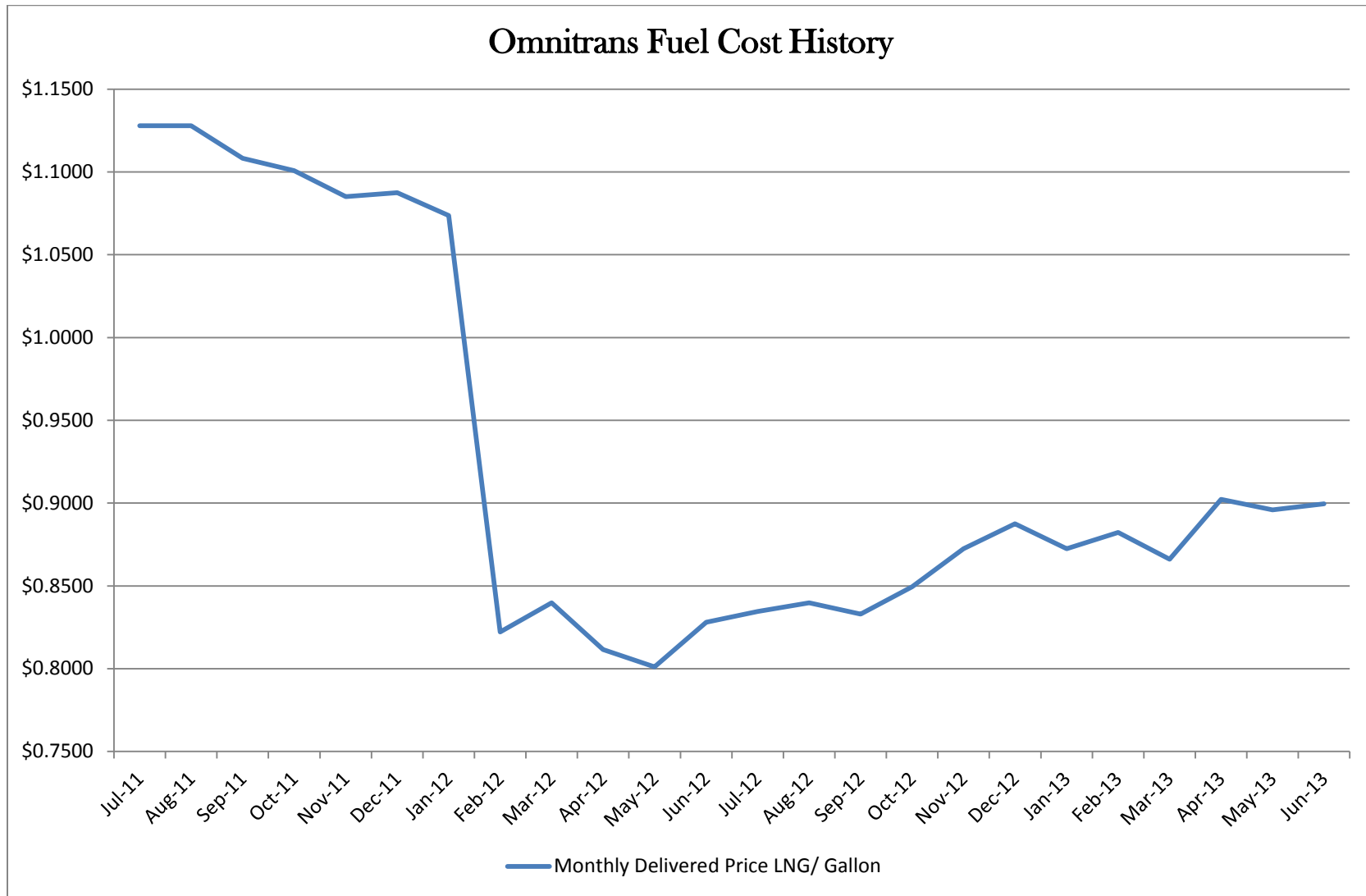
### **FORM MOTION**

Receive and file Omnitrans Chief Financial Officer's report on forward fuel purchases for June 2013. This program was implemented on May 6, 2009, to increase the predictability of Omnitrans costs and reduce operational uncertainty in the event of dramatic fuel price increases in the open market.

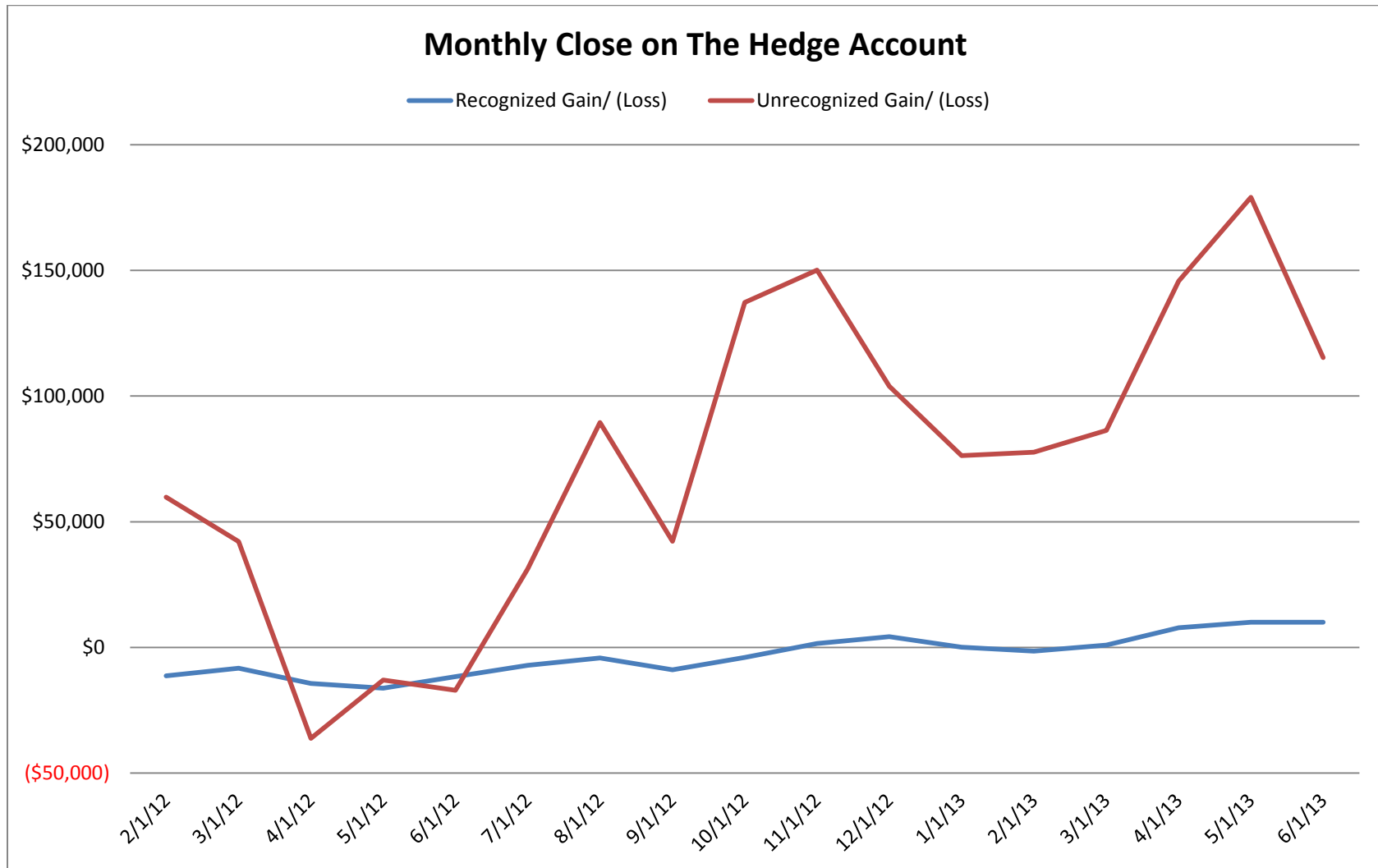
### **BACKGROUND**

This report is submitted in order to comply with the requirements of the Omnitrans Forward Fuel Purchase Policy and Procedure. The report highlights activities taken under the Board action of November 2011 authorizing staff to hedge up to 150,000 gallons per month of CNG on the NYMEX exchange through Morgan Stanley. The report includes a summary of the hedge that has been established, an estimate of the monthly variance to be recognized in the Agency's financials, and may include articles on significant matters that have impacted the market for CNG. The current hedge fixes the price of approximately 45% of the Agency's natural gas through June of 2014. Staff will make a recommendation on whether or not to extend the hedge within the next 12 months.

This year, spot market prices for natural gas have seen price appreciation over the forward curve. The June 2013 contract closed above the hedge price. The Agency will record a profit on our futures position for the month of June and that gain will offset a portion of the unit cost increase that will be reflected in the price of LNG acquired under our supply agreement with Clean Energy Fuels. The net price that will be used for Omnitrans' June fuel purchases will reflect a price of \$.8995 per gallon including CNG at the So Cal Index price, the gain on the hedge position, liquefaction, delivery, and sales tax. (Note: We do not hedge the index differential. The gain on the hedge is based on the Henry Hubb index. Clean Energy prices our deliveries off the SoCal index. In June, the SoCal Index settled slightly above Henry Hubb.) This price is after recognition of the monthly gain on the hedge position in the amount of \$9,988. Omnitrans will recognize an unfavorable budget variance in the CNG account of approximately <\$6,640> in the month of June 2013. To date, Omnitrans has recognized a total loss of <\$52,982> on settled hedge positions; February 2012 through June 2013. The Agency has an unrecognized gain of \$115,275 on positions that remain open; July 2013 through June 2014. The forward market is anticipating that CNG fuel prices in the future; will remain above the price levels of the Omnitrans hedge.







ITEM #           E4          

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative & Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Milind Joshi, sbX Program Manager

**SUBJECT:** **CONSTRUCTION PROGRESS REPORT NO. 17 THROUGH MAY 31,  
2013 - sbX E STREET CORRIDOR BRT PROJECT**

**FORM MOTION**

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No. 17 for the sbX E Street Corridor BRT Project through May 31, 2013.

**BACKGROUND**

This is Construction Progress Report No. 17 for the sbX E Street Corridor Project.

**CONCLUSION**

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No.17 for the sbX E Street Corridor BRT Project through May 31, 2013.

MV:MJ

Attachment



## **sbX E Street Corridor Bus Rapid Transit (BRT) Project**

### **Construction Progress Report No. 17**

**As of May 31, 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

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  - 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)
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  - 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 May, the contractor continued work at the University station location, completed installation and grouting platform pavers, completed installation of landscape, hardscape, irrigation system, and planted trees.

Contractor continued working on completing all site improvements at the side running stations north of Marshall to Kendall Palm Station. Completed paver installation at Kendall Palm Station and Little Mountain Station; completed erection of station steel at the Highland south bound station.

Completed work includes: removals on the east side of E Street between 6<sup>th</sup> and 2<sup>nd</sup> Street; landscaping on Hospitality Lane on the south side between E Street and Waterman; traffic control set up for center running lane construction on Hospitality Lane between E Street and Waterman; construction of center running lanes between E Street and Waterman.

Roadway widening continues on the south side of Hospitality Lane between Waterman and Tippecanoe; roadway widening is ongoing, as well as, irrigation and landscape construction.

Contractor continued construction of the Tippecanoe Station; constructed the entrance ramp and the planters to station; erected structural steel for the station and started on the Pylon Sign foundation.

Contractor completed layout and rebar installation on the Hunts and Carnegie Stations (center running stations on Hospitality Lane) and has completed construction of bus pads at five of the stations in Loma Linda.

#### **C. June Work – sbX Corridor**

In June the Contractor will continue working on the installation of station platforms pavers from Marshall to Shandin Hills; and the installation of underground conduits, curb, curb gutter, and sidewalk on the east side of E Street between 2nd Street to 6th Street.

Irrigation and landscape installation on the south side of Hospitality Lane between Carnegie West and Tippecanoe shall be completed and the installation of video detection and E.V.P systems will continue.

#### **D. Concerns – sbX Corridor**

In order to accomplish the Revenue Start Date (RSD) of April 30, 2014, the project team has stepped-up construction and related activities; however, the project continues to face unforeseen field conditions which have been impacting progress, for example:

- On the south side of Hospitality Lane, two (2) catch basins need to be constructed after construction of the center running lane is completed.
- An SCE duct bank needs to be relocated to provide the area needed for the Center Bus Lane construction.
- Maintaining traffic flow through the construction site while constructing the center running lanes.

The CM team and Designer of Record are working in coordination with the Contractor, the City of San Bernardino, and the various utility companies to address project issues as they arise in order to maintain the project momentum.

#### **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 and 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 also be made in order to accommodate Omnitrans' 60-foot articulated bus fleet.

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

In May work continued on the temporary fuel island, temporary electrical wiring, temporary striping, trenching for the underground electrical conduit, as well as, demolition of the maintenance and battery room buildings.

The unleaded fuel tank was delivered in the month of May as well.

Demolition of the interior of bays 5 through 9 was put on hold pending a solution of the capital equipment disposition issue.

#### **G. June Work – Vehicle Maintenance Facility (VMF)**

In June the contractor will complete the fuel island canopy, the temporary cctv, and GBF system.

Installation of the parking lot lights will be completed, construction on the trash compactor pad will begin.

#### **H. Concerns – Vehicle Maintenance Facility (VMF)**

With the Vehicle Maintenance Facility being an integral part of the overall program, the CM team is working diligently with the Designer of Record and Omnitrans staff to address the ambiguities in the design, scope of work, and contractual terms.

As solutions are developed, the CM team in coordination with the Contractor is working to expedite implementation of these resolutions to accomplish the Revenue Start Date (RSD) of April 30, 2013.

## **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 had to be resequenced, 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 that is 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 March update was submitted the third week in May. The CM team held a meeting with the Contractor and the owner's representative, to discuss the March update due to be submitted the first week of June.

For the April submission of the March update, the CM team is intending to respond "reject and resubmit", and ask for the Contractor to incorporate the March comments for the next submittal.

The April update is scheduled for submission on June 21, 2014.

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

The baseline schedule rev. 4 was approved June 3, 2013. The Contractor and CM schedulers are working together to incorporate project delays. Upon completion of this task, the Contractor and CM team will work together to resequence construction activities in order to make up lost time due to delays.

**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 – 860  
Total Open – 49

Total Submittals – 675  
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 – 110  
Total Open – 11

Total Submittals – 223  
Total Open – 15

Total NCRs – 3  
Total Open – 3

**IV. SAFETY**

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

SbX Corridor - As of May 31, 2013 there are 228,444 “no-lost time” hours.  
VMF - As of May 31, 2013 there are 4075 “no-lost time” hours.



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

BUDGET AS OF APRIL 30, 2013

Approved Budget	\$191,706,000
Cost to Date	\$100,981,806
Estimate to Complete	\$85,891,116
Estimate at Completion	\$186,872,922

**SBX CORRIDOR PROJECT COSTS - AS OF APRIL 30, 2013**

	<b>CURRENT AUTHORIZED</b>	<b>CURRENT INVOICES PAID</b>	<b>REMAINING CONTRACT BALANCE</b>
Jacobs	\$5,716,965	\$4,850,056	\$866,909
Parsons	\$18,097,876	\$16,389,749	\$1,708,127
Griffith/Comet	\$76,846,313	\$38,537,050	\$38,309,263
<b>TOTAL</b>	<b>\$100,661,154.00</b>	<b>\$59,776,855.00</b>	<b>\$40,884,299.00</b>

**VMF PROJECT COSTS - AS OF APRIL 30, 2013**

	<b>CURRENT AUTHORIZED</b>	<b>CURRENT INVOICES PAID</b>	<b>REMAINING CONTRACT BALANCE</b>
STV Inc.	\$1,046,029	\$863,159	\$182,870
USS Cal Builders	\$10,672,049	\$666,319	\$10,005,730

**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 May 31, 2013	548	
CCO Time Extension to Date	0	
Required Completion Date as of May 31, 2013	182	12/21/13
Forecasted Revenue Start Date as of May 31, 2013		04/30/14
Percent Time Elapsed	75.06%	

**SBX CORRIDOR CONTRACTOR COST – APRIL PAYMENT REQUEST**

	Project Cost
Original Contract Amount	\$65,007,603
Total Authorization to Date as of April 2013	\$76,935,325
CCOs Approved as of April 31, 2013	\$11,927,722
Amount Earned as of month ending April 2013	\$43,488,877
Retention Held as of month ending April 2013	\$4,348,887
Percent Complete (% paid) as of month ending April 2013	56.5%

**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 May 31 2013	172	
CCO Time Extension to Date	0	
Required Completion Date as of May 31 2013	253	02/08/14
Forecasted Revenue Start Date as of May 31, 2013		04/30/14
Percent Time Elapsed	40%	

**VMF CONTRACTOR COST – APRIL PAYMENT REQUEST**

	<b>Project Cost</b>
Original Contract Amount	\$10,672,049
Total Authorization to Date as of March 2013	\$10,672,049
CCOs Approved as of March 20, 2013	\$0
Amount Earned as of month ending March 2013	\$474,051
Retention Held as of month ending March 2013	\$33,316
Percent Complete (% paid) as of month ending February 2013	4.44%

**VI. CHANGE ORDERS****VMF CONTRACT CHANGE ORDERS  
As of May 31, 2013**

<b>COR #</b>	<b>Approved Change Orders</b>	<b>Amount</b>
1	Increase size of agency's field office to be provided by Contractor	No Cost
Amend 1	Further Clarification of Order of Precedence of Documents	No Cost
Amend 2	Further Clarification of General Provision DDD Partnering and EEE DRB	No Cost
2	Framing of Temporary Fuel Island Platform due to Revisions to AD-101 Not Included in Bid Documents	\$35,000.00
3	Re-Survey for Revised Bus Parking Lot Lighting and Striping Layout and Revised Trash Compactor Location	\$2,500.00
4	Shift Alignment of Parking Lot Light Pole Foundations to the East Due to Existing Telecommunications Duct Bank	\$10,000.00
5	Pothole Gas Line on Omnitrans Property	\$10,000.00
<b>Total</b>		<b>\$57,500.00</b>

**VMF PENDING CHANGE ORDERS/CHANGE ORDER REQUESTS  
As of May 31, 2013**

<b>COR #</b>	<b>Pending Change Orders</b>	<b>Amount *</b>
2	Fiber Optic Connection to Temporary Fuel Island	\$180,000.00
11	Relocating Lift Equipment in the Battery Storage Room	\$ 8,407.49
24	Unknown Concrete Foundation in Utility Trench for Waste Compactor	\$ 6,000.00
26	Excavation of Flooded Trenches due to Water Run Off from Fire Hydrant.	\$ 2,500.00
<b>Total</b>		<b>\$196,907</b>

**VMF POTENTIAL CHANGE ORDERS/CHANGE ORDER REQUESTS  
As of May 31, 2013**

<b>COR #</b>	<b>Potential Change Order Description</b>	<b>Amount*</b>
3	Revisions to the layout and locations of Temporary Fuel Island, Trash Compactor and Parking Lot Lighting	\$ (10,000.00)
5	Kristar Filter Media for the Storm Water Drainage System	\$ 5,000.00
6	Furnish and Install SWPP BMPs at Existing Drainage Inlets	\$ 5,000.00
7	Optional 5 HP Compactors	\$ 75,000.00
8	Contractor's Weekly Overhead Expenses (Gen Prov. - G)	\$ 4,500.00
9	Carlin contract documents (exhaust fans, paint booth, CNG schematics) left out of the conformed set of drawings	\$ 90,000.00

<b>COR #</b>	<b>Potential Change Order Description</b>	<b>Amount*</b>
12	Davis-Bacon Wage Determination	\$ -
14	Blank References in Technical Specifications	\$ -
15	Water Meter on 6th Street Downsize from 4" to 3"	\$ (90.00)
16	Selective Demolition and Salvaging of Capital Equipment	\$ 15,000.00
21	Install Permanent Spare Conduit Run for CCTV Cameras from Guard Station to Power Source on Southwest Corner of 6th and Medical Center Drive	\$ 15,000.00
22	EPA Tier 3 Spill Prevention Control and Countermeasures (SPCC) Plan	\$ 10,000.00
25	Realignment of Sewer Line	\$ 30,000.00
28	Redesign of Concrete Pad for the Trash Compactor at West End of VMF Property	\$ 10,000.00
29	Design Changes at Building A	\$500,000.00
31	Trespa Wall Panels	\$ 35,000.00
33	Additional Sheet Metal	\$ 10,500.00
34	Floor drain at the Eye Wash/Shower in the Battery Room	\$ 15,000.00
36	Notification of Temporary Demobilization	\$ -
17A	Redesign of Gas line Point of Connection	\$ 15,000.00
<b>Total</b>		<b>\$824,910</b>

**\* Currently pricing is estimated based on Rough Order of Magnitude pending designer plans or final submittal of pricing by USS Calbuilders.**

**\* Items without pricing are currently being estimated.**

**Note: 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.**

**SBX CONTRACT CHANGE ORDERS**  
**As of May 31, 2013**

<b>CCO#</b>	<b>Approved Change Orders</b>	<b>Amount Approved</b>
Amend 1 to Bid Item 318	Unknown Conditions Allowance increase	\$650,000.00
1	Relocation of Water Meters 1" and Smaller to the Main Supply Line	\$2,594,555.00
2	Additional Contractor Insurance Requirements	\$214,364.64
3	Electrical Service Modifications for Street Lights	\$433,500.00
4	Modifications to Project Signs	\$3,519.69
5	Requirement for Additional Emergency Vehicle Pre-emption (EVP) & Civil Modifications	\$455,553.60

CCO#	Approved Change Orders	Amount Approved
6	Partnering Supplies	\$7,936.87
7	Additional Traffic Signal Requirements	\$59,477.00
8	Plan Revisions	\$0.00
9	Increase to Artist Budget	\$3,187.24
10	Out of Sequence Concrete Pours	\$381,042.00
11	Revised Pavement Section - E Street 10th to 2nd Street	\$721,519.44
12	Cross Gutter at E Street and Victoria	\$48,665.19
13	Fire Sprinkler System Restart	\$130,000.00
14	Walkway at Coco's Restaurant - North Side Hospitality Station 633+00	\$24,775.37
15	SCE & Verizon Service Connection Revisions	\$929,399.36
16	E Street / North Mall Way Bay Taper	\$27,413.51
16A	E Street / North Mall Way Bay Taper	\$11,867
17	Union Street Removal Limits and Culvert Modifications	\$24,900.53
18	Kendall at Palm Local Bus Stations - Part 1 - Civil	\$52,162.27
19	0"-18" Retaining Curb	\$68,537.46
20	Modify Driveway Approaches to Meet Grade	\$96,444.00
21	Kendall/Palm Grade Revisions to Meet ADA	\$28,060.67
22	Expedite Driveway and Match Pavers Hospitality STA 698+20	\$20,688.77
23	Route 2 Bus Stop Revision at 9th & E	\$32,929.97
24	Revised Conduit due to SCE Vault at N. Mall Way	\$18,816.21
25	Remove and Relocate Conflicting Traffic Signal Foundation 8th & E	\$6,434.48
26	Removal of Additional Concrete	\$38,505.36
27	Revised Concrete Footing for Kendall / Little Mtn. N. Station	\$7,676.97
28	4000 PSI Concrete in Lieu of 2500 PSI - Bid item 163	\$39,552.50
29	Graded Channel at North End of Kendall / Palm	\$51,042.18
30	Modifications to Drainage Plan at South End of Kendall / Palm Park n Ride	\$55,133.04
31	Concrete V-Ditch with Splash Walls along West Side of Kendall / Palm Station Platform	\$27,123.69
32	Allowance to Meet Time Sensitive Field Changes	\$400,000.00
Amend 1 CO 32	Allowance to Meet Time Sensitive Field Changes	\$507,800.00
33	Increase Size of Catch Basin at E & N. Mall Way	\$3,941.87
34	New Cabinet at E & Orange Show; Additional Conduit at CSUSB	\$83,494.82
35	Revision to bid item 319 – Optional traffic signal at Hospitality and private driveway	-\$123,601.53
36	Addition of New Conduit & Deletion of Red Light Camera System at the NE Corner of Hospitality Lane and Waterman Ave.	\$0.00

CCO#	Approved Change Orders	Amount Approved
37	Modification to Handrail Height to Meet ADA Requirements	\$0.00
38	Relocate Irrigation Controller at NW Corner of Hospitality and Tippecanoe	\$1,919.40
39	Isolated AC Removal and/or Replacement	\$44,330.58
40	Temporary Lighting, Removal and Replacement of City Banners, and Installation of Street Name Signs	\$29,027.15
41	Slope, Irrigation, and Misc. Revisions to North Side of Hospitality from Carnegie West to Carnegie East (STA 662+00 to STA 682+00)	\$48,034.39
42	Brick Pavers at Driveway STA 694+50	\$7,751.78
43	Walkway at Outback Restaurant along Hospitality STA 666+00	\$45,407.15
44	Relocate Conflicting Water Facilities Not Shown to be Relocated on Original Contract Drawings at various locations	\$223,095.00
44A	Relocate Detector Check Valves to Conform to the New Curb Alignment	\$475,000.00
45	Demolition and Reconstruction of Parkway Culverts along Northside	\$108,762.60
46	Modified Utility Plans Showing Vaults to be Replaced and water Meter As-Builts	\$1,199,917.67
46A	Extend Lateral Pipe and Install Precast Concrete Vault and Cover with Relocated Check Valve.	\$270,000.00
47	Perform Asphalt Paving along Southbound Kendall Drive Station 102+00 to 111+00 Ahead of Schedule but Out of Sequence	\$31,788.12
48	Restaking of revised curb returns at south Hospitality Lane, station 639N+694L	\$462.00
49	Independent Welding Cost	\$75,000.00
50	Provide and install materials not shown on original contract documents	\$45,288.00
51	Storm Drain System and Geothermal Pipeline Redesign	\$85,179.62
52	Irrigation revisions at CSUSB station due to CSUSB irrigation requests	\$54,964.64
53	New Service Cabinet at Hospitality and Tippecanoe	\$2,912.18
54	Pylon Signs	\$65,107.58
55	Sewer Line Replacement at 10th and E Street	\$77,341.22
56	Tree Relocations and Substitutions along E Street and North Side of Hospitality	\$9,056.07
57	Remove Shrubs along Corridor	\$2,957.36
58	Add Pedestrian Push Buttons along Corridor at Missing Locations	\$20,627.48
60	Demolition of Home on Southeast Corner of Hospitality and Tippecanoe	\$103,240.69
61	Banner Pole Foundations	\$10,147.00
62	Modified Electrical Plans for Stations at Baseline	\$227,133.50
63	Civil Modifications on South Side of Hospitality Lane from Home Depot West to Harriman on Hospitality Lane	\$112,948.01
64	Increase to Artists' Budget	\$39,891.98
65	Remove Center Median along Hospitality from Carnegie West to Tippecanoe to Expedite Contract work Done ahead of Schedule, but out of Sequence, to Avoid Delays to Critical Path	\$285,000.00
<b>Total</b>		<b>\$11,838,710</b>

**SBX POTENTIAL CHANGE ORDER REQUESTS**  
**Costs as of May 31, 2013**

<b>COR #</b>	<b>Potential Change Order Description</b>	<b>Amount</b>
9	Caltrans Kendall & Palm Encroachment Permit	\$50,000
21	Revised Plans for Intersection of University and Kendall, Prospect Station, and Benton Station	\$27,969
30	Bus #2 Stop Revisions - Move bus stops outward to avoid impacts to thru traffic	\$120,000
37A	Additional Out of Sequence Quantities Items to COR 37	\$100,000
41	Change sbX Traffic Signal Heads from PV to LRT	\$5,000
43B	Increase In Project Bid Quantities over 125%	\$2,148,808
52A	Gas station - revise driveway	\$100,000
57	Extended Steel Plate Rentals	\$29,414
63	Irrigation revisions due to meter size revisions at sbX stations	\$40,000
99B	Landscape and Irrigation Revisions - North Side of Hospitality from Carnegie West to Carnegie East	\$120,000
105	World Oil Gas Station Revisions	\$33,351
106	Revised Pedestrian Access North Side of Hospitality STA 620+00 and 621+00.	\$1,560
108C	Station Flowline Revisions to Court	\$50,000
108D	Station Flowline Revisions to Carnegie	\$50,000
108F	Station Flowline Revisions to Hunts Lane	\$50,000
110B	Landscape and Irrigation Modifications On South Side of Hospitality from Costco to E Street	\$120,000
111	Revisions to Loma Linda Park-N-Ride Civil Scope	\$154,126
113	Revisions to Loma Linda Park-N-Ride Landscape and Irrigation	\$40,000
118	Additional Traffic Signal controller on E St and Rialto	\$10,000
120	Water valves in conflict with the curb and gutter line on Hospitality from Hunts Lane to Waterman Ave. on the southside.	\$176,236
121	Low rail at back of station adjacent to the V-ditch at Kendall Palm Station	\$15,000
123	Buy America	\$10,000
126	Delete resoration of turf on corner of North Mall Way and E Street	\$1,662
131	Station CNS Fiber Optic to Replace T1	\$100,000
132	Gage Canal Changes - Street Improvement South Side of Hospitality STA 685+00 to 696+00	\$50,000
133	Civil, Electrical, Landscape, Irrigation Modifications to the South Side of Hospitality from Home Depot Drive to E Street and Well Fargo Drive to Harriman	\$500,000
134	Existing Push Buttons Does Not Meet ADA Requirements	\$79,126
136	Relocation of Material on Crusher Site Storage	\$16,653
138	Bus Pad Grade at West Side Highland STA 418+72 to 416+00	\$15,000
139	TSP WLAN	\$20,000
142	Reinforced Concrete Retaining Wall Type 4 to Protect Slope at VA Hospital	\$45,000



COR #	Potential Change Order Description	Amount
143	City of Loma Linda Civil Modifications at Various Locations	\$350,000
144	Increase in Allowance for Unknown Conditions	\$350,000
145	Handicap Ramp Redesign at 4th & E Street	\$15,000
147	Increased Square Footage of Artist Glass Panels	\$10,001
148	Utility conflicts at Anderson & Redlands West Station	\$70,000
149	Sidewalk in front of IHOP Restaurant	\$20,000
150	Fabric Binder and Other Incidentals Associated with Hospitality Paving	\$100,000
151	Gage Canal Concrete Cover	\$106,243
152	Unsuitable Material Removal at Hospitality Lane	\$65,000
153	Mow Curb by BNSF from STA 683+00 to 684+50	\$15,000
154	Benton/Barton South West Grade Conflicts	\$20,772
155	E St & 2nd - Pull Boxes in ADA Ramp	\$30,872
156	Clear & Grub, Tree Relocation	\$50,000
157	Unforeseen Rebar in PCC on East side from 4th through 5th on E St	\$35,000
158	Traffic Control at Loma Linda	\$15,000
159	Surveying at Various Locations along the Corridor	\$25,000
160	Trench Plates for Bus Pads at Carnegie and Tippecanoe Stations	\$25,000
161	Meter Vault Retaining Walls along Hospitality Lane	\$25,000
162	Safety Tapers Along BRT Lane	\$150,000
<b>Total</b>		<b>\$5,756,793</b>

**\* Currently pricing is estimated based on Rough Order of Magnitude pending designer plans or final submittal of pricing by JV.**

**\* Items without pricing are currently being estimated.**

**Note: 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.**

**SBX PENDING CHANGE ORDER REQUESTS**  
**Costs as of May 31, 2013**

No.	COR #	Pending Change Orders	Amount
1	93	Repair Sewer Line along E Street from 11th to 4th Street - Sewer Point Repairs	\$623,164
2	52	Gas Station at NW Corner of E Street & Orange Show Road (Auto Center Drive)	\$71,728
3	50A	0"-18" Retaining Curb	\$89,011
7	26	Redesign of Median Fountain Area at Court Station	\$7,722

No.	COR #	Pending Change Orders	Amount
10	130	TS pole relocated at Hospitality and Waterman	\$20,140
11	43A	Increase Bid Items by 25%	\$1,861,890
13	58B	Tree Substitutions and Replacements (6 Trees Only)	\$15,939
14	70	Additional Survey Monuments	\$113,183
15	125	Prevention Measures to Further Theft	\$8,500
16	127	Conflict with Edison and Verizon; Storm Drain Redesign on Hospitality and Tippecanoe	\$27,000
17	107	Tree Plan Modifications along Hospitality Lane	\$56,844
19	28	Addition of Two Local Bus Stops	\$3,514
20	29	Gage Canal Changes - Driveways and Gates	\$139,880
21	76	Slope to Support Sidewalk on West Side of E Street	\$72,079
23	47	Replace Driveway Approach at Parcel B251 - SW Corner E Street & Chandler Place STA 632	\$25,591
24	2	Plan revisions at E Street & Marshall Blvd	\$211,858
25	135	Irrigation Controller at Kendall / Palm Park-N-Ride	\$58,790
26	140	Place Cold Mix at Kendall Drive and Little Mountain for Smooth Transition	\$10,000
27	129	Benton and Barton - Required Conduit Not on Plans	\$32,647
28	146	Demolish One (1) Pine Tree and One (1) Pilaster at the West Anderson/Prospect Station	\$7,094
29	108A	Station Flowline Revisions to Rialto	\$9,578
30	102	Landscape and Irrigation Modifications Hospitality STA 695+00 to 704+00	\$11,205
31	78	Hospitality and Carnegie West Incurred costs as a result of Caltrans Permitting Issues; Water meter retaining walls from Carnegie East to Carnegie West within 2:1 slope.	\$71,016
32	99A	Irrigation Revisions - North Side of Hospitality from Carnegie West to Carnegie East; Traffic Control - North Side of Hospitality from Carnegie West to Carnegie East	\$141,688
33	94A	Additional Funds to Isolated AC Removal and/or Replacement	\$296,085
	<b>TOTAL</b>		<b>\$3,986,146</b>

## VII. Project Photographs

### SBX CORRIDOR PROGRESS PHOTOS



1. Installing Communications Cabinets (Typical Project Wide)



2. Installing Lighted Bollard Imbedded Supports (Typical Project Wide)

**VMF PROGRESS PHOTOS****1. Bus Parking Lot Light Poles.****2. Installation of IT Run.**



**IPMO/sbX Project Cost Report**  
**Period Ended 4/30/13**

Description	Current Budget	Expenditures \$	%	Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
BRT Construction	84,637,000	38,605,050	45.6%	46,031,950	48,935,658	87,540,708	(2,903,708)
Vehicle Maintenance Facility (VMF) Construction	8,131,000	666,319		7,464,681	13,298,230	13,964,549	(5,833,549)
Vehicles - Design & Manufacturing	16,628,000	12,162,912	73.1%	4,465,088	3,667,633	15,830,545	797,455
ROW Acquisition Services	10,357,000	10,464,042	101.0%	(107,042)	1,274,358	11,738,400	(1,381,400)
3rd Party Utilities Design & Relocation	1,003,000	829,607	82.7%	173,393	276,510	1,106,117	(103,117)
BRT Design	17,849,400	16,389,749	91.8%	1,459,651	1,708,127	18,097,876	(248,476)
VMF Design	1,007,600	877,558	87.1%	130,042	476,271	1,353,829	(346,229)
Other Professional, Technical & Management Services	34,020,000	20,986,569	61.7%	13,033,431	16,354,329	37,340,898	(3,320,898)
<b>SUB-TOTAL</b>	<b>173,633,000</b>	<b>100,981,806</b>		<b>72,651,194</b>	<b>85,991,116</b>	<b>186,972,922</b>	<b>(13,339,922)</b>
Unallocated Contingency	18,073,000	-		18,073,000	4,733,078	4,733,078	13,339,922
<b>TOTAL</b>	<b>191,706,000</b>	<b>100,981,806</b>	<b>52.7%</b>	<b>90,724,194</b>	<b>90,724,194</b>	<b>191,706,000</b>	<b>-</b>

**IPMO/sbX Project  
Through 4/30/13**

Standard Cost Category (SCC)	Description	Approved Current Budget	Expenditures \$ %	Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
<b>10</b>	<b>GUIDEWAY &amp; TRACK ELEMENTS</b>	<b>19,725,000</b>	<b>8,106,055 41.1%</b>	<b>\$ 11,618,945</b>	<b>\$ 7,297,618</b>	<b>\$ 15,403,673</b>	<b>\$ 4,321,327</b>
10.02	Guideway: At-grade semi-exclusive (allows cross-traffic)	\$ 18,353,000	6,822,663 37.2%	\$ 11,530,337	\$ 6,321,765	\$ 13,144,428	\$ 5,208,572
10.03	Guideway: At-grade in mixed traffic	\$ 1,372,000	1,283,392 93.5%	\$ 88,608	\$ 975,853	\$ 2,259,245	\$ (887,245)
<b>20</b>	<b>STATIONS, STOPS, TERMINALS, INTERMODAL</b>	<b>14,917,000</b>	<b>5,153,695 34.5%</b>	<b>\$ 9,763,305</b>	<b>\$ 9,332,741</b>	<b>\$ 14,486,436</b>	<b>\$ 430,564</b>
20.01	At-grade station, stop, shelter, mall, terminal, platform	14,917,000	5,153,695 34.5%	\$ 9,763,305	\$ 9,332,741	\$ 14,486,436	\$ -
<b>30</b>	<b>SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS</b>	<b>\$ 8,131,000</b>	<b>666,319 8.2%</b>	<b>\$ 7,464,681</b>	<b>\$ 13,298,230</b>	<b>\$ 13,964,549</b>	<b>\$ (5,833,549)</b>
30.02	Light Maintenance Facility	\$ 4,265,000	517,730 12.1%	\$ 3,747,270	\$ 10,332,725	\$ 10,850,455	\$ (6,585,455)
30.05	Yard and Yard Track	\$ 3,866,000	148,589 0.0%	\$ 3,717,411	\$ 2,965,505	\$ 3,114,094	\$ 751,906
<b>40</b>	<b>SITEWORK &amp; SPECIAL CONDITIONS</b>	<b>34,271,000</b>	<b>16,934,933 49.4%</b>	<b>\$ 17,336,067</b>	<b>\$ 10,830,711</b>	<b>\$ 27,765,644</b>	<b>\$ 6,505,356</b>
40.01	Demolition, Clearing, Earthwork	\$ 4,741,000	281,559 5.9%	\$ 4,459,441	\$ 174,000	\$ 455,559	\$ 4,285,441
40.02	Site Utilities, Utility Relocation	\$ 4,993,000	5,914,926 118.5%	\$ (921,926)	\$ 4,235,911	\$ 10,150,837	\$ (5,157,837)
40.05	Site structures including retaining walls, sound walls	\$ 90,000		\$ 90,000	\$ 72,224	\$ 72,224	\$ 17,776
40.06	Pedestrian / bike access and accommodation, landscaping	\$ 6,925,000	1,343,158 19.4%	\$ 5,581,842	\$ 2,568,769	\$ 3,911,927	\$ 3,013,073
40.07	Automobile, bus, van accessways including roads, parking lots	\$ 3,601,000	3,037,562 84.4%	\$ 563,438	\$ 1,209,787	\$ 4,247,349	\$ (646,349)
40.08	Temporary Facilities and other indirect costs during construction	\$ 13,921,000	6,357,728 45.7%	\$ 7,563,272	\$ 2,570,020	\$ 8,927,748	\$ 4,993,252
<b>50</b>	<b>SYSTEMS</b>	<b>\$ 16,727,000</b>	<b>9,239,975 55.2%</b>	<b>\$ 7,487,025</b>	<b>\$ 11,124,702</b>	<b>\$ 20,364,677</b>	<b>\$ (3,637,677)</b>
50.02	Traffic signals and crossing protection	\$ 10,810,000	4,518,637 41.8%	\$ 6,291,363	\$ 1,952,040	\$ 6,470,677	\$ 4,339,323
50.05	Communications	\$ 4,210,000	2,364,151 56.2%	\$ 1,845,849	\$ 5,929,849	\$ 8,294,000	\$ (4,084,000)
50.06	Fare collection system and equipment	\$ 1,707,000	2,357,187 138.1%	\$ (650,187)	\$ 3,242,813	\$ 5,600,000	\$ (3,893,000)
	Pending Change Orders				\$ 9,156,395	\$ 9,156,395	\$ (9,156,395)
	Risk				\$ 1,470,000	\$ 1,470,000	\$ (1,470,000)
	<b>Construction Subtotal (10-50)</b>	<b>93,771,000</b>	<b>40,100,977 42.8%</b>	<b>\$ 53,670,023</b>	<b>\$ 62,510,397</b>	<b>\$ 102,611,374</b>	<b>\$ (8,840,374)</b>
<b>60</b>	<b>ROW, LAND, EXISTING IMPROVEMENTS</b>	<b>\$ 6,532,000</b>	<b>\$ 5,555,260 85.0%</b>	<b>\$ 976,740</b>	<b>\$ 1,544,005</b>	<b>\$ 7,099,265</b>	<b>\$ (567,265)</b>
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	\$ -
<b>70</b>	<b>VEHICLES</b>	<b>\$ 16,628,000</b>	<b>\$ 12,162,912 73.1%</b>	<b>\$ 4,465,088</b>	<b>\$ 3,667,633</b>	<b>\$ 15,830,545</b>	<b>\$ 797,455</b>
70.04	Bus	\$ 15,448,000	12,162,912 78.7%	\$ 3,285,088	\$ 2,760,585	\$ 14,923,497	\$ 524,503
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
<b>80</b>	<b>PROFESSIONAL SERVICES</b>	<b>56,702,000</b>	<b>43,162,657 76.1%</b>	<b>\$ 13,539,343</b>	<b>\$ 18,269,081</b>	<b>\$ 61,431,738</b>	<b>\$ (4,729,738)</b>
80.01	Preliminary Engineering	\$ 12,921,000	12,876,525 99.7%	\$ 44,475	\$ 27,302	\$ 12,903,827	\$ 17,173
80.02	Final Design	\$ 7,261,000	6,165,436 84.9%	\$ 1,095,564	\$ 1,871,577	\$ 8,037,013	\$ (776,013)
80.03	Project Management for Design and Construction	\$ 15,997,000	8,399,715 52.5%	\$ 7,597,285	\$ 6,322,985	\$ 14,722,700	\$ 1,274,300
80.04	Construction Administration & Management	\$ 6,632,000	4,850,056 73.1%	\$ 1,781,944	\$ 7,002,592	\$ 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	10,870,925 102.6%	\$ (274,925)	\$ 1,359,625	\$ 12,230,550	\$ (1,634,550)
80.07	Surveys, Testing, Investigation, Inspection	\$ 1,463,000	- 0.0%	\$ 1,463,000	\$ 464,000	\$ 464,000	\$ 999,000
80.08	Start up	\$ 720,000	- 0.0%	\$ 720,000	\$ 721,000	\$ 721,000	\$ (1,000)
	<b>Subtotal (10-80)</b>	<b>\$ 173,633,000</b>	<b>\$ 100,981,806 58.2%</b>	<b>\$ 72,651,194</b>	<b>\$ 85,991,116</b>	<b>\$ 186,972,922</b>	<b>\$ (13,339,922)</b>
<b>90</b>	<b>UNALLOCATED CONTINGENCY</b>	<b>18,073,000</b>	<b>- 0.0%</b>	<b>\$ 18,073,000</b>	<b>\$ -</b>	<b>\$ 4,733,078</b>	<b>\$ 13,339,922</b>
	<b>Subtotal (10-90)</b>	<b>191,706,000</b>	<b>100,981,806 52.7%</b>	<b>\$ 90,724,194</b>	<b>\$ 85,991,116</b>	<b>\$ 191,706,000</b>	<b>\$ -</b>
<b>100</b>	<b>FINANCE CHARGES</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>TOTAL PROJECT COST (10-100)</b>	<b>191,706,000</b>	<b>100,981,806 52.7%</b>	<b>\$ 90,724,194</b>	<b>\$ 85,991,116</b>	<b>\$ 191,706,000</b>	<b>\$ -</b>

ITEM # E5

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Samuel Gibbs, Director of Internal Audit Services

**SUBJECT: RESPONSE TO SAP ENTERPRISE RESOURCE PLANNING  
(ERP) ENHANCEMENT PROJECT**

### **FORM MOTION**

Receive and forward to the Board of Directors for receipt and file the final update of deliverables and milestones associated with the SAP Landscape Review Report from SAP America, Inc.

### **BACKGROUND**

At the December 5, 2012 Board Meeting, the Board of Directors authorized the CEO/General Manager to execute a contract for the SAP Enterprise Resource Planning (ERP) Enhancement Project with SAP America, Inc., New Town Square, PA, in the amount not to exceed \$1,650,653.46, including contingency and CAP. The CEO General Manager was also authorized to execute a contract for the SAP Enterprise Resource Planning (ERP) Enhancement Project with Ciber, Inc., Greenwood Village, CO, to continue fine tuning the existing SAP solution in the amount not to exceed \$263,710.27, including contingency and CAP. The Board instructed staff to develop a plan to measure progress of the projects in the areas of business integration, improvements in production operations, and knowledge transfer. This is the final project report.

### **ANALYSIS**

Staff has developed the attached plan with direct input from the consultants on the projects. The plan provides an overview of the work to be performed and a mechanism to measure deliverables and milestones for the critical focus areas. The project was completed the first week of April 2013. The project was completed two weeks early and under budget. All deliverables and objectives were met in these three identified areas: business integration, improvements in production operations and knowledge transfer.

MV:SJG

# Omnitrans Plan - Addressing Critical Focus Areas

## Omnitrans Plan

The Plan includes Deliverables w/ associated Milestones

Deliverables	Timeframe in Weeks															
	January				February				March				April			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Project Schedule		✓	✓													
Business Process Intergration																
Monthly Governance Forum				✓				✓				✓				✓
** Omnitrans Executives																
Meeting Minutes				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
** Weekly Integration Meetings																
Blueprint Summary Document				✓												
Improve Production Operations																
Regression Test Plan-E2E Processes								✓								
Regression Test Results													✓			
Updated end User Training Documentation															✓	
Cutover Plan												✓				
Go-Live: New Scope Implementation															★	
Knowledge Tranfer																
Informal Knowledge Transfer																
Structure Knowledge Transfer							✓									
Workshops-New Reporting Solution																
Knwoledge Transfer Workshop																✓
* Post Production Support																

The X mark is converted to a green checkmark once the deliverable or milestone has been achieved. The blue star represent the Go-Live



ITEM # E6

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Samuel Gibbs, Director of Internal Audit Services

**SUBJECT: FY 2009-2011 TRIENNIAL PERFORMANCE AUDIT OF OMNITRANS  
FINAL REPORT**

### **FORM MOTION**

Receive and forward to the Board of Directors for receipt and file the final report of the 2009-2011 Triennial Performance Audit of Omnitrans, conducted for SANBAG by their consultant.

### **BACKGROUND**

The San Bernardino Associated Governments (SANBAG) engaged the PMC consultant team to conduct the Transportation Development Act (TDA) Triennial Performance Audit of the six public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2008-09 through 2010-11. The audit includes a review of the following areas: compliance with TDA requirements; status of prior audit recommendations; system performance trends; and a functional review. In addition, a comparison of Omnitrans against similar transit operators around the nation was conducted using transit data reported in the National Transit Database (NTD).

### **ANALYSIS**

The audit results indicated Omnitrans has complied with all applicable compliance requirements of TDA. Two of the five prior audit recommendations were fully implemented, one was partially implemented, one is no longer applicable, and one is being carried forward for the next audit period. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which was considered to be remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Four recommendations were presented, which Omnitrans has incorporated into future planning.

MV:SJG

**FY 2009-2011  
Triennial Performance Audit  
of Omnitrans**

**Submitted to San Bernardino  
Associated Governments**

May 2013



*PATTI POST & ASSOCIATES*

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## **Executive Summary**

The San Bernardino Associated Governments (SANBAG) engaged the PMC consultant team to conduct the Transportation Development Act (TDA) triennial performance audit of the six public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2008-09 through 2010-11.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- System Performance Trends
- Functional Review

In addition, a comparison of Omnitrans against similar transit operators around the nation was conducted using transit data reported in the National Transit Database (NTD).

Based on the audit review process, recommendations were developed to improve the operational efficiency and effectiveness of Omnitrans.

### **Compliance with TDA Requirements**

Omnitrans has complied with all applicable compliance requirements of TDA.

### **Status of Prior Audit Recommendations**

This section reviewed Omnitrans' actions to implement five prior audit recommendations. Two of the five prior audit recommendations were fully implemented, one has been partially implemented, one is no longer relevant, and one has not been implemented due to a change in project schedule.

### **System Performance Trends**

1. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years, due primarily to an increase in vehicle service hour provision. Systemwide operating costs decreased by 1.7 percent.
2. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, a notable accomplishment given the service reductions that took place during the audit period. Ridership on Access service increased by 6.1 percent, from

405,814 to 430,564. Systemwide ridership increased by 1.4 percent during the audit period.

3. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans reduced service levels in order to balance its budget. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively in order to meet passenger service requests.
4. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, and increased by 4.8 percent for Access service (as compared to a 3.4 percent change in inflation during the audit period). This reflects the emphasis that Omnitrans had during the audit period to realize cost efficiencies when feasible.
5. Operating cost per vehicle service hour decreased by 0.5 percent systemwide and by 1.1 percent for Access service, and increased by 0.2 percent for general public service. Operating cost per vehicle service mile decreased by 1.2 percent systemwide and by 0.8 percent for Access service, and increased by 0.1 percent for general public service.
6. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, and decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, and decreased by 5.4 percent for Access service.
7. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.
8. The fare recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service for senior and disabled patrons. Omnitrans met the minimum requirements in each fiscal year during the audit period.

## Functional Review

1. Vehicle operations cost indicators for directly operated fixed route service generally improved during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent, cost per vehicle service mile increased by 2.7 percent, cost per passenger trip decreased by 4.9 percent, and cost per passenger mile decreased by 0.5 percent. This compares to an inflation adjustment during the audit period of 3.4 percent.
2. The number of directly operated fixed route preventable accidents remained fairly steady during the audit period, within a range of 66 to 73 such accidents annually. The overall preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.
3. Demand response vehicle operations cost indicators also generally improved during the audit period. Operations cost per vehicle service hour decreased by 3.2 percent, cost per vehicle service mile decreased by 3.0 percent, cost per passenger trip increased by 2.5 percent, and cost per passenger mile increased by 8.9 percent. The larger increase in the cost per passenger mile indicator is reflective of shorter average passenger trip lengths.
4. Maintenance costs for directly operated fixed route service decreased by 14.4 percent during the audit period, a remarkable accomplishment. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.
5. Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period.
6. For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively.
7. Administration costs increased by 5.2 percent for directly operated fixed route service, and by 12.1 percent for demand response service.
8. Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall inflation increase of 3.4 percent during the same timeframe.
9. Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

## Recommendations

Performance Audit Recommendation	Background	Timeline
#1: Work with SANBAG to take appropriate steps pending completion of the Comprehensive Operational Assessment (COA).	The COA is intended to provide potential opportunities for Omnitrans to adjust service delivery and strengthen performance. Omnitrans should work closely with SANBAG to determine aspects of the COA that warrant implementation in the near future. This step will be incorporated as part of the upcoming Short Range Transit Plan to be developed by Omnitrans.	High Priority
#2: Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.	As a carryover from the prior audit, the new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations for the sbX project should be closely monitored, as compliance could affect future funding.	High Priority
#3: Conduct an evaluation of SAP's impacts on business process flows.	The SAP Enterprise Resource Planning implementation had significant impacts on how Omnitrans conducts its business processes. Omnitrans should document the results in a centralized location, assess the benefits of those changes, and determine if there are additional business process improvements that could be enabled through SAP. Omnitrans should continue to engage SAP integration at the department level to determine its applicability to each working group.	Medium Priority
#4: Verify on-time performance numbers and adjust performance targets accordingly.	Automated Vehicle Location (AVL) technology produces different on-time performance results from the prior data reporting methodology. Omnitrans should document the reasons for these differences and adjust its performance targets in line with the updated methodology.	Medium Priority



# Section I

## Introduction

The San Bernardino Associated Governments (SANBAG) engaged the PMC consultant team to conduct the Transportation Development Act (TDA) triennial performance audit of the six public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2008-09 through 2010-11.

The purpose of the performance audit is to evaluate Omnitrans' effectiveness and efficiency in its use of TDA funds to provide public transit in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates Omnitrans' compliance with the conditions specified in the California Public Utilities Code. This task involves ascertaining whether Omnitrans is meeting the PUC's reporting requirements and is endeavoring to implement prior audit recommendations made to the agency. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the agency's departments and organizational functioning. From the analysis that has been undertaken, a set of recommendations has been made for the agency which is intended to improve the performance of transit operations.

This TDA audit is intended to provide Omnitrans with an independent, constructive and objective evaluation of the organization and its operations. The methodology for the audit included in-person interviews with transit management, telephone interviews, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008* (third edition) published by the California Department of Transportation was used to guide in the development and conduct of the audit.

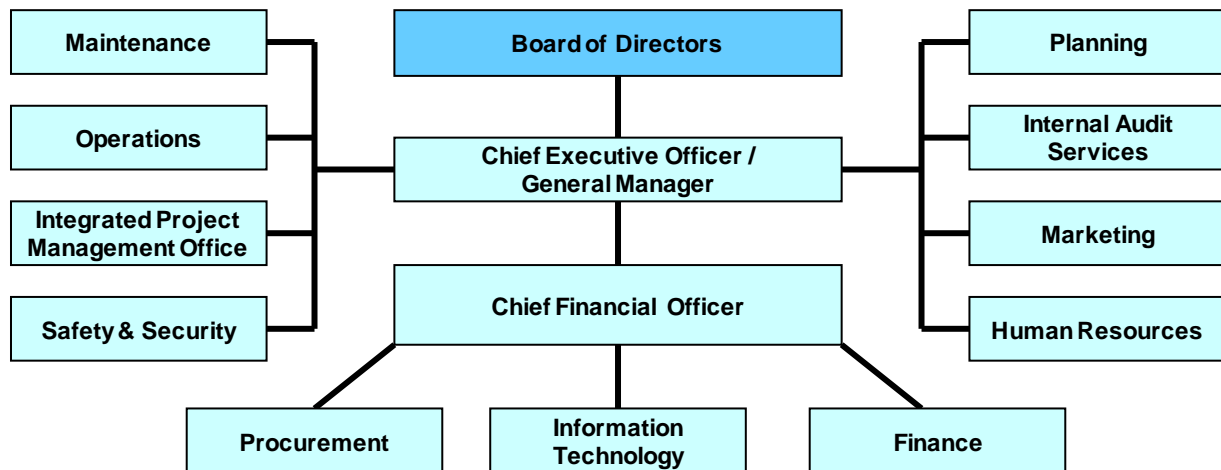
## Overview of the Transit System

Omnitrans is the largest transit operator within San Bernardino County. The agency was established as a regional transit authority in 1976 through a Joint Powers Authority (JPA) that included the 10 cities of Chino, Colton, Fontana, Loma Linda, Montclair, Ontario, Redlands, Rialto, San Bernardino, Upland and the County of San Bernardino. Since that time, the cities of Chino Hills, Grand Terrace, Highland, Rancho Cucamonga, and Yucaipa have joined the JPA. San Bernardino County and all 15 member cities are represented on the Omnitrans Board of Directors.

Omnitrans serves a 456 square mile service area in southwest San Bernardino County with a population of about 2.0 million. In addition to San Bernardino County, Omnitrans provides service to parts of Riverside and Los Angeles counties. Omnitrans carries about 15 million passengers per year.

Omnitrans is managed and administered through a CEO/General Manager, Chief Financial Officer and several department directors. Omnitrans employs approximately 640 personnel, nearly all of which are full time. Several board committees and internal staff committees representing each department provide review and feedback on system planning and implementation. Figure I-1 shows the Omnitrans management organization chart.

**Figure I-1  
Organization Chart**



Source: Omnitrans

The Mayor or City Council Member of each city, as well as the full Board of Supervisors, serves on the Omnitrans Board of Directors. While each city can have one alternate Board Member designated by the City Council, the County representatives have no alternates. The Omnitrans General Manager reports directly to the Board and is the designated Secretary to the Board.

### Transit Services

Omnitrans has both directly operated services and contracted services. Directly operated services are provided by both represented and non-represented employees, including representatives from the Amalgamated Transit Union (ATU) and the Teamsters Union. Administrative staff is made up of a combination of employees represented by the San Bernardino Public Employees Association (SBPEA) and employees who are not represented by a union. Demand response and paratransit ADA service services are provided by First Transit, a private transportation company. First Transit also began operating some fixed route service starting in FY2011, including OmniGo circulator routes.

Since the last triennial performance audit, Omnitrans has expanded its offering of transit services. The services provided by Omnitrans include 26 local fixed routes, one regional fixed route, three OmniGo routes, 2 OmniLink services, and an Americans with Disabilities Act (ADA) compliant Access service. An overview of each service follows.

**Local Fixed Routes:** Omnitrans operates 26 local fixed routes (route numbers ranging from 1 to 83), which are classified into three tiers of service. Primary Tier Routes have 15- to 20- minute headways; Secondary Tier Routes have 30- to 35- minute headways; Tertiary Tier Routes operate at 45- to 60-minute headways. All 26 routes operate Monday through Friday. On Saturdays there are 24 routes in operation, and on Sundays there are 22 routes in operation. Services start as early as 3:48 AM, and run as late as 11:13 PM.

**Regional Route:** Omnitrans regional route 215 is a longer distance route which provides service between the Omnitrans 4th Street Transfer Center and Riverside Transit Agency's Downtown Terminal on a 30-minute frequency daily (60-minute frequency on weekends).

**OmniGo Routes:** Omnitrans operates three OmniGo routes (route 308/309/310 in Yucaipa; route 325 in Grand Terrace; and route 365 in Chino Hills) which provide circulator services within designated local areas. Service frequencies range from 30 to 70 minutes.

**OmniLink Service:** OmniLink is a demand responsive service providing general public curb-to-curb transportation in low-density areas. It consists of two general-public, demand-responsive service that operates in Yucaipa and Chino Hills. Reservations can be made up to 3 days in advance with same day reservations on a space available basis. Omnitrans is phasing out this service for OmniGo.

**Access Service:** In accordance with the Americans with Disabilities Act (ADA), Omnitrans provides wheelchair lift equipped vans for curb-to-curb, shared-ride transportation services. Reservations for service must be made at least 24 hours in advance, with the option to call up to 7 days in advance. Access operates during the same days and hours as fixed route buses within a  $\frac{3}{4}$  mile range of routes. Pick-up times are scheduled within one hour before or one hour after each rider's requested pick-up time.

All Omnitrans Access riders are issued a free identification card when they become eligible. Riders must show their valid Omnitrans Access Service identification card to the driver each time they board the Access vehicle. Personal Care Attendants (PCAs) and companions are also able to ride Access (additional companions beyond the first guest may ride if space is available).

Access is also available to pick up ADA certified residents living outside the  $\frac{3}{4}$  mile boundary but still within the city limits of the 15 cities that comprise the Omnitrans service area for a \$5.00 surcharge. Trips must originate or end within the ADA service area. Beyond the ADA boundary, service is available on weekdays from 9 am to 8 pm, and on weekends from 7 am to 7 pm.

**TransCenters:** The Omnitrans service operates using transportation hubs called TransCenters which offer timed transfer connections throughout the network, and to Metrolink train service and other neighboring transit systems. TransCenter locations include the Chaffey College Transit Center in Rancho Cucamonga, the Chino Transit Center, the Fourth St Transfer Center in San Bernardino, the Fontana Metrolink Station, the Montclair Transcenter, the Ontario Transfer Center, the Pomona Transfer Center, the Redlands Mall, the South Fontana Transfer Center, and the Yucaipa Transit Center.

Omnitrans provides connections to seven Metrolink Stations located within the service area. These stations are San Bernardino, Rialto, Upland, Fontana, Montclair, Rancho Cucamonga, and East Ontario.

### Fares

The current Omnitrans fare structure is shown in Table I-1:

**Table I-1  
Fare Structure**

Fixed Route / OmniGo	Cash	Day Pass	7-Day Pass	31-Day Pass
Full Fare	\$ 1.50	\$ 4.00	\$ 15.00	\$ 47.00
Senior (62+) / Disability / Medicare	\$ 0.60	\$ 1.85	\$ 7.00	\$ 23.50
Student	n/a	n/a	\$ 11.00	\$ 35.00
Children under 46"	Free	Free	Free	Free

Access (ADA)	Fare	Notes
Regular Fare	\$ 2.75	1-3 zones
Per Additional Zone beyond 3	\$ 1.00	Up to 6 zones
Monthly Subscription Pass	\$ 145.00	1-3 zones
Per Additional Zone beyond 3	\$ 40.00	Up to 6 zones
Personal Care Attendant	Free	must be indicated on ADA rider ID
Children under 46"	Free	limit 2 free per paying rider

OmniLink	Fare	Notes
Regular Fare	\$ 3.00	
Senior / Disabled	\$ 1.50	
Students	\$ 2.00	
Children under 46"	Free	limit 2 free per paying rider

Metrolink
Metrolink ticket is good for one ride on a connecting Omnitrans bus.

Source: Omnitrans

### Vehicle Fleet

There are a total of 283 revenue vehicles in the Omnitrans fleet. Fixed route vehicles total 183 (168 for directly operated service and 15 for contracted service), while 100 are OmniLink/Access vehicles. The fixed route fleet has been converted to Compressed Natural Gas (CNG) fuel, with the exception of three hybrid electric buses. The contracted fixed route vehicles and OmniLink/Access vehicles are operated by First Transit. These are gasoline powered vehicles.

Table I-2 shows the Omnitrans vehicle fleet.

**Table I-2  
Vehicle Fleet**

Vehicle Type	Year	Number of Vehicles	Fixed / DAR	Seats	Fuel
<b>Directly Operated Fixed Route (168 vehicles)</b>					
New Flyer	2000 - 2009	153	Fixed	39	CNG
New Flyer Hybrid	2000	3	Fixed	39	Gas / Electric
Thomas	2003	12	Fixed	26	CNG
<b>Contracted Fixed Route (15 vehicles)</b>					
Starcraft	2010	6	Fixed	18	Gas
Aerotech	2004	9	Fixed	18	Gas
<b>Contracted Demand Response (100 vehicles)</b>					
Starcraft	2006-2008	55	DAR	16	Gas
Aerotech	2004-2006	35	DAR	18	Gas
Uplander	2008	10	DAR	4	Gas

*Note: Certain vehicles are used as spares and contingency.*

Source: Omnitrans

### Fleet Facilities

Omnitrans operates fixed route service out of two facilities, the Metro Division in San Bernardino (East Valley Division), and the Hayes Transit Center in Montclair (West Valley Division). While operations and maintenance are provided at both facilities, administration is primarily handled in the San Bernardino office. The San Bernardino facility occupies approximately 13 acres, while the Montclair facility is situated on about 6 acres. All Omnitrans vehicles are parked at one of the two facilities. Liquified Compressed Natural Gas (LCNG) is available at both facilities for the agency's alternative fueled fleet.

First Transit operates Access paratransit services out of two facilities: the I Street facility located in San Bernardino, and the West Valley Paratransit Facility on Feron Blvd in Rancho Cucamonga. The I Street site encompasses some 4.7 acres and includes the vehicle maintenance garage (including 10 bus bays), fueling, and bus washing. A 4,500 sq. ft. office building houses the Access administration, trip reservations, scheduling, dispatch office, and training facilities. The West Valley facility occupies 1.3 acres and provides for vehicle storage and general vehicle cleaning. Current facilities are capable of accommodating present operations and have room for expansion if necessary.

### Audit Period Highlights

Several notable events occurred at Omnitrans during the audit period, including the following:

- Omnitrans began construction activities for an enhanced, state-of-the-art bus rapid transit (BRT) service along the E Street corridor in the cities of San Bernardino and Loma Linda. The sbX project will span 15.7 miles, including both exclusive bus lanes and mixed traffic operations, and 16 stations. The sbX project will provide more comfortable vehicles, higher frequencies, and higher speeds, including transit priority signals at key intersections, which will increase transit usage and reduce traffic congestion. Projected to begin passenger service early in 2014, sbX has widespread local and regional support as the first interconnecting Bus Rapid Transit corridor planned by Omnitrans to help bring economic, environmental and transit improvements to San Bernardino County.
- Omnitrans continued project development for a new Transit Center in downtown San Bernardino, to be located at Rialto and E Street. This new facility will serve as a multi-modal hub for Omnitrans' sbX, fixed route, and regional bus services, as well as Metrolink commuter rail and future Redlands Passenger Rail service. Transit-oriented development (TOD) associated with the new Transit Center will also act as a trip generator and attractor for Omnitrans routes serving Downtown San Bernardino. The project is scheduled for completion in 2014.
- Omnitrans opened a new Chaffey College Transit Center in December 2010. The Transit Center in Rancho Cucamonga serves routes that connect Chaffey College's main campus with several other regional locations including Victoria Gardens, Ontario Mills, and Epicenter Stadium.
- Omnitrans began operation of OmniGo circulator services in September 2010, which operate in the cities of Chino Hills, Grand Terrace, and Yucaipa.
- Omnitrans opened a new Yucaipa Transit Center in July 2010. It serves as an eastern hub for Omnitrans fixed route services, with eight bus bays and passenger amenities including shelters, benches, and information kiosks.
- Omnitrans hired a new Chief Executive Officer in January 2010, with over 30 years of transit industry experience including senior management positions at the Washington Metropolitan Area Transit Authority (WMATA) and Los Angeles Metro.
- Omnitrans received the AdWheel grand prize award for excellence in advertising, communications, marketing, and promotions from the American Public Transportation Association (APTA) in October 2009, as well as first place awards in the bus shelter posters and transit ads subcategories.
- Omnitrans introduced the "Go Smart" program during the audit period, which provided free rides to students at five colleges/universities in the service area during a specified timeframe through the distribution of free bus passes. The Go Smart program boosted ridership significantly during the promotion period, and many students continued using Omnitrans after the promotion period. Omnitrans is now conducting a program where enrolled students at select colleges/universities pay \$15 per year each, and are able to use their student ID card as an Omnitrans pass.

- The economic recession which began in 2008 had significant impacts on Omnitrans' funding levels during the audit period. In particular, Omnitrans implemented service reductions and took other cost cutting measures, including reducing staff, limiting wage adjustments, and automating business processes in FY2011 in order to address a \$8.7 million budget shortfall. Despite a reduction in general public vehicle service hours of over 4 percent, general public ridership still increased from FY2010 to FY2011. This was accomplished by making sure that service hour reductions did not impact Omnitrans' most productive services.
- A particular measure that Omnitrans took to provide budgeting stability during the audit period was a Forward Fuel Purchasing policy, or fuel hedging. Omnitrans negotiated a fixed fuel price for up to 60 percent of its liquefied natural gas requirements, applicable from July 2009 through January 2012.
- Contracted fixed route service with First Transit began in FY2011. This service is operated with smaller cutaway vehicles, during off-peak periods and weekends.
- Omnitrans increased its fares in September 2009. The fixed route base fare changed from \$1.35 to \$1.50, and the Day Pass fare changed from \$3.50 to \$4.00.

In May 2012, after the end of the audit period, Omnitrans received a California Challenge Award from the California Council for Excellence and the California Awards for Performance Excellence (CAPE). The California Challenge is a self-assessment recognition program designed and administered by CAPE as a way to help organizations understand their strengths and opportunities for improvement.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of Omnitrans' ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, which was developed by the Department of Transportation (Caltrans) to assess transit operators. The updated guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPTE based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28) for paper filing, or 110 days (Oct. 18) if filed electronically (internet).	Public Utilities Code, Section 99243	Completion/submittal dates (internet filing):  FY 2009: October 15, 2009 FY 2010: October 15, 2010 FY 2011: October 18, 2011  <b>Conclusion: Complied.</b>
The operator has submitted annual fiscal and compliance audits to its RTPTE and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90 day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2009: December 28, 2009 FY 2010: November 25, 2010 FY 2011: December 7, 2011  <b>Conclusion: Complied.</b>



<b>TABLE II-1</b> <b>Operator Compliance Requirements Matrix, continued</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251	<p>Omnitrans participates in the CHP Driver Pull Notice Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim submitted by the Authority. There are 2 transit facilities that undergo inspections, one in San Bernardino (East Valley; fixed route) and one in Montclair (West Valley; fixed route).</p> <p>The inspection dates applicable to this audit include - East Valley: June 4, 2009; May 25, 2010; and May 11, 2011. West Valley: May 15, 2009; May 26, 2010; and May 19, 2011.</p> <p><b>Conclusion: Complied.</b></p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, Omnitrans' annual claims for Local Transportation Funds and State Transit Assistance is submitted in compliance with rules and regulations adopted by SANBAG.</p> <p><b>Conclusion: Complied.</b></p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>This is not applicable to Omnitrans, which serves an urbanized area.</p> <p><b>Conclusion: Not Applicable.</b></p>

TABLE II-1 Operator Compliance Requirements Matrix, continued		
Operator Compliance Requirements	Reference	Compliance Efforts
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	<p>Percentage change in Omnitrans' operating budget:</p> <p>FY 2009: -0.3%</p> <p>FY 2010: -0.4%</p> <p>FY 2011: -0.3%</p> <p>Source: Audited Financial Statements.</p> <p><b>Conclusion: Complied.</b></p>
The operator's definition of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>Omnitrans performance measures are defined in accordance with PUC requirements.</p> <p><b>Conclusion: Complied.</b></p>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs at least equal to three-twentieths (15%), if so determined by the RTPE.	Public Utilities Code, Section 99268.2, 99268.3, & 99268.1	<p>Omnitrans is subject to a 20% farebox ratio for general public transit, and 10% for Access. The system's fare ratios are as follows:</p> <p>FY 2009: General Public Transit 22.5% Access 12.4%</p> <p>FY 2010: General Public Transit 23.4% Access 12.5%</p> <p>FY 2011: General Public Transit 24.5% Access 13.4%</p> <p>Source: FYs 2009-2011 State Controller Reports.</p> <p><b>Conclusion: Complied.</b></p>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Section 99268.2, 99268.4, & 99268.5	<p>This is not applicable to Omnitrans, which serves an urbanized area.</p> <p><b>Conclusion: Not Applicable.</b></p>

TABLE II-1 Operator Compliance Requirements Matrix, continued		
Operator Compliance Requirements	Reference	Compliance Efforts
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPE, which will fully fund the retirement system for 40 years.	Public Utilities Code, Section 99271	As described in the annual fiscal audit, Omnitrans contributes to the California Public Employees Retirement System (PERS). Participants are required to contribute 7 percent of their annual covered salary. In accordance with labor union MOUs, Omnitrans has agreed to fund the participant's contributions. Omnitrans is also required to contribute at an actuarially determined rate calculated as a percentage of payroll.  <b>Conclusion: Complied.</b>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	Omnitrans utilizes federal funds that are available to the agency, as reported in the annual State Controller reports.  FY 2009: Operations (\$10,233,731) Capital (\$11,096,021) FY 2010: Operations (\$9,067,320) Capital (\$14,089,301) FY 2011: Operations (\$9,302,482) Capital (\$17,749,951)  <b>Conclusion: Complied.</b>

### Findings and Observations from Operator Compliance Requirements Matrix

1. Omnitrans has complied with all applicable compliance requirements of TDA.
2. Omnitrans' operating budget decreased from the prior year during each fiscal year in the audit period. This trend is very positive relative to the budgetary threshold in the statute.
3. The TDA minimum farebox recovery ratio of 20.0 percent for Omnitrans general public transit service was met in each year of the audit. The farebox recovery ratio for this service was 22.5 percent in FY2009, 23.4 percent in FY2010 and 24.5 percent in FY2011.
4. The TDA minimum farebox recovery ratio of 10.0 percent for Omnitrans Access service was met in each year of the audit. The farebox recovery ratio for this service was 12.4 percent in FY2009, 12.5 percent in FY2010, and 13.4 percent in FY2011.

## Section III

### Prior Triennial Performance Audit Recommendations

Omnitrans' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Focus on Improving Demand Response Performance.

Demand response operating costs increased significantly during the audit period, at the same time that ridership declined while the amount of service provided was reduced. Farebox recovery has declined despite an appreciable increase in fare revenue collected. Omnitrans has taken measures to improve demand response performance through contractor changes in management and reporting. Stabilizing demand response operating costs should be a major focus for the agency during the next audit period.

Actions taken by Omnitrans: Omnitrans took actions to control demand response operating cost growth during the audit period, including close monitoring of service contractor performance. As a result, the percentage of demand response operating cost growth during this audit period was lower than the percentage growth in delivery of vehicle service hours and miles.

Conclusion: This recommendation has been implemented.

#### Prior Recommendation 2

Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.

The new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations should be closely monitored, as compliance could affect future funding.

Actions taken by Omnitrans: The sbX service is currently scheduled for implementation early in 2014.

Conclusion: This recommendation is carried forward in this audit for the next audit period.

Prior Recommendation 3

Leverage the VMI Inventory System.

Currently, purchasing long lead items is more of a skill, independent of the features of the inventory system. In early 2009, a new inventory system Vendor Managed Inventory (VMI) was introduced by procurement. The new VMI system should be leveraged to the fullest extent possible. Properly utilizing an inventory management system can help mitigate the shortage of maintenance staff that the department faces. In addition, a properly leveraged inventory system can help reduce costs, improve order fulfillment, and avoid service outages due to parts shortages, similar to those that occurred at the start of the audit period.

Actions taken by Omnitrans: During the audit period, Omnitrans began to implement an enterprise-wide SAP Enterprise Resource Planning (ERP) system. This implementation included integration with the VMI system, tying into the SAP BO dashboard to improve reporting and accuracy of inventory metrics, such as cycle counts and ordering times. The functionality of VMI has been enhanced and replaced by SAP, with this trend likely to continue into the next evaluation period.

Conclusion: This recommendation is no longer applicable.

Prior Recommendation 4

Actively Integrate the SAP/ERP System Into Relevant Functional Departments.

Utilized properly, an ERP system can drastically improve the performance and reporting accuracy of the agency. Omnitrans will have the ability to improve its overall reporting efficiency, and resolve how the TransTrack system fits in with the overall reporting process. SAP modules should be implemented in departments that benefit the most (Maintenance, HR, Procurement, Finance), while existing systems should continue to be used where effective. A post-implementation analysis can identify where data consolidation activities will help leverage the ERP suite even further.

Actions taken by Omnitrans: Omnitrans took significant steps during the audit period to implement an enterprise-wide SAP ERP system across several departments. The integration affected both new and existing systems and incorporated business management tools, operational performance metrics, BO dashboard analytics, inventory management, and a continual business improvement process. The initial iteration was completed during the audit period, with landscape reviews to increase the effectiveness of the platform. While the platform has contributed to significant improvements at the agency, the implementation should continue to iterate into the next audit period.

Conclusion: This recommendation has been partially implemented.

Prior Recommendation 5

Report Performance Against Strategic Planning Goals.

Omnitrans should report actual performance relative to specified goals identified in its current Strategic Plan. Performance reporting should be done on an annual basis or more frequently. This provides insights with respect to functional areas where agency performance is improving, as well as functional areas where further improvements are warranted.

Actions taken by Omnitrans: Omnitrans developed a new FY2013 Management Plan after the end of the audit period. Development of the Management Plan was a new process in which the CEO/General Manager and the Senior Leadership Team developed agency-wide goals, objectives, and performance indicators through a series of meetings held over several weeks. The Management Plan established eleven strategic goals for the year, to help reach the broader mobility objectives of the region. Each goal is associated with a specific timeline for completion of designated tasks, as well as performance indicators that measure progress towards achieving the goal. Another key focus of the Management Plan involved benchmarking Omnitrans' performance relative to selected peer agencies.

Conclusion: This recommendation has been implemented.

## **Section IV**

### **TDA Performance Indicators**

This section reviews Omnitrans' performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators, but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-6 provide the performance indicators for the following services:

- Systemwide
- Fixed Route, Directly Operated
- Fixed Route, Contracted
- OmniLink
- General Public (total of fixed route directly operated, fixed route contracted, & OmniLink)
- Demand Response

Charts are also provided to depict the trends in the indicators. Data in the tables are charts were derived from several sources, including National Transit Database (NTD) reports, State Controller Reports, and TransTrack reports. Sources are noted in footnotes below the tables.

Omnitrans introduced its fixed route contracted service in FY2011. As such, performance indicators for fixed route contracted service is shown only for FY2011.

**Table IV-1**  
**TDA Performance Indicators**  
**Systemwide**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$66,953,546	\$67,117,227	\$66,851,862	\$65,818,373	-1.7%
Unlinked Passengers	14,826,501	15,452,794	14,751,272	15,039,931	1.4%
Vehicle Service Hours	792,387	802,688	806,743	783,012	-1.2%
Vehicle Service Miles	10,644,309	10,826,356	10,809,532	10,586,111	-0.5%
Employee FTEs	774.4	768.7	751.0	727.8	-6.0%
Passenger Fare Revenue	\$13,799,507	\$14,075,545	\$14,526,644	\$14,892,809	7.9%
Operating Cost per Passenger	\$4.52	\$4.34	\$4.53	\$4.38	-3.1%
Operating Cost per Vehicle Service Hour	\$84.50	\$83.62	\$82.87	\$84.06	-0.5%
Operating Cost per Vehicle Service Mile	\$6.29	\$6.20	\$6.18	\$6.22	-1.2%
Passengers per Vehicle Service Hour	18.71	19.25	18.28	19.21	2.7%
Passengers per Vehicle Service Mile	1.39	1.43	1.36	1.42	2.0%
Veh Service Hours per Employee FTE	1,023	1,044	1,074	1,076	5.1%
Average Fare per Passenger	\$0.93	\$0.91	\$0.98	\$0.99	6.4%
Farebox Recovery Ratio	20.6%	21.0%	21.7%	22.6%	9.8%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: NTD, State Controller Reports, and TransTrack. FY11 data excludes contracted fixed route FTEs.

**Table IV-2**  
**TDA Performance Indicators**  
**Fixed Route, Directly Operated**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$56,044,255	\$56,047,003	\$55,445,194	\$52,889,434	-5.6%
Unlinked Passengers	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Vehicle Service Hours	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Employee FTEs	590.4	586.7	569.0	534.8	-9.4%
Passenger Fare Revenue	\$12,433,645	\$12,736,853	\$13,137,400	\$13,300,764	7.0%
Operating Cost per Passenger	\$3.90	\$3.73	\$3.88	\$3.66	-6.2%
Operating Cost per Vehicle Service Hour	\$88.17	\$87.88	\$86.86	\$89.28	1.3%
Operating Cost per Vehicle Service Mile	\$6.84	\$6.77	\$6.70	\$6.92	1.2%
Passengers per Vehicle Service Hour	22.62	23.54	22.41	24.42	8.0%
Passengers per Vehicle Service Mile	1.75	1.81	1.73	1.89	7.9%
Veh Service Hours per Employee FTE	1,077	1,087	1,122	1,108	2.9%
Average Fare per Passenger	\$0.86	\$0.85	\$0.92	\$0.92	6.3%
Farebox Recovery Ratio	22.2%	22.7%	23.7%	25.1%	13.4%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: Unlinked Passengers, Vehicle Service Hours/Miles are from NTD Reports.

Operating Costs and Fare Revenue are from State Controllers Reports.

Employee FTEs are from NTD Reports (employee labor hours / 2,000).



**Table IV-3**  
**TDA Performance Indicators**  
**Fixed Route, Contracted**

Verified TDA Statistics & Performance Indicators	FY11
Operating Costs	\$1,378,763
Unlinked Passengers	116,671
Vehicle Service Hours	22,098
Vehicle Service Miles	278,605
Employee FTEs	n/a
Passenger Fare Revenue	\$69,107
Operating Cost per Passenger	\$11.82
Operating Cost per Vehicle Service Hour	\$62.39
Operating Cost per Vehicle Service Mile	\$4.95
Passengers per Vehicle Service Hour	5.28
Passengers per Vehicle Service Mile	0.42
Veh Service Hours per Employee FTE	n/a
Average Fare per Passenger	\$0.59
Farebox Recovery Ratio	5.0%
Operating costs exclude depreciation, charter, vehicle lease costs.	
Source: NTD Reports. Employee FTEs are not available.	

**Table IV-4**  
**TDA Performance Indicators**  
**OmniLink**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$1,012,311	\$1,021,328	\$1,011,735	\$547,182	-45.9%
Unlinked Passengers	42,716	44,415	45,502	23,710	-44.5%
Vehicle Service Hours	14,003	14,574	14,629	8,079	-42.3%
Vehicle Service Miles	160,959	157,946	160,031	101,400	-37.0%
Employee FTEs	17.0	21.0	20.0	13.0	-23.5%
Passenger Fare Revenue	\$73,085	\$86,756	\$91,005	\$49,780	-31.9%
Operating Cost per Passenger	\$23.70	\$23.00	\$22.23	\$23.08	-2.6%
Operating Cost per Vehicle Service Hour	\$72.29	\$70.08	\$69.16	\$67.73	-6.3%
Operating Cost per Vehicle Service Mile	\$6.29	\$6.47	\$6.32	\$5.40	-14.2%
Passengers per Vehicle Service Hour	3.05	3.05	3.11	2.93	-3.8%
Passengers per Vehicle Service Mile	0.27	0.28	0.28	0.23	-11.9%
Veh Service Hours per Employee FTE	824	694	731	621	-24.6%
Average Fare per Passenger	\$1.71	\$1.95	\$2.00	\$2.10	22.7%
Farebox Recovery Ratio	7.2%	8.5%	9.0%	9.1%	26.0%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%
Operating costs exclude depreciation, charter, vehicle lease costs.					
Source: Vehicle Service Hours/Miles are from State Controller Reports.					
Unlinked Passengers, Operating Costs, and Fare Revenue are from TransTrack.					
Employee FTEs are from State Controller Reports, based on actual number of employees.					

**Table IV-5**  
**TDA Performance Indicators**  
**General Public Service (Fixed Route & OmniLink)**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$57,056,566	\$57,068,331	\$56,456,929	\$54,815,379	-3.9%
Unlinked Passengers	14,420,687	15,054,760	14,352,068	14,609,367	1.3%
Vehicle Service Hours	649,647	652,350	652,967	622,584	-4.2%
Vehicle Service Miles	8,353,755	8,435,885	8,433,922	8,018,074	-4.0%
Employee FTEs	607.4	607.7	589.0	547.8	-9.8%
Passenger Fare Revenue	\$12,506,730	\$12,823,609	\$13,228,405	\$13,419,651	7.3%
Operating Cost per Passenger	\$3.96	\$3.79	\$3.93	\$3.75	-5.2%
Operating Cost per Vehicle Service Hour	\$87.83	\$87.48	\$86.46	\$88.04	0.2%
Operating Cost per Vehicle Service Mile	\$6.83	\$6.76	\$6.69	\$6.84	0.1%
Passengers per Vehicle Service Hour	22.20	23.08	21.98	23.47	5.7%
Passengers per Vehicle Service Mile	1.73	1.78	1.70	1.82	5.5%
Veh Service Hours per Employee FTE	1,070	1,073	1,109	1,137	6.3%
Average Fare per Passenger	\$0.87	\$0.85	\$0.92	\$0.92	5.9%
Farebox Recovery Ratio	21.9%	22.5%	23.4%	24.5%	11.7%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: NTD, State Controller Reports, and TransTrack. FY11 data excludes contracted fixed route FTEs.

**Table IV-6**  
**TDA Performance Indicators**  
**Access ADA Service**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$9,896,980	\$10,048,896	\$10,394,933	\$11,002,994	11.2%
Unlinked Passengers	405,814	398,034	399,204	430,564	6.1%
Vehicle Service Hours	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Employee FTEs	167.0	161.0	162.0	180.0	7.8%
Passenger Fare Revenue	\$1,292,777	\$1,251,936	\$1,298,239	\$1,473,158	14.0%
Operating Cost per Passenger	\$24.39	\$25.25	\$26.04	\$25.55	4.8%
Operating Cost per Vehicle Service Hour	\$69.34	\$66.84	\$67.60	\$68.59	-1.1%
Operating Cost per Vehicle Service Mile	\$4.32	\$4.20	\$4.38	\$4.28	-0.8%
Passengers per Vehicle Service Hour	2.84	2.65	2.60	2.68	-5.6%
Passengers per Vehicle Service Mile	0.18	0.17	0.17	0.17	-5.4%
Veh Service Hours per Employee FTE	855	934	949	891	4.3%
Average Fare per Passenger	\$3.19	\$3.15	\$3.25	\$3.42	7.4%
Farebox Recovery Ratio	13.1%	12.5%	12.5%	13.4%	2.5%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

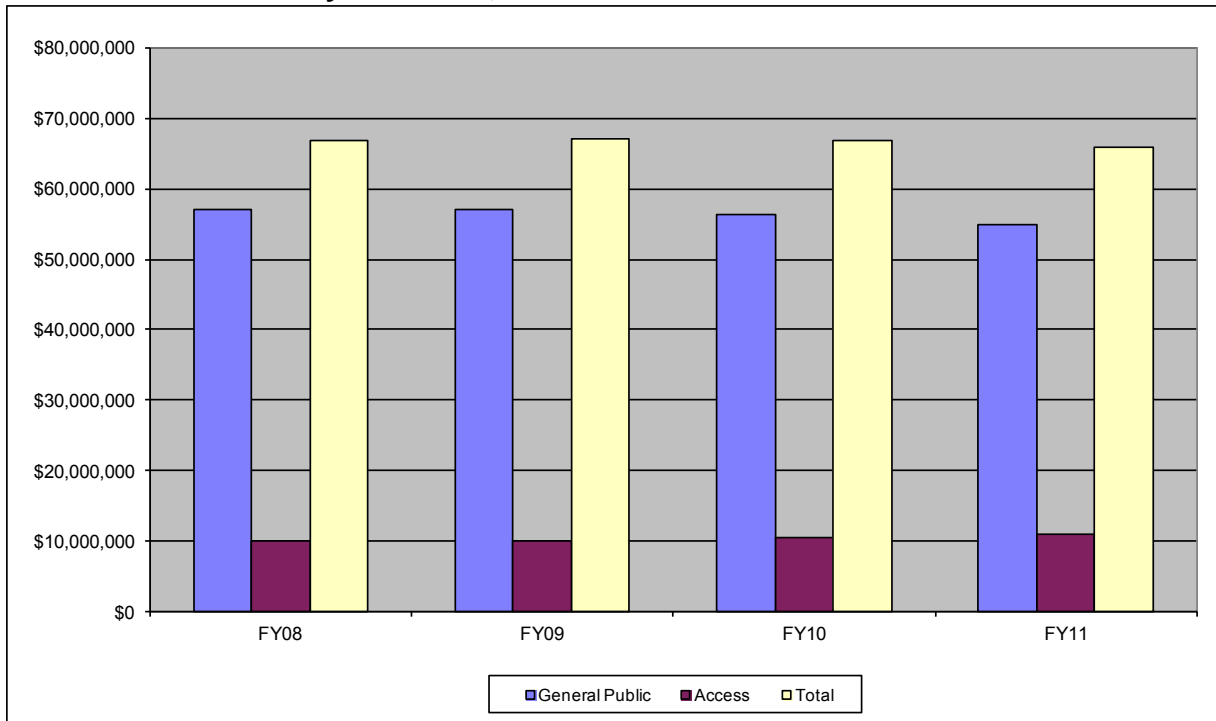
Operating costs exclude depreciation, charter, vehicle lease costs.

Source: Unlinked Passengers, Vehicle Service Hours/Miles are from NTD Reports.

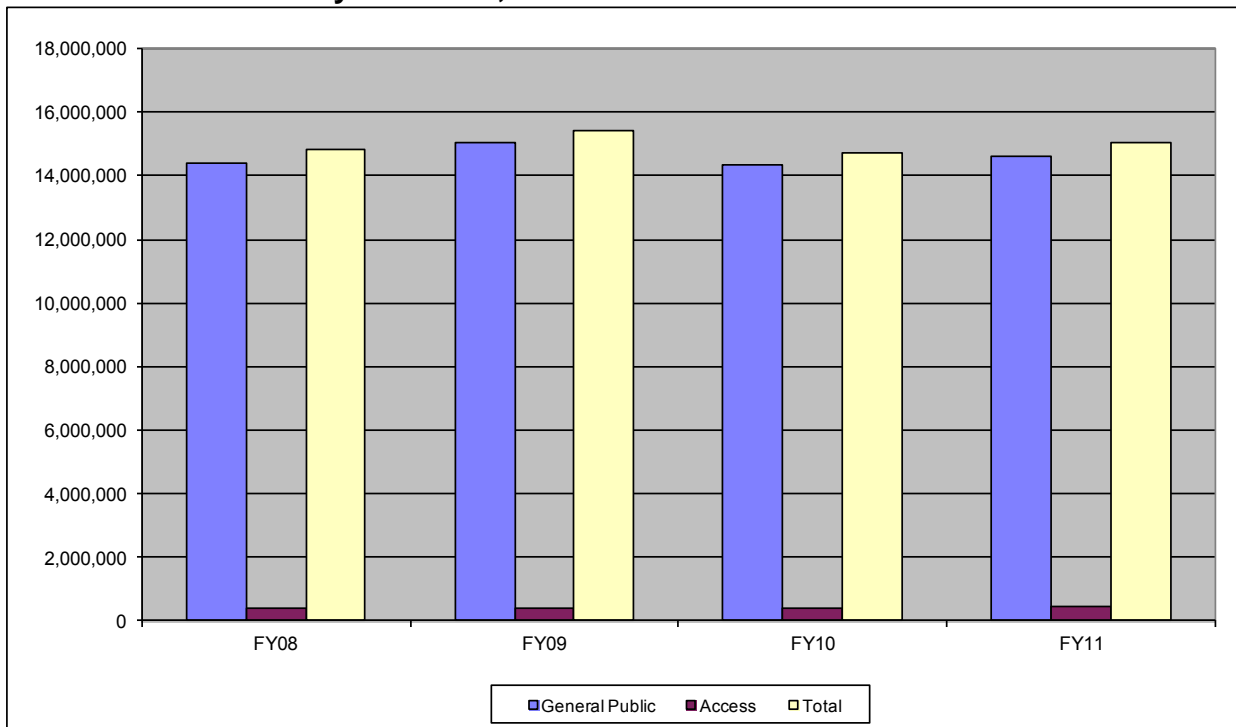
Operating Costs and Fare Revenue are from State Controller Reports.

Employee FTEs are from State Controller Reports, based on actual number of employees.

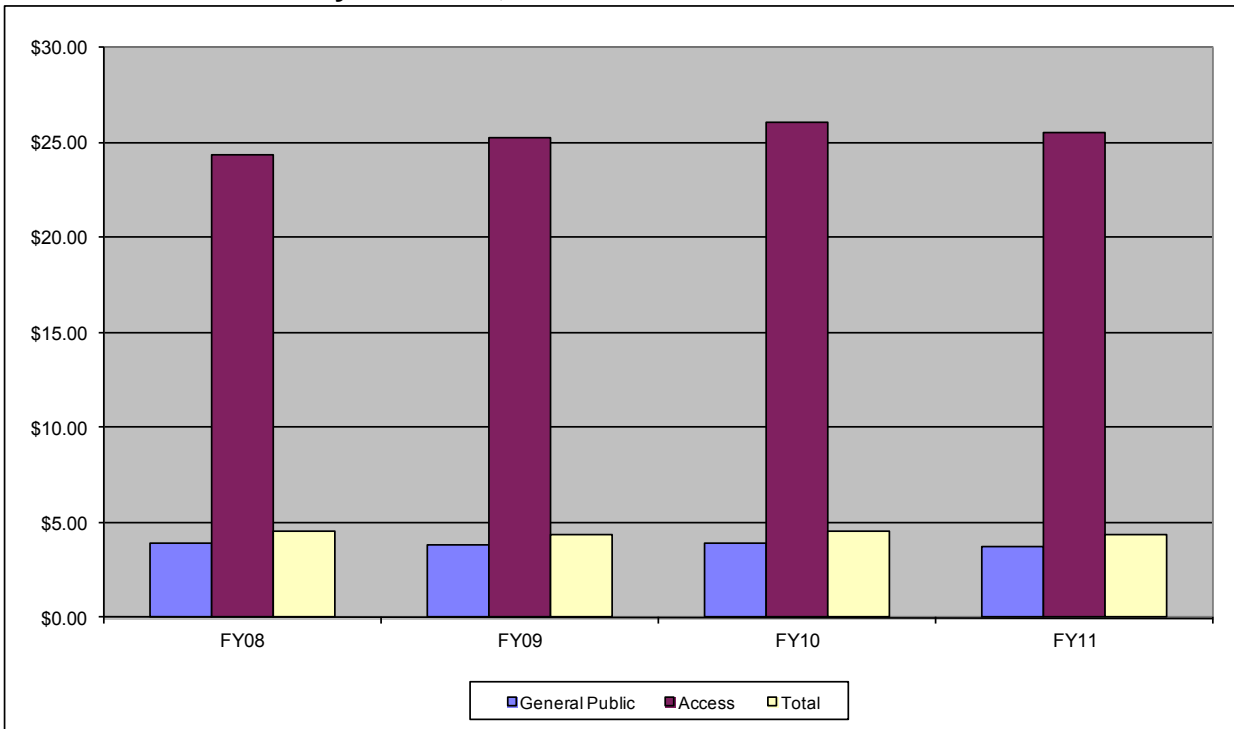
**Graph IV-1  
Operating Costs  
Systemwide, General Public and Access**



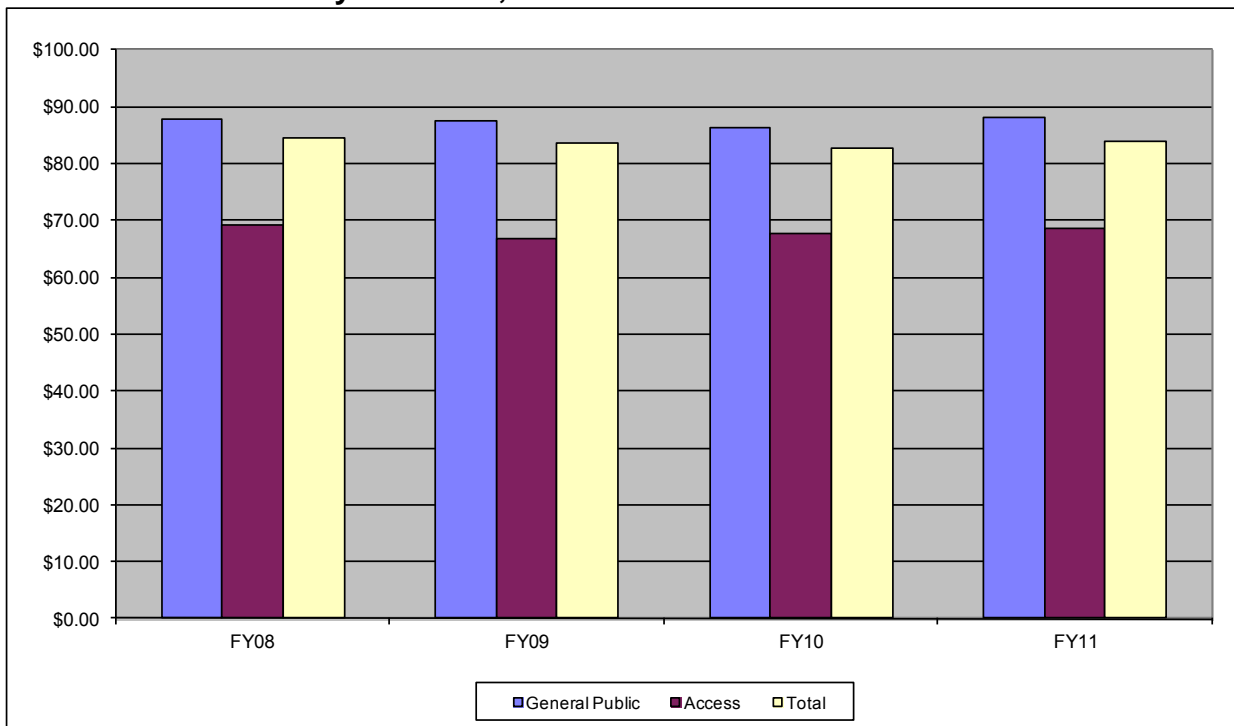
**Graph IV-2  
Ridership  
Systemwide, General Public and Access**



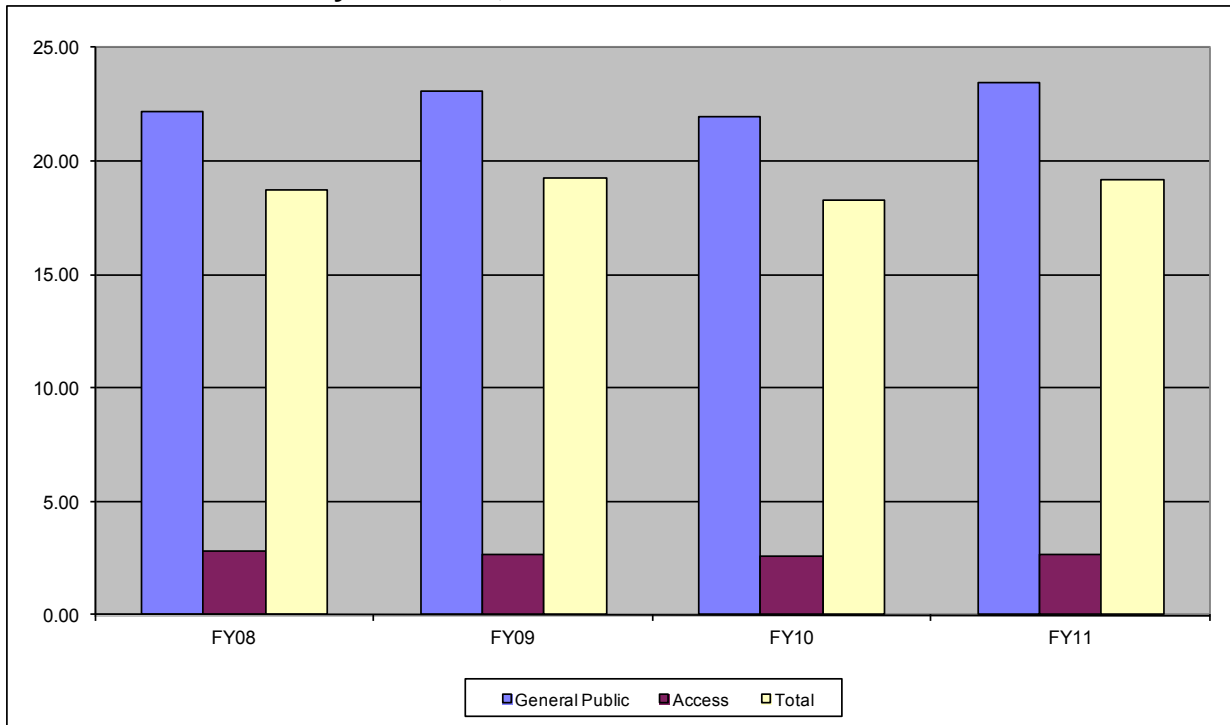
**Graph IV-3**  
**Operating Cost per Passenger**  
**Systemwide, General Public and Access**



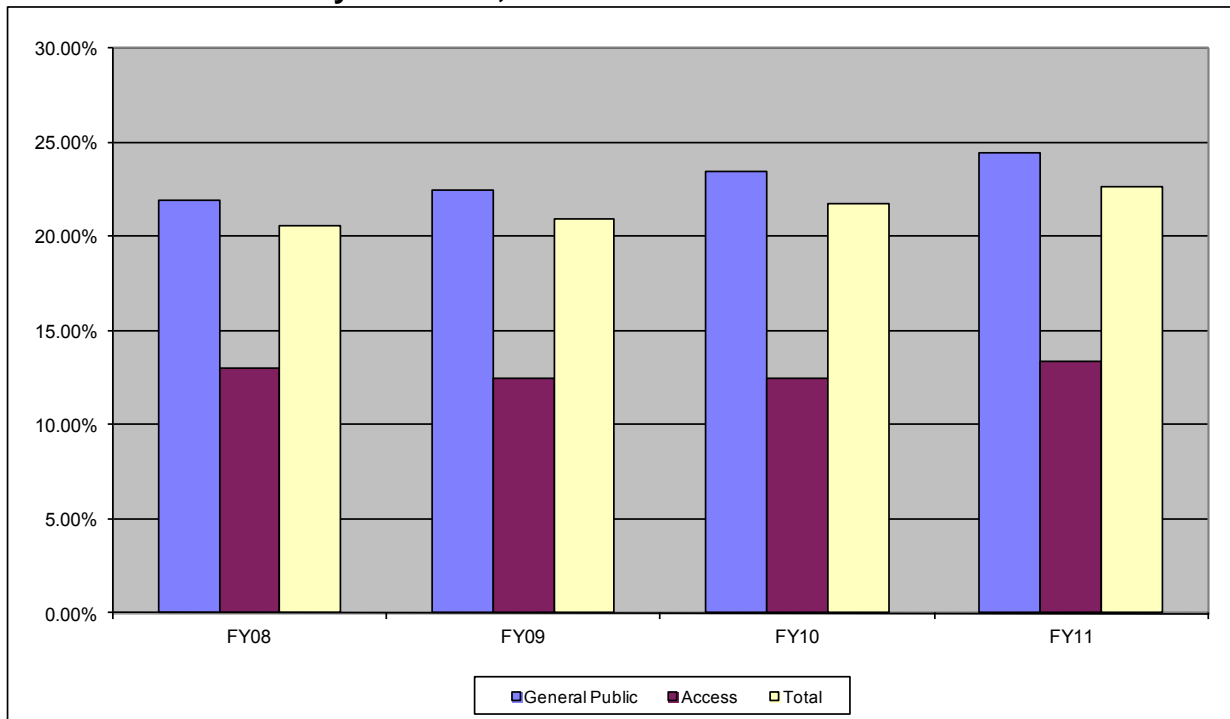
**Graph IV-4**  
**Operating Cost per Vehicle Service Hour**  
**Systemwide, General Public and Access**



**Graph IV-5**  
**Passengers per Vehicle Service Hour**  
**Systemwide, General Public and Access**



**Graph IV-6**  
**Fare Recovery Ratio**  
**Systemwide, General Public and Access**



## Findings from Verification of TDA Performance Indicators

1. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years. Systemwide operating costs decreased by 1.7 percent.
2. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, reversing a trend observed during the last audit period. Ridership on Access service increased by 6.1 percent, from 405,814 to 430,564. Systemwide ridership growth was 1.4 percent during the audit period.
3. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans continued to realize cost efficiencies through streamlined service provision. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively.
4. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, but increased by 4.8 percent for Access service.
5. On a systemwide basis, operating cost per vehicle service hour decreased by 0.5 percent and operating cost per vehicle service mile decreased by 1.2 percent. For general public service, operating cost per vehicle service hour increased by 0.2 percent and operating cost per vehicle service mile increased by 0.1 percent. For Access service, operating cost per vehicle service hour decreased by 1.1 percent and operating cost per vehicle service mile decreased by 0.8 percent.
6. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, but decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, but decreased by 5.4 percent for Access service.
7. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.
8. The farebox recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service. Omnitrans met the minimum requirements in each fiscal year during the audit period.

## Section V

### Comparison of Similar Operators

An additional section for the Omnitrans performance audit is a peer review of other transit systems around the nation. Utilizing information from the Federal National Transit Database (NTD), the auditor updated a peer review of transit systems with similarities to Omnitrans that serve as reasonable “peer” candidates for the purpose of performance comparisons. The NTD maintains the modal characteristics and performance of Omnitrans and other urban transportation systems across the United States.

Using the latest available NTD data (2010), ten other transit agencies were identified for this peer review. Five of these agencies are based in Southern California; the other five are based in other states. These agencies were chosen based on similar service area characteristics and population, and comparable services (fleet mix of bus and demand response). The ten agencies are:

#### Southern California

1. Long Beach Transit
2. Metropolitan Transit System (MTS) in San Diego
3. North County Transit District (NCTD) in Oceanside
4. Orange County Transportation Authority (OCTA)
5. Riverside Transit Agency (RTA)

#### Other States

6. Central Florida Regional Transportation Authority (LYNX); Orlando, FL
7. Regional Transportation District (RTD); Denver, CO
8. Southwest Ohio Regional Transit Authority (SORTA); Cincinnati, OH
9. Sun Tran; Tucson, AZ
10. VIA Metropolitan Transit (VIA); San Antonio, TX

### Performance Measures

The comparison included the use of performance measures contained in the NTD which are grouped in three categories; service efficiency, cost effectiveness and service effectiveness. The performance measures were:

- Service Efficiency
  - ✓ Operating Cost per Vehicle Revenue Mile
  - ✓ Operating Cost per Vehicle Revenue Hour
- Cost Effectiveness
  - ✓ Operating Cost per Unlinked Passenger Trip
  - ✓ Operating Cost per Passenger Mile
- Service Effectiveness
  - ✓ Unlinked Passenger Trips per Vehicle Revenue Mile
  - ✓ Unlinked Passenger Trips per Vehicle Revenue Hour

Tables V-1 to V-6 show the results of the peer review. For each indicator, results are shown by mode for both FY2007 and FY2010, and show the percentage change observed during the three-year period.



**Table V-1**  
**Peer Comparison, Operating Cost per Vehicle Revenue Mile**

	Operating Cost per Vehicle Revenue Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>\$6.70</b>	<b>\$6.74</b>	<b>0%</b>	<b>\$3.40</b>	<b>\$4.47</b>	<b>31%</b>
Long Beach Transit (CA)	\$8.75	\$9.83	12%	\$4.31	\$5.30	23%
MTS (San Diego, CA)	\$7.75	\$9.86	27%	\$2.74	\$3.74	36%
NCTD (Oceanside, CA)	\$6.41	\$7.98	24%	\$3.79	\$3.50	-8%
OCTA (Orange, CA)	\$9.15	\$9.66	6%	\$3.42	\$4.43	30%
Riverside Transit (CA)	\$6.87	\$6.62	-4%	\$2.48	\$2.76	11%
<b>Southern CA Average</b>	<b>\$7.79</b>	<b>\$8.79</b>	<b>13%</b>	<b>\$3.35</b>	<b>\$3.95</b>	<b>18%</b>
LYNX (Orlando, FL)	\$5.45	\$5.65	4%	\$2.64	\$3.04	15%
RTD (Denver, CO)	\$8.68	\$9.47	9%	\$4.05	\$3.81	-6%
SORTA (Cincinnati, OH)	\$10.53	\$8.62	-18%	\$3.56	\$4.89	37%
Sun Tran (Tucson, AZ)	\$6.12	\$6.36	4%	\$4.23	\$4.07	-4%
VIA Transit (San Antonio, TX)	\$5.54	\$5.95	7%	\$2.95	\$3.26	11%
<b>Other Regions Average</b>	<b>\$7.27</b>	<b>\$7.21</b>	<b>1%</b>	<b>\$3.48</b>	<b>\$3.81</b>	<b>11%</b>
<b>10 Peers Average</b>	<b>\$7.53</b>	<b>\$8.00</b>	<b>7%</b>	<b>\$3.42</b>	<b>\$3.88</b>	<b>15%</b>

**Table V-2**  
**Peer Comparison, Operating Cost per Vehicle Revenue Hour**

	Operating Cost per Vehicle Revenue Hour					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>\$87.07</b>	<b>\$87.33</b>	<b>0%</b>	<b>\$54.37</b>	<b>\$67.36</b>	<b>24%</b>
Long Beach Transit (CA)	\$89.27	\$101.60	14%	\$99.16	\$109.78	11%
MTS (San Diego, CA)	\$87.37	\$107.83	23%	\$47.14	\$64.07	36%
NCTD (Oceanside, CA)	\$91.00	\$106.01	16%	\$66.68	\$67.80	2%
OCTA (Orange, CA)	\$113.23	\$117.80	4%	\$51.97	\$70.42	36%
Riverside Transit (CA)	\$90.86	\$96.51	6%	\$48.66	\$53.61	10%
<b>Southern CA Average</b>	<b>\$94.34</b>	<b>\$105.95</b>	<b>13%</b>	<b>\$62.72</b>	<b>\$73.13</b>	<b>19%</b>
LYNX (Orlando, FL)	\$76.53	\$80.12	5%	\$44.47	\$48.36	9%
RTD (Denver, CO)	\$125.76	\$134.59	7%	\$57.36	\$58.18	1%
SORTA (Cincinnati, OH)	\$133.01	\$111.98	-16%	\$68.94	\$83.18	21%
Sun Tran (Tucson, AZ)	\$77.92	\$85.15	9%	\$52.57	\$51.84	-1%
VIA Transit (San Antonio, TX)	\$73.48	\$78.75	7%	\$55.60	\$61.52	11%
<b>Other Regions Average</b>	<b>\$97.34</b>	<b>\$98.12</b>	<b>2%</b>	<b>\$55.79</b>	<b>\$60.62</b>	<b>8%</b>
<b>10 Peers Average</b>	<b>\$95.84</b>	<b>\$102.03</b>	<b>8%</b>	<b>\$59.25</b>	<b>\$66.87</b>	<b>13%</b>

**Table V-3**  
**Peer Comparison, Operating Cost per Passenger Trip**

	Operating Cost per Passenger Trip					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>\$3.84</b>	<b>\$3.90</b>	<b>1%</b>	<b>\$18.38</b>	<b>\$25.51</b>	<b>39%</b>
Long Beach Transit (CA)	\$2.27	\$2.41	6%	\$19.97	\$23.03	15%
MTS (San Diego, CA)	\$2.86	\$3.16	11%	\$14.22	\$26.66	88%
NCTD (Oceanside, CA)	\$4.45	\$5.36	20%	\$23.89	\$33.00	38%
OCTA (Orange, CA)	\$3.00	\$3.52	17%	\$25.94	\$32.56	26%
Riverside Transit (CA)	\$5.01	\$4.63	-8%	\$28.81	\$25.19	-13%
<b>Southern CA Average</b>	<b>\$3.52</b>	<b>\$3.82</b>	<b>9%</b>	<b>\$22.56</b>	<b>\$28.09</b>	<b>31%</b>
LYNX (Orlando, FL)	\$3.03	\$3.33	10%	\$32.69	\$30.10	-8%
RTD (Denver, CO)	\$3.78	\$3.95	4%	\$30.18	\$33.75	12%
SORTA (Cincinnati, OH)	\$5.19	\$4.09	-21%	\$43.97	\$37.44	-15%
Sun Tran (Tucson, AZ)	\$2.43	\$2.48	2%	\$29.36	\$28.57	-3%
VIA Transit (San Antonio, TX)	\$2.54	\$2.87	13%	\$23.87	\$27.72	16%
<b>Other Regions Average</b>	<b>\$3.39</b>	<b>\$3.34</b>	<b>2%</b>	<b>\$32.01</b>	<b>\$31.52</b>	<b>1%</b>
<b>10 Peers Average</b>	<b>\$3.46</b>	<b>\$3.58</b>	<b>6%</b>	<b>\$27.29</b>	<b>\$29.80</b>	<b>16%</b>

**Table V-4**  
**Peer Comparison, Operating Cost per Passenger Mile**

	Operating Cost per Passenger Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>\$0.80</b>	<b>\$0.83</b>	<b>5%</b>	<b>\$1.61</b>	<b>\$2.50</b>	<b>55%</b>
Long Beach Transit (CA)	\$0.78	\$0.77	-1%	\$3.84	\$4.74	23%
MTS (San Diego, CA)	\$0.76	\$0.87	14%	\$2.09	\$3.46	66%
NCTD (Oceanside, CA)	\$0.93	\$1.08	16%	\$2.72	\$2.52	-7%
OCTA (Orange, CA)	\$0.79	\$0.81	2%	\$2.42	\$3.09	28%
Riverside Transit (CA)	\$0.81	\$0.76	-7%	\$2.67	\$2.04	-24%
<b>Southern CA Average</b>	<b>\$0.81</b>	<b>\$0.86</b>	<b>5%</b>	<b>\$2.75</b>	<b>\$3.17</b>	<b>17%</b>
LYNX (Orlando, FL)	\$0.53	\$0.62	18%	\$2.55	\$2.56	0%
RTD (Denver, CO)	\$0.72	\$0.76	6%	\$4.59	\$3.77	-18%
SORTA (Cincinnati, OH)	\$1.37	\$0.89	-35%	\$4.44	\$3.60	-19%
Sun Tran (Tucson, AZ)	\$0.65	\$0.66	2%	\$4.36	\$2.98	-32%
VIA Transit (San Antonio, TX)	\$0.67	\$0.68	3%	\$2.05	\$2.44	19%
<b>Other Regions Average</b>	<b>\$0.79</b>	<b>\$0.72</b>	<b>-1%</b>	<b>\$3.60</b>	<b>\$3.07</b>	<b>-10%</b>
<b>10 Peers Average</b>	<b>\$0.80</b>	<b>\$0.79</b>	<b>2%</b>	<b>\$3.18</b>	<b>\$3.12</b>	<b>4%</b>

**Table V-5**  
**Peer Comparison, Passenger Trips per Vehicle Revenue Mile**

	Passenger Trips per Vehicle Revenue Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>1.75</b>	<b>1.73</b>	<b>-1%</b>	<b>0.19</b>	<b>0.18</b>	<b>-5%</b>
Long Beach Transit (CA)	3.86	4.08	6%	0.22	0.23	7%
MTS (San Diego, CA)	2.71	3.12	15%	0.19	0.14	-27%
NCTD (Oceanside, CA)	1.44	1.49	3%	0.16	0.11	-33%
OCTA (Orange, CA)	3.06	2.74	-10%	0.13	0.14	3%
Riverside Transit (CA)	1.37	1.43	4%	0.09	0.11	27%
<b>Southern CA Average</b>	<b>2.49</b>	<b>2.57</b>	<b>4%</b>	<b>0.16</b>	<b>0.14</b>	<b>-5%</b>
LYNX (Orlando, FL)	1.80	1.70	-6%	0.08	0.10	25%
RTD (Denver, CO)	2.30	2.40	4%	0.13	0.11	-16%
SORTA (Cincinnati, OH)	2.03	2.11	4%	0.08	0.13	61%
Sun Tran (Tucson, AZ)	2.52	2.56	2%	0.14	0.14	-1%
VIA Transit (San Antonio, TX)	2.18	2.07	-5%	0.12	0.12	-5%
<b>Other Regions Average</b>	<b>2.17</b>	<b>2.17</b>	<b>0%</b>	<b>0.11</b>	<b>0.12</b>	<b>13%</b>
<b>10 Peers Average</b>	<b>2.33</b>	<b>2.37</b>	<b>2%</b>	<b>0.13</b>	<b>0.13</b>	<b>4%</b>

**Table V-6**  
**Peer Comparison, Passenger Trips per Vehicle Revenue Hour**

	Passenger Trips per Vehicle Revenue Hour					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
<b>Omnitrans</b>	<b>22.66</b>	<b>22.41</b>	<b>-1%</b>	<b>2.96</b>	<b>2.64</b>	<b>-11%</b>
Long Beach Transit (CA)	39.39	42.16	7%	4.97	4.77	-4%
MTS (San Diego, CA)	30.57	34.14	12%	3.32	2.40	-28%
NCTD (Oceanside, CA)	20.43	19.78	-3%	2.79	2.05	-26%
OCTA (Orange, CA)	37.79	33.48	-11%	2.00	2.16	8%
Riverside Transit (CA)	18.14	20.84	15%	1.69	2.13	26%
<b>Southern CA Average</b>	<b>29.26</b>	<b>30.08</b>	<b>4%</b>	<b>2.95</b>	<b>2.70</b>	<b>-5%</b>
LYNX (Orlando, FL)	25.27	24.05	-5%	1.36	1.61	18%
RTD (Denver, CO)	33.29	34.10	2%	1.90	1.72	-9%
SORTA (Cincinnati, OH)	25.62	27.39	7%	1.57	2.22	42%
Sun Tran (Tucson, AZ)	32.07	34.33	7%	1.79	1.81	1%
VIA Transit (San Antonio, TX)	28.93	27.46	-5%	2.33	2.22	-5%
<b>Other Regions Average</b>	<b>29.04</b>	<b>29.47</b>	<b>1%</b>	<b>1.79</b>	<b>1.92</b>	<b>9%</b>
<b>10 Peers Average</b>	<b>29.15</b>	<b>29.77</b>	<b>3%</b>	<b>2.37</b>	<b>2.31</b>	<b>2%</b>

## Findings from Peer Review

### Service Efficiency

Operating Cost per Vehicle Revenue Mile: The average across the peer agencies in FY2010 was \$8.00 for the motorbus mode and \$3.88 for the demand response mode, increases of 7% and 15% respectively from FY2007. The range was from \$5.65 to \$9.86 for motorbus and from \$3.04 to \$5.30 for demand response. Omnitrans' operating costs per vehicle revenue mile were \$6.74 for motorbus (5<sup>th</sup> lowest out of 11) and \$4.47 for demand response (9<sup>th</sup> lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -18% to 27% for motorbus and from -8% to 37% for demand response. Omnitrans' three-year changes were 0% for motorbus (3<sup>rd</sup> lowest out of 11) and 31% for demand response (9<sup>th</sup> lowest out of 11).

Operating Cost per Vehicle Revenue Hour: The average across the peer agencies in FY2010 was \$102.03 for the motorbus mode and \$66.87 for the demand response mode, increases of 8% and 13% respectively from FY2010. The range was from \$78.75 to \$134.59 for motorbus and from \$48.36 to \$109.78 for demand response. Omnitrans' operating costs per vehicle revenue hour were \$87.33 for motorbus (4<sup>th</sup> lowest out of 11) and \$67.36 for demand response (7<sup>th</sup> lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -16% to 23% for motorbus and from -1% to 36% for demand response. Omnitrans' three-year changes were 0% for motorbus (2<sup>nd</sup> lowest out of 11) and 24% for demand response (9<sup>th</sup> lowest out of 11).

### Cost Effectiveness

Operating Cost per Unlinked Passenger Trip: The average across the peer agencies in FY2010 was \$3.58 for the motorbus mode and \$29.80 for the demand response mode, increases of 6% and 16% respectively from FY2007. The range was from \$2.41 to \$5.36 for motorbus and from \$23.03 to \$37.44 for demand response. Omnitrans' operating costs per passenger trip were \$3.90 for motorbus (7<sup>th</sup> lowest of 11) and \$25.51 for demand response (3<sup>rd</sup> lowest of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -21% to 20% for motorbus and from -15% to 88% for demand response. Omnitrans' three-year changes were 1% for motorbus (3<sup>rd</sup> lowest of 11) and 39% for demand response (10<sup>th</sup> lowest of 11).

Operating Cost per Passenger Mile: The average across the agencies in FY2010 was \$0.79 for the motorbus mode and \$3.12 for the demand response mode, increases of 2% and 4% respectively from FY2007. The range was from \$0.62 to \$1.08 for motorbus and from \$2.04 to \$4.74 for demand response. Omnitrans' operating costs per passenger mile were \$0.83 for motorbus (8<sup>th</sup> lowest out of 11) and \$2.50 for demand response (3<sup>rd</sup> lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -35% to 18% for motorbus and from -32% to 66% for demand response. Omnitrans' three-year changes were 5% for motorbus (7<sup>th</sup> lowest out of 11) and 55% for demand response (10<sup>th</sup> lowest out of 11).

### Service Effectiveness

Unlinked Passenger Trips per Vehicle Revenue Mile: The average across the agencies in FY2010 was 2.37 for the motorbus mode and 0.13 for the demand response mode, changes of 2% and 4% respectively from FY2007. The range was from 1.43 to 4.08 for motorbus and from 0.10 to 0.23 for demand response. Omnitrans' passenger trips per vehicle revenue mile were 1.73 for motorbus (8<sup>th</sup> highest out of 11) and 0.18 for demand response (2<sup>nd</sup> highest out of 11).

The ranges of the percentage increase between FY2007 and FY2010 was from -10% to 15% for motorbus and from -33% to 61% for demand response. Omnitrans' three-year changes were -1% for motorbus (8<sup>th</sup> highest out of 11) and -5% for demand response (6<sup>th</sup> highest out of 11).

Unlinked Passenger Trips per Vehicle Revenue Hour: The average across the agencies in FY2010 was 29.77 for the motorbus mode and 2.31 for the demand response mode, changes of 3% and 2% respectively from FY2007. The range was from 19.78 to 42.16 for motorbus and from 1.61 to 4.77 for demand response. Omnitrans' passenger trips per vehicle revenue hour were 22.41 for motorbus (9<sup>th</sup> highest out of 11) and 2.64 for demand response (2<sup>nd</sup> highest out of 11).

The ranges of the percentage increase between FY2007 and FY2010 was from -11% to 15% for motorbus and from -28% to 42% for demand response. Omnitrans' three-year changes were -1% for motorbus (7<sup>th</sup> highest out of 11) and -11% for demand response (9<sup>th</sup> highest out of 11).

### Conclusion

Motorbus: For service efficiency indicators (operating cost per revenue mile and operating cost per revenue hour), Omnitrans has relatively good performance among the 11 agencies. For the cost effectiveness indicators (operating cost per passenger trip and operating cost per passenger mile), Omnitrans has modest performance among the 11 agencies. For the service effectiveness indicators, Omnitrans also has modest performance among the 11 agencies. Omnitrans controlled its motorbus operating cost growth very effectively relative to its peers during the audit period, while service productivity dipped just slightly.

Demand Response: For service efficiency indicators (operating cost per revenue mile and operating cost per revenue hour), Omnitrans has modest performance among the 11 agencies. For the cost effectiveness indicators (operating cost per passenger trip and operating cost per passenger mile), Omnitrans has good performance, ranking 3<sup>rd</sup> among the 11 agencies. For service effectiveness indicators, Omnitrans also has strong performance ranking 2<sup>nd</sup> among the 11 agencies. Omnitrans' demand response service remains strong relative to its peers. While Omnitrans experienced significant demand response operating cost growth in FY2008, operating cost growth has been more stable since that time.

## Section VI

### Review of Operator Functions

This section provides a review of various functions within Omnitrans. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed:

- Operations
- Maintenance
- Administration and Management
- Planning
- Marketing
- Human Resources
- Procurement
- Information Technology

### Operations

The Operations Department is responsible for delivering transit service for all of the agency's fixed route and demand response operations, provided directly and via private contractors. It is also responsible for fleet safety and training programs.

The Operations Department includes the coach operators, dispatchers, supervisors and managers who provide the daily interface between Omnitrans and the riding public. Operations works to maintain scheduled service, manage its contracted services, adhere to regulatory requirements and improve labor relations.

Omnitrans' State and Federal certified instructors provide initial and periodic training for operations personnel in aspects of agency policy and procedure, legal requirements, vehicles and related equipment. Operations also administers the National Safety Council fleet safety program and related training. Omnitrans provides driver's training to each recruit, even if the applicant already holds a Class B license from another transit agency to operate a motor bus.

Major accomplishments of the operations department during the audit period include:

- Successfully negotiated a new contract with the Amalgamated Transit Union (ATU) in 2011 with provisions that result in better accountability for operator absenteeism and significant cost savings in wages.
- Controlled operating cost growth through a combination of strategies including reducing service provision, limiting growth in wage levels, and using technologies to reduce dispatch and administration costs.

- Contracted out a portion of fixed route operations to First Transit in FY2011.

By reducing the rate of absenteeism, overtime costs has been reduced. Operations administrative positions were also reduced including in dispatch and an administrative clerk. In addition, Omnitrans selected a contractor in June 2010 to deliver an On-Board Video/Audio Surveillance System (OBVSS) across the entire fixed route fleet. Project delivery is ongoing.

The Operations Department prepares a key performance indicators report on a monthly basis that tracks indicators including uncontrolled absences, discipline violations, overtime hours, accidents, and lost service hours. This report is used to help identify concerns and make progress towards strengthening performance.

### Operations Performance

Tables VI-1 and VI-2 provide several indicators of operations performance for Omnitrans directly operated fixed route and contracted demand response service. Contracted fixed route service is excluded since it was in operation for only one year during the audit period.

**Table VI-1  
Vehicle Operations Performance Indicators  
Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Operations	\$31,817,175	\$32,001,441	\$32,621,981	\$30,460,180	-4.3%
Operator Salaries and Wages	\$14,444,996	\$15,339,718	\$15,871,981	\$14,903,454	3.2%
Operator Pay Hours	829,621	837,078	820,517	761,458	-8.2%
Vehicle Service Hours (VSH)	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles (VSM)	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Total Vehicle Hours	664,230	666,370	666,799	618,609	-6.9%
Total Vehicle Miles	8,826,637	8,907,011	8,900,858	8,224,021	-6.8%
Unlinked Passenger Trips	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Passenger Miles	71,071,565	77,318,948	66,789,651	68,409,228	-3.7%
Preventable Accidents	73	68	66	72	-1.4%
Veh Ops Cost per VSH	\$50.06	\$50.18	\$51.10	\$51.42	2.7%
Veh Ops Cost per VSM	\$3.88	\$3.87	\$3.94	\$3.99	2.7%
Veh Ops Cost per Psgr Trip	\$2.21	\$2.13	\$2.28	\$2.11	-4.9%
Veh Ops Cost per Psgr Mile	\$0.45	\$0.41	\$0.49	\$0.45	-0.5%
Avg Wage per Operator Pay Hour	\$17.41	\$18.33	\$19.34	\$19.57	12.4%
VSH per Operator Pay Hour	0.77	0.76	0.78	0.78	1.5%
VSM per Operator Pay Hour	9.88	9.89	10.08	10.03	1.6%
Service Miles per Service Hour	12.89	12.98	12.96	12.89	0.0%
Service Hours / Total Hours	95.7%	95.7%	95.7%	95.8%	0.1%
Service Miles / Total Miles	92.8%	92.9%	93.0%	92.9%	0.1%
Avg Psgr Miles per Psgr Trip	4.94	5.15	4.67	4.73	-4.4%
Preventable Accidents / Million VSM	8.91	8.21	7.98	9.43	5.8%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports; Omnitrans Reports

**Table VI-2**  
**Vehicle Operations Performance Indicators**  
**Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Operations	\$5,349,260	\$5,381,241	\$5,506,966	\$5,819,534	8.8%
Vehicle Service Hours (VSH)	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles (VSM)	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Total Vehicle Hours	194,404	208,321	217,282	213,950	10.1%
Total Vehicle Miles	3,027,287	3,222,260	3,254,630	3,256,922	7.6%
Unlinked Passenger Trips	405,814	398,034	399,204	430,564	6.1%
Passenger Miles	4,973,031	5,071,692	4,539,931	4,969,717	-0.1%
Veh Ops Cost Per VSH	\$37.48	\$35.79	\$35.81	\$36.28	-3.2%
Veh Ops Cost Per VSM	\$2.34	\$2.25	\$2.32	\$2.27	-3.0%
Veh Ops Cost Per Psgr Trip	\$13.18	\$13.52	\$13.79	\$13.52	2.5%
Veh Ops Cost Per Psgr Mile	\$1.08	\$1.06	\$1.21	\$1.17	8.9%
Service Miles Per Service Hr	16.0	15.9	15.4	16.0	-0.2%
Service Hours / Total Hours	73.4%	72.2%	70.8%	75.0%	2.1%
Service Miles / Total Miles	75.7%	74.2%	73.0%	78.8%	4.2%
Avg Psgr Miles per Psgr Trip	12.3	12.7	11.4	11.5	-5.8%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

### Findings and Trends from Vehicle Operations Performance Indicators

Vehicle operations cost indicators for directly operated fixed route service grew only slightly during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent and cost per vehicle service mile increased by just 2.7 percent, as compared with the increase in inflation during the audit period of 3.4 percent. Cost per passenger trip decreased by 4.9 percent and cost per passenger mile decreased by 0.5 percent. The stability in operations costs was achieved by limiting growth in wage levels through contract negotiations and using technologies when appropriate to enhance productivity.

Directly operated fixed route vehicle service hours per operator pay hour and vehicle service miles per operator pay hour, functions of operator productivity, increased by 1.5 percent and 1.6 percent respectively during the audit period. Service hours per total hour and service miles per total mile increased by 0.1 percent and 0.1 percent respectively.

Service miles provided per service hour, a reflection of average vehicle speed, was 12.89 miles in both FY2008 and FY2011. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 4.4 percent from 4.94 miles to 4.73 miles.

The number of directly operated fixed route preventable accidents was 73 in FY2008, 68 in FY2009, 66 in FY2010, and 72 in FY2011. The preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.



With respect to demand response service, vehicle operations cost per vehicle service hour decreased by 3.2 percent, vehicle operations cost per vehicle service mile decreased by 3.0 percent, vehicle operations cost per passenger trip increased by 2.5 percent, and operations cost per passenger mile increased by 8.9 percent. Service hours per total hour and service miles per total mile increased by 2.1 percent and 4.2 percent respectively.

#### Review of Methodology for Collection and Reporting Operations Data

Data collection and reporting of operations data, including hours and miles of service, are performed by several departments within Omnitrans. Hours and miles are computed by taking the scheduled hours and miles and determining variances in hours and miles due to roadcalls and other factors. Initially hours and miles are estimated by the Planning Department. The Operations Department measures schedule variances and produces an exception report from dispatch logs. The Finance Department, which prepares the final estimated actual hours and miles, adjusts the scheduled units by the amount of hours and miles missed according to the exception reports.

Omnitrans' primary source of ridership and fare revenue data is the GFI fareboxes, which show passengers by fare type. Ridership counts from the APCs are used to validate the farebox data.

Omnitrans has outsourced fare collection activities to an outside vendor. The vendor probes the buses daily, and these reports are audited by Operations. Adjustments are made when there are obvious errors in the farebox reports. Finance reconciles the actual and expected revenues. The ridership number goes into the monthly ridership report produced by Finance.

Operations statistics for the demand-responsive services are provided by the service contractor. Omnitrans retains summary data in its database. The Operations Supervisor responsible for overseeing contractor services of Access and OmniLink conducts monthly contract compliance reviews where driver training records, maintenance records, and trip sheet data are reviewed.

During FY2009 and FY2010, Omnitrans measured on-time performance based on direct observations from field supervisors. Starting at the beginning of FY2011 (July 2010), Omnitrans switched to using a Global Positioning Systems (GPS) based Automated Vehicle Location (AVL) system to measure on-time performance. As a result of this change in methodology, on-time performance dropped from about 96-97 percent to about 86-87 percent. The on-time performance measurements from AVL is based on more than ten times the number of observations, and is believed to be more accurate. There are 180,000 timepoints per month that form the basis for the on-time measurement. Omnitrans has observed that on-time performance is better during the summer months when schools are not in session.

#### Interagency Agreements

During the audit period, Omnitrans had in place or entered into several operating agreements with partners in the provision of service. These interagency agreements formalize Omnitrans' coordination of intercounty service or transfers with neighboring transit agencies. These agreements include the following:

- Agreement with the Mountain Area Regional Transit Authority (MARTA) for MARTA to provide specified transit services in San Bernardino County.
- Agreement with Victor Valley Transit Authority (VVTA) to commence a cooperative effort for the provision of public transit in San Bernardino County. Through this agreement, Omnitrans honors Greyhound tickets sold by VVTA for passage on any Omnitrans fixed route lines going to or from the Greyhound station or the Omnitrans 4<sup>th</sup> Street Transit Mall in San Bernardino.
- Agreements with SCRRA (Metrolink) pertaining to interagency transfers, and for Omnitrans to provide bus bridge service in the event of commuter rail service disruptions.
- Agreements with Foothill Transit, Los Angeles Metro, the Orange County Transportation Authority (OCTA), and the Riverside Transit Agency (RTA) for joint service planning, service coordination, and information dissemination.

## **Maintenance**

The Maintenance Department maintains the fixed route fleet. CHP and Federal Motor Vehicle Safety Standards (FMVSS) recommendations and requirements are being met or exceeded. The current Preventative Maintenance Vehicle Inspections (PMVIs) are due every 10,000 miles. The inspections are conducted within a variance of 500 miles from the target 10,000 mileage and are different for each 10,000 interval. Omnitrans upgraded its system used to track and schedule PMVIs from Ellipse to SAP, which automated PMVI tracking and enhanced productivity. Twice monthly the CHP conducts a Critical Item Inspection of 15 buses.

Major accomplishments of the Maintenance Department during the audit period include:

- Passed annual CHP terminal inspections.
- Completed union labor negotiations.
- Reduced the parts inventory to about \$1.4 million, due to having fewer vehicle types and one engine type, as well as improving management of inventory and cycle counts.
- Transitioned the system used to track maintenance activities from Ellipse to SAP.

The Maintenance Department prepares a monthly maintenance standards and performance indicators report that tracks indicators including attendance, overtime, maintenance expenses, cost per mile, road calls, miles per road call, average miles per gallon, parts inventory value, daily average of buses down for parts, warranty claims, and warranty recovery. The report is prepared separately for the East Valley and West Valley facilities, and is also combined for the total department. Maintenance will extend the life of the fleet through bus refurbishment as feasible beyond the general 12 year/500,000 mile threshold.

Omnitrans retains an in-house maintenance trainer that conducts both classroom and on-the-job training for mechanics. Mechanics also receive training from the engine manufacturer. The trainer is also open and available to others outside of the agency.

The Maintenance Department is planning ahead with respect to the future implementation of sbX Bus Rapid Transit services, which will involve the use of articulated buses. This includes expanding select fueling islands, pits, and bus bays at the East Valley facility. Also, because Omnitrans no longer operates diesel vehicles, the diesel tanks will need to be removed. The refurbishment cost for bus rapid transit is estimated at \$7 to \$8 million. Maintenance Performance

Tables VI-3 and VI-4 show the trends in maintenance performance for directly operated fixed route and contracted demand response service over the audit period.

**Table VI-3**  
**Maintenance Performance Indicators**  
**Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Maintenance	\$13,814,917	\$14,289,404	\$12,934,888	\$11,819,092	-14.4%
Maintenance Pay Hours	226,448	226,677	209,048	178,732	-21.1%
Total Vehicle Hours	664,230	666,370	666,799	618,609	-6.9%
Total Vehicle Miles	8,826,637	8,907,011	8,900,858	8,224,021	-6.8%
Active Vehicles	166	163	177	168	1.2%
Peak Vehicles	139	139	139	139	0.0%
Total Vehicle Failures	2,953	2,842	2,561	2,485	-15.8%
Maintenance Cost per Veh Hour	\$20.80	\$21.44	\$19.40	\$19.11	-8.1%
Maintenance Cost per Veh Mile	\$1.57	\$1.60	\$1.45	\$1.44	-8.2%
Maintenance Cost per Active Veh	\$83,222	\$87,665	\$73,078	\$70,352	-15.5%
Veh Hours per Maint Pay Hour	2.93	2.94	3.19	3.46	18.0%
Veh Miles per Maint Pay Hour	38.98	39.29	42.58	46.01	18.0%
Veh Hours per Active Vehicle	4,001	4,088	3,767	3,682	-8.0%
Veh Miles per Active Vehicle	53,173	54,644	50,287	48,953	-7.9%
Veh Miles Between Failures	2,989	3,134	3,476	3,309	10.7%
Spare Ratio	19.4%	17.3%	27.3%	20.9%	7.4%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

**Table VI-4**  
**Maintenance Performance Indicators**  
**Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Maintenance	\$1,916,712	\$1,914,136	\$1,861,497	\$1,626,492	-15.1%
Total Vehicle Hours	194,404	208,321	217,282	213,950	10.1%
Total Vehicle Miles	3,027,287	3,222,260	3,254,630	3,256,922	7.6%
Active Vehicles	105	101	101	100	-4.8%
Peak Vehicles	90	90	90	90	0.0%
Maintenance Cost Per Veh Hour	\$9.86	\$9.19	\$8.57	\$7.60	-22.9%
Maintenance Cost Per Veh Mile	\$0.63	\$0.59	\$0.57	\$0.50	-21.1%
Maintenance Cost Per Active Veh	\$18,254	\$18,952	\$18,431	\$16,265	-10.9%
Veh Hours Per Active Vehicle	1,851	2,063	2,151	2,140	15.6%
Veh Miles Per Active Vehicle	28,831	31,904	32,224	32,569	13.0%
Spare Ratio	16.7%	12.2%	12.2%	11.1%	-33.3%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

### Findings and Trends From Performance Indicators

Maintenance costs for fixed route service decreased by 14.4 percent during the audit period. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.

Directly operated fixed route vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, both increased by 18.0 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 8.0 percent and 7.9 percent respectively.

Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period. The vehicle spare ratio increased from 19.4 percent to 20.9 percent during the audit period.

For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 15.6 percent and 13.0 percent respectively. The vehicle spare ratio decreased from 16.7 percent to 11.1 percent.

### Administration and Management

Omnitrans hired a new Chief Executive Officer/General Manager in January 2010 to replace the retiring CEO. The CEO brings experience from serving in senior management roles at other large transit properties in southern California and Washington DC. The culture being promoted by the

CEO is one of an open door and direct interaction with staff. Employee development through leadership training and membership in technical groups is also emphasized at the agency to increase efficiencies and cost savings.

Omnitrans management is focused on delivery of high quality public transportation services throughout San Bernardino County. During the audit period, Omnitrans focused on financial sustainability of the transit system. Financial sustainability will continue to be a key area for the next audit period, particularly as the sbX Bus Rapid Transit project is completed and begins operations.

In May 2012, after the end of the audit period, Omnitrans prepared its FY2013 Management Plan. Development of the Management Plan was a new process in which the CEO/General Manager and the Senior Leadership Team developed agency-wide goals, objectives, and performance indicators through a series of meetings held over several weeks. This also included a review of strengths, weaknesses, opportunities, and threats (SWOTs).

Omnitrans' mission, as stated in the Management Plan, is:

*"To provide the San Bernardino Valley with comprehensive public mass transportation services which maximize customer use, comfort, safety, and satisfaction while efficiently using financial and other resources, in an environmentally sensitive manner."*

The Management Plan established eleven strategic goals for the year, up from five, to help reach the broader mobility objectives of the region. Each goal is associated with a specific timeline for completion of designated tasks, as well as performance indicators that measure progress towards achieving the goal. Another key focus of the Management Plan involved benchmarking Omnitrans' performance relative to selected peer agencies. This is accomplished in part through Omnitrans' recent membership in a benchmarking group comprised of 15 peer mid-sized transit operators. This is consistent with Omnitrans being a highly performance-based organization.

#### Administrative Performance

Tables VI-5 and VI-6 show the trends in administration performance for directly operated fixed route and contracted demand response service over the audit period.

**Table VI-5**  
**Administration Performance Indicators**  
**Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Costs for Administration	\$10,760,789	\$9,897,728	\$10,191,776	\$11,316,859	5.2%
Administration Pay Hours	124,669	109,735	108,377	129,335	3.7%
Vehicle Service Hours (VSH)	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles (VSM)	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Unlinked Passenger Trips	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Passenger Miles	71,071,565	77,318,948	66,789,651	68,409,228	-3.7%
Admin Cost Per VSH	\$16.93	\$15.52	\$15.97	\$19.10	12.8%
Admin Cost Per VSM	\$1.31	\$1.20	\$1.23	\$1.48	12.8%
Admin Cost per Psgr Trip	\$0.75	\$0.66	\$0.71	\$0.78	4.5%
Admin Cost per Psgr Mile	\$0.15	\$0.13	\$0.15	\$0.17	9.3%
VSH per Admin Pay Hour	5.10	5.81	5.89	4.58	-10.2%
VSM per Admin Pay Hour	65.72	75.44	76.34	59.06	-10.1%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

**Table VI-6**  
**Administration Performance Indicators**  
**Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Costs for Administration	\$3,637,445	\$3,782,129	\$3,974,914	\$4,076,265	12.1%
Vehicle Service Hours (VSH)	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles (VSM)	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Unlinked Passenger Trips	405,814	398,034	399,204	430,564	6.1%
Passenger Miles	4,973,031	5,071,692	4,539,931	4,969,717	-0.1%
Admin Cost Per VSH	\$25.48	\$25.16	\$25.85	\$25.41	-0.3%
Admin Cost Per VSM	\$1.59	\$1.58	\$1.67	\$1.59	0.0%
Admin Cost per Psgr Trip	\$8.96	\$9.50	\$9.96	\$9.47	5.6%
Admin Cost per Psgr Mile	\$0.73	\$0.75	\$0.88	\$0.82	12.1%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

Modest growth in administration costs were observed for both directly operated fixed route service and for demand response service.

In support of agency management controls, the Internal Audit Division conducts review of agency policies and practices, and ensures compliance with required standards and mandates. Drawing upon data using key performance indicators within Omnitrans' information technology systems, internal audit staff monitor the flow of operations and note potential exceptions. Themes by which the division is guided by in carrying out its reviews and identification of issues of concern include efficiency, cost and fraud.

## **Planning**

The Planning Department's mission is to develop short and long range plans, programs, and funding to accomplish Omnitrans' mission and vision. The Short Range Transit Plan (SRTP) is prepared by the Planning Department and serves as Omnitrans' primary financial, planning, and service policy document. The most recent SRTP was prepared in July 2007, covering Fiscal Years 2008 to 2013. Omnitrans will prepare its next SRTP, covering Fiscal Years 2014 to 2020, in 2013 following completion of the Comprehensive Operations Analysis.

The Planning Department has been involved with several large scale planning-related studies and projects during the audit period, with assistance from other departments. In particular, Planning worked closely with other departments during the audit period to continue development of the sbX Bus Rapid Transit project.

Omnitrans prepares a Service Element report each fiscal year that provides a summary of service performance indicators during that year (including ridership, passengers per hour, and farebox recovery), and the service adjustments required to balance Omnitrans' budget. The Service Element report contains separate sections for fixed route service, Access service, OmniLink service, and fare policy.

Planning also coordinated with SANBAG on the ongoing Comprehensive Operations Analysis (COA) of Omnitrans, which is being led by SANBAG and developed by a consultant. The COA involves conducting an in-depth review of the efficiency and effectiveness of Omnitrans transit services and proposing recommendations for service changes. The COA consists of three phases:

- Phase I is an analysis of existing conditions and determination of need.
- Phase II develops service alternatives.
- Phase III creates an implementation plan for Fiscal Years 2014 to 2020.

Based on the potential outcome of the COA, Omnitrans may face funding challenges to resolve for the next audit period given an assumption of reduced share of TDA revenues for the next several years. This is based on the draft financial plan section from the COA.

## **Marketing**

The Marketing Department is responsible for coordinating and enhancing the flow of information about Omnitrans services, programs, projects and activities to existing and potential customers, the community at large, and the media. The Marketing Department prepares informational materials to support transit operations, including bus schedules, how-to guides, and fare media information. Several media outlets are utilized to promote and market Omnitrans service, including radio, television, direct mailings, movie theaters, and the internet. Free ride coupons are distributed via direct mail advertising flyers, and Omnitrans has also used student competitions to create TV commercials. Omnitrans is increasingly using social media, such as Facebook and Twitter, to reach customers as well. To this end, a Community Outreach Specialist was hired in

2010, with a Marketing Specialist transferring to the Planning Department and focusing on ridership.

During the audit period, Marketing implemented a pilot program aimed at increasing awareness and ridership for college students. The Go Smart Student Pass Program enables students at participating schools, colleges and universities in the San Bernardino Valley to enjoy unlimited rides on Omnitrans fixed route buses. Students with a valid student identification get unlimited rides on any Omnitrans fixed route. Students who are prequalified to use Omnitrans Access ADA Service get a 20 percent discount on the purchase of Access one-way base fare tickets. The initial program included a free week of transit rides and bus passes for the college students attending the three junior colleges, CSU-San Bernardino, and two other educational institutions.

To continue the pilot program, the three junior colleges passed referendums at a cost of \$15 per student per year. A magnetic-stripe student card serves as the pass for the bus ride. Omnitrans is in talks with the Art Institute to continue the program for their students. However, CSU did not do a similar referendum due to competing other referendums and stopped participating when the pilot program funding ended in June 2012. Funding included from Omnitrans, the County, the colleges, and local air quality management grants from the cities. The program has increased the market share of college students riding the bus compared to all other students, from 4 percent to 20 percent.

Omnitrans rebranded its logo from the one that was used for over 35 years. The rebranding process began after the development of the 2008 strategic plan. In 2011 an advertising agency was retained to develop a new logo and tag line which have been implemented. Focus groups were held prior to the rollout of the new logo. Capital expenses incurred for this change include new fleet graphics on the vehicles and new bus stop signs.

The Marketing Department is the focal point for Customer Service, including having a customer call center, implementing reduced fare programs, and conducting pass sales. Call center activity has increased due to increased cell phone usage by the public, which has created a need for more customer service positions. Marketing plans to increase its call center staff. All customer comments, whether complaints, compliments or service requests, are collected by Marketing which are entered into Trapeze and forwarded to the appropriate department to respond. A customer satisfaction team comprised of marketing and operations staff, and drivers, meet monthly to review customer input and also to provide input to coach operator training.

Customer feedback is collected primarily by phone and through the Omnitrans website. Complaint statistics are tracked and reported in TransTrack. Compliments are also collected and used to encourage positive behavior by Omnitrans staff. Employee recognition is displayed through printed posters and flyers. Those employees with complaint-free records on a quarterly and annual basis are recognized for the exemplary behavior.

Marketing evaluates marketing effectiveness using several indicators including ridership, pass sales, Omnitrans customer satisfaction surveys, response rates to advertising coupons, and website activity.



The following performance indicators are shown for customer complaints in Table VI-7. While data about customer complaints are not a direct reflection of the Marketing Department, staff that process the comments are located within the Marketing Department and provide lead direction for the complaint resolution process that involves other departments. In addition, unsatisfied customers generally require a need for further marketing activity.

**Table VI-7  
Customer Complaints**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Ridership, Motorbus	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Complaints, Motorbus	1,019	1,233	1,390	1,329	30.4%
Complaints per Million Passenger Trips	70.9	82.1	97.2	91.9	29.6%
Ridership, Access and OmniLink	448,530	442,449	444,706	454,274	1.3%
Complaints, Access and OmniLink	88	89	48	52	-40.9%
Complaints per 100,000 Passenger Trips	19.6	20.1	10.8	11.4	-41.7%

Source: Omnitrans.

While the ratio of complaints per 1 million passengers increased by 29.6 percent for motorbus service during the audit period, the ratio of complaints per 100,000 passengers decreased by 41.7 percent for Access and OmniLink service.

The various complaints made by the community are categorized for trend review by the Marketing Department. If three or more complaints are found against a specific coach operator in a quarter, Marketing alerts Operations for further follow up with that operator.

## **Human Resources**

The Human Resources Department recruits new hires for the agency, including providing initial assessment and screening tests. Recruitment efforts are advertised in newspapers (local and regional), trade magazines, website, job fairs, Employment Development Department offices, and other transit agencies. The department also analyzes turnover by department on a regular basis.

Human Resources is also responsible for worker pay and benefits, including worker's compensation claims and certain labor issues. During the audit period the agency was subject to staff reduction efforts and wage freezes. In September 2010, there were 63 layoffs, plus wage freezes which have been ongoing for four years. Many positions have since been reinstated. Despite these setbacks, the turnover rate and the number of worker's compensation claims decreased overall, which speaks to the compensating efforts of the HR department. Worker's compensation claims decreased from 92 in FY2008 to 77 in FY2011. However, claims increased to 86 from 80 between FYs 2009 and FY2010 along with a higher dollar loss rate per \$100 payroll. The loss rate has since decreased.

In addition, the following trends in fringe benefits costs and liability costs were identified from Omnitrans NTD reports:

- Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall Consumer Price Index (CPI) increase of 3.4 percent during the same timeframe.
- Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

Pre-assessment and drug tests for employees have resulted in net cost savings from worker's claims. A safety committee including a safety specialist from the transit operations department reviews each claim. The HR department also implements safety and development courses including ergonomic training and performance improvement classes.

## **Procurement**

The Procurement Department is responsible for procuring a wide range of equipment, parts, supplies, and professional services that are used by Omnitrans. The Department is driven by balancing time savings with lead times in procuring materials versus cost savings by avoiding re-bidding when feasible. The department works to better predict when to make purchases, how to package or bundle procurements, and the appropriate method in efforts to save cost. For example, solicitations are conducted on-line through sites such as PlanetBids.com which enables more vendors to view procurement opportunities.

In FY2008, Omnitrans kept an average of about \$2.4 million of inventory value throughout the year. By FY2011, this inventory value was reduced to about \$1.4 million. This was accomplished due to Omnitrans having reduced its number of vehicle types from five brands to two, using only the Cummins engine, and using California-based vendors (to reduce delivery times) when feasible resulting in retaining only three months stock rather than six months. Omnitrans also participates with other organizations, such as cities in San Bernardino County, on joint procurements when feasible.

In early 2009, a new inventory system named the Vendor Managed Inventory (VMI) was introduced by procurement. However, this system was later determined to not meet performance objectives. Omnitrans now uses the SAP system for inventory management.

## **Information Technology (IT)**

The Information Technology (IT) department is responsible for the provision of Omnitrans IT services. During the audit period, Omnitrans completed the conversion of several IT software systems previously used to manage and administer transit service provision to a single Enterprise Resource Management (ERP) software system, or SAP. SAP is used for such functions as scheduling, dispatch, and fleet management, and has significantly improved Omnitrans' business

processes. A separate SMS system is used for reporting and analysis of vehicle accidents and injuries.

SAP also places stop measures in controlling expenditures that exceed budgeted levels. The controls in place through SAP include not allowing a transfer of budget between departments, but allowing transfers within department line items. The Finance Department controls this process by conducting the transfers.

Cooperation with other departments has been a hallmark of the IT Department and reflected in the cross-platform nature of their services. IT staff work on projects for specific departments including Administration, Finance, Planning, Human Resources, Operations, and Maintenance. Help desk and server maintenance functions have been outsourced to a vendor.

Key performance indicators (KPIs) for IT include system uptime, issue response time, and system efficiency. KPI data is provided on a monthly basis to the CEO. A future goal of the IT department, and Omnitrans as a whole, is to digitize content to significantly reduce paper use and enhance the search for information agencywide.

Omnitrans rotates Automated Passenger Counters (APCs) through its vehicle fleet to validate ridership counts from farebox data. Omnitrans uses Automated Vehicle Locator (AVL) technology on the entire fleet to track vehicle locations in real-time, as well as to measure on-time performance. Omnitrans is now taking steps to implement a new bus arrival prediction information system (BAPIS).

## **Section VII**

### **Findings**

The following summarizes the major findings obtained from this Triennial Audit covering Fiscal Years 2009 through 2011. A set of recommendations is then provided.

1. Omnitrans has complied with all applicable compliance requirements of TDA.
2. Two of the five prior audit recommendations were fully implemented, one was partially implemented, one is no longer applicable, and one is being carried forward for the next audit period.
3. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years. Systemwide operating costs decreased by 1.7 percent.
4. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, reversing a trend observed during the last audit period. Ridership on Access service increased by 6.1 percent, from 405,814 to 430,564. Systemwide ridership growth was 1.4 percent during the audit period.
5. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans continued to realize cost efficiencies through streamlined service provision. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively.
6. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, but increased by 4.8 percent for Access service.
7. On a systemwide basis, operating cost per vehicle service hour decreased by 0.5 percent and operating cost per vehicle service mile decreased by 1.2 percent. For general public service, operating cost per vehicle service hour increased by 0.2 percent and operating cost per vehicle service mile increased by 0.1 percent. For Access service, operating cost per vehicle service hour decreased by 1.1 percent and operating cost per vehicle service mile decreased by 0.8 percent.
8. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, but decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, but decreased by 5.4 percent for Access service.
9. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three

years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.

10. The farebox recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service. Omnitrans met the minimum requirements in each fiscal year during the audit period.
11. Vehicle operations cost indicators for directly operated fixed route service grew only slightly during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent and cost per vehicle service mile increased by just 2.7 percent, as compared with the increase in inflation during the audit period of 3.4 percent. Cost per passenger trip decreased by 4.9 percent and cost per passenger mile decreased by 0.5 percent. The stability in operations costs was achieved by limiting growth in wage levels through contract negotiations and using technologies when appropriate to enhance productivity.
12. Directly operated fixed route vehicle service hours per operator pay hour and vehicle service miles per operator pay hour, functions of operator productivity, increased by 1.5 percent and 1.6 percent respectively during the audit period. Service hours per total hour and service miles per total mile increased by 0.1 percent and 0.1 percent respectively.
13. Service miles provided per service hour, a reflection of average vehicle speed, was 12.89 miles in both FY2008 and FY2011. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 4.4 percent from 4.94 miles to 4.73 miles.
14. The number of directly operated fixed route preventable accidents was 73 in FY2008, 68 in FY2009, 66 in FY2010, and 72 in FY2011. The preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.
15. With respect to demand response service, vehicle operations cost per vehicle service hour decreased by 3.2 percent, vehicle operations cost per vehicle service mile decreased by 3.0 percent, vehicle operations cost per passenger trip increased by 2.5 percent, and operations cost per passenger mile increased by 8.9 percent. Service hours per total hour and service miles per total mile increased by 2.1 percent and 4.2 percent respectively.
16. Maintenance costs for fixed route service decreased by 14.4 percent during the audit period. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.
17. Directly operated fixed route vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, both increased by 18.0 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 8.0 percent and 7.9 percent respectively.

18. Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period. The vehicle spare ratio increased from 19.4 percent to 20.9 percent during the audit period.
19. For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 15.6 percent and 13.0 percent respectively. The vehicle spare ratio decreased from 16.7 percent to 11.1 percent.
20. Modest growth in administration costs were observed for both directly operated fixed route service and for demand response service.
21. Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall Consumer Price Index (CPI) increase of 3.4 percent during the same timeframe.
22. Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

## Recommendations

1. Work with SANBAG to Take Appropriate Steps Pending Completion of the Comprehensive Operational Assessment (COA).  
(High Priority)

The COA is intended to provide potential opportunities for Omnitrans to adjust service delivery and strengthen performance. Omnitrans should work closely with SANBAG to determine aspects of the COA that warrant implementation in the near future. This step will be incorporated as part of the upcoming Short Range Transit Plan to be developed by Omnitrans.

2. Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.  
(High Priority)

As a carryover from the prior audit, the new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations for the sbX project should be closely monitored, as compliance could affect future funding.

3. Conduct an Evaluation of SAP's Impacts on Business Process Flows.  
(Medium Priority)

The SAP Enterprise Resource Planning implementation had significant impacts on how Omnitrans conducts its business processes. Omnitrans should document the results in a centralized location, assess the benefits of those changes, and determine if there are additional business process improvements that could be enabled through SAP. Omnitrans should continue to engage SAP integration at the department level to determine its applicability to each working group.

4. Verify On-Time Performance Numbers and Adjust Performance Targets Accordingly.  
(Medium Priority)

Automated Vehicle Location (AVL) technology produces different on-time performance results from the prior data reporting methodology. Omnitrans should document the reasons for these differences and adjust its performance targets in line with the updated methodology.

ITEM #       E7      

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Milind Joshi, sbX Program Manager

**SUBJECT:** **AUTHORIZE ADDITIONAL SPEND AUTHORITY  
CONTRACT IPMO11-5, sbX E STREET CORRIDOR  
CONSTRUCTION CONTRACT**

### **FORM MOTION**

Recommend to the Board of Directors for approval additional spending authority to Contract No. IPMO11-5, sbX E Street Corridor Construction Services, with Griffith/Comet Electric Joint Venture, Santa Fe Springs, California, in the amount of \$6,500,760, bringing the total contract amount to \$87,760,263, plus the addition of the 3.27% Cost Allocation Plan of \$212,575, that will be charged to the total project cost vested in the Omnitrans CEO/General Manager, or his designee, to manage potential change orders arising during the course of construction, and to extend the completion date from September 18, 2013 to April 30, 2014.

### **BACKGROUND**

Total approved budget for the sbX Project is \$191,706,000, including a construction budget of \$84,637,000. To manage the unforeseen conditions and issues related to utilities and design, staff set aside adequate contingency, within the Project budget.

The Project team has been managing the construction activities within the limits of project contingency to address various scope changes (design, construction, and the related project services) and any other unanticipated costs by following the approved procedures and the “spending authority” to process the change orders necessary to complete the Project as planned.

At present, the corridor construction is about 65% completed. The construction is expected to progress rapidly within the next couple of months. The construction team is still experiencing issues related to unfavorable subsurface conditions, utility interferences, and design discrepancies. Staff is working with our project partners – contractor, design engineers, and construction management team – to minimize impacts to the Project progress.



Based on the current status, staff is forecasting that the safe and reliable Revenue Operation will begin April 30, 2014, and that project will be completed under the approved budget.

To manage the Project budget effectively, along with a close oversight on construction activities, staff maintains a Risk Register to review on a monthly basis. This tool allows staff to evaluate various categories of risks regularly; this provides an opportunity for risks to be eliminated or mitigated in a timely manner. During the review process, cost and schedule exposure is closely reviewed and evaluated to forecast the final costs and completion date.

Overall Project analysis is as below:

- Approved Project Budget: \$191,706,000
- Forecasted Project Costs at completion: \$186,892,932
- Current Project Costs (April 30, 2013): \$100,981,474

Overview of E Street Corridor construction costs is as below:

- Corridor Construction Budget: \$ 84,637,000
- Original Contract Amount: \$ 65,007,603
- Amended Contract Amount (April 30, 2013): \$ 81,259,503(\*)
- Requested Increase in Spending Authority: \$ 6,500,760
- Estimated Corridor Construction Cost at Completion: \$ 87,760,263

(\*) Board approved two prior increases in May 2012 and November 2012, respectively. As of April 30, 2013, the remaining Spending Authority is \$4,413,190.

Staff is requesting an additional spending authority of \$6,500,760 (Plus 3.27% CAP to the project) so that construction activities can proceed without any interruptions.

Staff's objective is to proactively mitigate the change orders to manage scope changes within the limits of the Project contingency. The following is the contingency analysis:

Project Contingency provision at Project Start:	\$44,960,518
Contingency Utilized (April 30, 2013):	\$24,953,280
Available Project Contingency (April 30, 2013):	\$20,007,238
Forecasted Project Contingency at Project completion:	\$ 4,733,078

Based on the current projections, the corridor construction activities are likely to extend beyond September 18, 2013, and therefore, staff is also seeking approval to extend Period of Performance to April 30, 2014.

### **FUNDING SOURCE**

This portion of the Project is funded through the Federal Transit Administration Small Starts Section 5309 Funds.

<b>FUNDING</b>	<b>GRANT #</b>	<b>FISCAL YEAR</b>	<b>PROJECT NAME</b>	<b>AMOUNT</b>
FTA	CA-90-Y775	2010	sbX – G10A0001F	\$3,369,973
FTA	CA-90-Y850	2011	sbX-B1110101F	\$ 790,113
FTA	CA-90-Y681	2009	sbX-B0910101F	\$ 650,067
STA	10-09-OMN-B	2010	sbX-A101B101S	\$1,461,321
STA	10-09-OMN-B	2010	sbX-B101B101S	\$ 229,286
			<b>TOTAL</b>	<b>\$6,500,760</b>

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

### **CONCLUSION**

Approval to increase spending authority to Contract No. IPMO11-5, sbX E Street Corridor Construction Services, with Griffith/Comet Electric Joint Venture, and extend the Time of Performance to April 30, 2014, will enable staff to manage the potential change orders arising out of projected risks and trends during the remainder of corridor construction in a timely manner and to ensure the start of safe and reliable revenue operation by April 30, 2014.

MV:MJ

ITEM #           E8          

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Milind Joshi, sbX Program Manager

**SUBJECT: AUTHORIZE ADDITIONAL SPEND AUTHORITY  
CONTRACT IPMO12-10, VEHICLE MAINTENANCE FACILITY  
CONSTRUCTION**

**FORM MOTION**

Recommend to the Board of Directors approval of additional spending authority to Contract No. IPMO12-10, Vehicle Maintenance Facility Construction, with USS Cal Builders, Inc., Stanton, California, in the amount of \$3,292,500, bringing the total contract amount to \$14,498,151, plus the addition of the 3.27% Cost Allocation Plan of \$107,665, that will be charged to the total project cost, vested in the CEO/General Manager, or his designee, to manage potential change orders arising during the course of construction, and to extend the contract completion date from December 21, 2013 to July 31, 2014.

**BACKGROUND**

On November 7, 2012, the Board of Directors authorized the CEO/General Manager to award Contract IFB-IPMO12-10 to USS Cal Builders, of Stanton, California to provide construction services for the East Valley Vehicle Maintenance Facility (VMF) to support the 60-foot articulated coaches for the sbX E Street Corridor BRT Project in the amount of \$10,672,049 plus a five percent contingency of \$533,602. Change Orders No. 2, 3, 4 & 5 were executed May 20, 2013, in the amount of \$57,500 and charged against the contract contingency.

The project team continues to manage construction activities within the overall sbX project contingency to address various scope changes (design, construction and the related project services) and any other unanticipated costs by following the approved procedures and the “spending authority” to process the change orders necessary to complete the Project as planned.

Construction was to start in December 2012 and projected to be completed within 12 months. However, for a variety of reasons, such as late submittals, permitted drawings issue and design changes, construction did not begin until April 2013, and as a result, at present, the VMF construction is only about 9% complete.

Staff is considering various options to make up for lost time to ensure that safe and reliable operation of the BRT can begin April 30, 2014. The selection of these options will be based on the cost-benefit analysis within the confines of FTA guidelines. Regardless of which option is selected, construction is expected to progress rapidly within the next few months.

Based on the current trends and the risks identified in the Risk Register that is updated on a monthly basis, staff anticipates that the current available VMF construction budget will not be adequate to complete the construction. These risks include value engineering work that is necessary to mitigate underground storage tanks, utilities and telecommunication fiber optics discovered during the parking lot and trash compactor excavation.

Therefore, staff is requesting additional spending authority to ensure that construction change orders are processed in an efficient and timely manner, if and when necessary.

Staff intends to utilize the spending authority with appropriate scrutiny and thorough due diligence, and will also ensure that the costs are contained within the approved authority, as well as within the limits of the available contingency.

Based on current projections, the Project is expected to complete under budget at \$186.9 million, even with the additional contingency for the VMF modification construction.

Overall Project analysis is as below:

• Approved Project budget:	\$191,706,000
• Forecasted Project Costs at Completion:	\$186,892,932
• Current Project Cost (April 30, 2013):	\$100,981,806

USS Cal Builder's Construction Contract:

• Original Contract Amount:	\$11,205,651
• (includes contingency)	
• Requested Additional Spending Authority:	\$ 3,292,500
• Estimated VMF Construction Cost at Completion	\$14,498,151

Staff's objective is to proactively mitigate the change orders to manage scope changes within the limits of the Project contingency. The following is the contingency analysis:

Project Contingency provision at Project Start:	\$44,960,518
Contingency Utilized (April 30, 2013):	\$24,953,280
Available Project Contingency (April 30, 2013):	\$20,007,238
Forecasted Project Contingency at Project completion:	\$ 4,733,078

Based on the current projections, the construction activities are likely to extend beyond December 21, 2013, and therefore, staff is also seeking approval to extend the Period of Performance to July 31, 2014.

**FUNDING SOURCE**

<b>FUNDING</b>	<b>GRANT #</b>	<b>FISCAL YEAR</b>	<b>PROJECT NAME</b>	<b>AMOUNT</b>
LTF	TBD	2014	sbX	\$3,400,165
			<b>TOTAL</b>	<b>\$3,400,165</b>

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

This procurement meets the requirements of Omnitrans' current Procurement Policy and Procedures Manuals.

**CONCLUSION**

Approval to increase the spending authority to the Vehicle Maintenance Facility Construction Contract No. IPMO12-10 with USS Cal Builders will enable staff to manage the potential change orders arising out of projected risks and trends during construction and to ensure that safe and reliable Revenue Service begins on April 30, 2014.

MV:MJ

ITEM #           E9          

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Milind Joshi, sbX Program Manager

**SUBJECT: AUTHORIZE ADDITIONAL SPEND AUTHORITY  
CONTRACT IPMO11-1, VEHICLE MAINTENANCE FACILITY  
MODIFICATION ARCHITECTURAL AND ENGINEERING SERVICES**

### **FORM MOTION**

Recommend to the Board of Directors for approval of additional spending authority to Contract IPMO11-1, Vehicle Maintenance Facility Modification Architectural and Engineering Services for the East Valley Maintenance Facility, with STV, Incorporated, Rancho Cucamonga, CA, in the amount of \$372,000, bringing the total contract amount to \$1,418,132, plus the addition of the 3.27% Cost Allocation Plan of \$12,164, that will be charged to the total project cost, vested in the Omnitrans CEO/General Manager, or his designee, to increase the budget for Services During Construction (SDC) necessary during the course of construction and to ensure timely completion of construction activities, and to extend the contract completion date from July 31, 2013 to July 31, 2014.

### **BACKGROUND**

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

The scope of work included design services, development of Start-up & Commissioning Plan, and support Services During Construction (SDC). The design was completed on time and approved by the regulatory agencies. The period of performance for the contract ends on July 31, 2013.

Since the construction contract award to the contractor (USS Cal Builders), STV has been providing various services, such as review of contractor's submittals; respond to contractor's

RFIs; preparing as-build and record drawings; coordinate with the Contractor, Construction Manager and the sbX Project staff; increased observation site visits, and field reports; and as-built electrical single line diagrams.

Construction was to start in December 2012 and projected to be completed within 12 months. However, for a variety of reasons, such as delay in submittals receipts, discrepancies in the contract documents and the plans and specifications, modifications to the scope of work due to design and safety issues, as well as unanticipated operational concerns, the rate of STV's budget draw down increased substantially than originally anticipated .

As of April 30, 2013, approximately \$218,183 (14%) of the approved spending authority is available for STV and will not be adequate for STV to continue providing SDCs necessary to progress the construction activities. Additionally, staff anticipates that the SDCs will be necessary at least until July 31, 2014.

Therefore, the staff is requesting additional spending authority to augment STV' budget if necessary to ensure continued services that are critical for construction activities to proceed without any interruptions. Staff intends to utilize the spending authority with due diligence to ensure that costs are contained within the approved authority.

Based on current projections, the Project is expected to complete within the \$186.9 million budget.

Overall sbX Project analysis is:

• Approved Project budget:	\$191,706,000
• Forecasted Project Costs at Completion:	\$186,895,932
• Current Project Cost (April 30, 2013):	\$100,981,806

STV contract details are:

• Original Contract Amount:: (includes contingency)	\$ 1,046,132
• Requested Additional Spending Authority:	\$ 372,000
• Estimated STV's Cost at Completion:	\$ 1,418,132

Staff's objective is to proactively address the field conditions and/or design changes to manage scope changes within the limits of the Project contingency.

The following is the contingency analysis:

Project Contingency provision at Project Start:	\$ 44,960,518
Contingency Utilized (April 30, 2013):	\$ 24,953,280
Available Project Contingency (April 30, 2013):	\$ 20,007,238
Forecasted Project Contingency at Project completion:	\$ 4,733,078

Based on the current projections, the VMF Architectural and Engineering Services are likely to extend beyond July 31, 2013, and therefore, staff is also seeking approval to extend the Period of Performance to July 31, 2014.

**FUNDING SOURCE**

<b>FUNDING</b>	<b>GRANT #</b>	<b>FISCAL YEAR</b>	<b>PROJECT NAME</b>	<b>AMOUNT</b>
FTA	CA-90-Y396	2006	sbX E Street Project	\$298,104
FTA	CA-90-Y602	2008	sbX E Street Project	\$ 9,227
FTA	S-1205-050	2012	sbX E Street Project	\$ 74,056
STA	12-11-OMN-B	2012	sbX E Street Project	\$ 2,777
			<b>TOTAL</b>	\$384,164

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

This procurement meets the requirements of Omnitrans' current Procurement Policy and Procedures Manuals.

**CONCLUSION**

Approval to increase the spending authority to Contract No. IPMO11-1, Vehicle Maintenance Facility Modification Architectural and Engineering Services with STV, Incorporated, ensures that the construction activities pertaining to Vehicle Maintenance Facility (VMF) modifications continue to progress and the safe and reliable Revenue Operation begin April 30, 2014.

MV:MJ



ITEM # E10

**DATE:** June 10, 2013

**TO:** Committee Chair Alan Wapner and  
Members of the Administrative and Finance Committee

**THROUGH:** Milo Victoria, CEO/General Manager

**FROM:** Milind Joshi, sbX Program Manager

**SUBJECT: AUTHORIZE ADDITIONAL SPEND AUTHORITY  
CONTRACT IPMO11-24, METHANE DETECTION SYSTEM  
CONSULTING SERVICES**

### **FORM MOTION**

Recommend to the Board of Directors approval of additional spending authority to Contract IPMO11-24, Methane Detection System Consulting Services, with Carlin Environmental Consulting Services, Santa Ana, California, in the amount of \$8,000, bringing the total contract amount to \$27,800, plus the addition of the 3.27% Cost Allocation Plan of \$262 that will be charged to the total project cost, vested in the CEO/General Manager, or his designee, to manage potential change orders arising during the course of construction and to ensure timely completion of construction activities.

### **BACKGROUND**

On April 18, 2011, the CEO/General Manager awarded Contract IPMO11-24 to Carlin Environmental Consulting Services, of Santa Ana, California, to provide Methane Detection System Consulting for the East Valley Vehicle Maintenance Facility in the amount of \$10,000, to cover possible design changes during project development. Change Order No.1 was executed on March 7, 2012, and Change Order No. 2 was executed on July 23, 2012, for a total additional amount of \$9,800 to the original contract.

The scope of work included design and support services related to the Methane Detection System during construction. The design was completed on time and approved by the regulatory agencies. The period of performance for the contract ends March 30, 2014.

A Methane Detection System is essential for the safe operation at the VMF. Since the construction contract award to the contractor (USS Cal Builders), Carlin Environmental Consulting Services has been providing various services, such as review of contractor's submittals; respond to contractor's RFIs; check as-built and record drawings; coordinate with the Contractor, Construction Management Team (Jacobs), and the sbX Project staff, attend meetings,

visit project site, coordinate responses to Regulatory Agencies and provide design revisions and changes based on site conditions.

After the start of construction activities at the VMF, several safety concerns became apparent that must be addressed satisfactorily and Carlin Environmental Service's additional involvement may be necessary. The original contract was awarded within the CEO/General Manager's authority limits, but due to anticipated scope increase related to interface, coordination, and supplemental electrical and structural designs to support the methane detection system (MDS), staff is seeking Board approval to increase the spending authority for Carlin Environmental Services.

As of April 30, 2013, approximately \$5,400 (27%) of the approved spending authority is available for Methane Detection System Consulting Services and the available spending authority will not be adequate for Methane Detection System Consulting Services to continue providing the necessary support services to progress the construction activities.

Therefore, staff is requesting an additional spending authority to augment the Methane Detection System Consulting Services' budget, if necessary, to ensure services that are critical for construction activities proceed without any interruptions. Staff intends to utilize the spending authority with due diligence to ensure that costs are contained within the approved authority.

Based on current projections, the Project is expected to complete within the \$186.9 million budget.

Overall sbX Project analysis is:

• Approved Project budget:	\$191,706,000
• Forecasted Project Costs at Completion:	\$186,895,932
• Current Project Cost (April 30, 2013):	\$100,981,806

Overview of Vehicle Maintenance Facility (VMF) Modification cost is:

• Original Contract plus Change Orders	\$ 19,800
• Cost-To-Date (April 30, 2013):	\$ 14,400
• Balance available Budget (April 30, 2013):	\$ 5,400
• Requested Additional Spending Authority:	\$ 8,000
• 3.27% Cost Allocation Plan	\$ 262
• Estimated Carlin Cost at Completion:	\$ 28,062

Staff's objective is to proactively mitigate the change orders to manage scope changes within the limits of the Project contingency.

The following is the contingency analysis:

Project Contingency provision at Project Start:	\$ 44,960,518
Contingency Utilized (April 30, 2013):	\$ 24,953,280
Available Project Contingency (April 30, 2013):	\$ 20,007,238
Forecasted Project Contingency at Project completion:	\$ 4,733,078

**FUNDING SOURCE**

<b>FUNDING</b>	<b>GRANT #</b>	<b>FISCAL YEAR</b>	<b>PROJECT NAME</b>	<b>AMOUNT</b>
FTA	CA-90-Y251	2004	sbX – H0430601F	\$ 902
FTA	CA-90-Y333	2005	sbX – H0500001F	\$7,360
			<b>TOTAL</b>	\$8,262

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

**CONCLUSION**

Approval to increase the spending authority to the Contract No. IPMO11-24 Methane Detection System Consulting Services with Carlin Environmental Consulting Services ensures that the construction activities pertaining to Vehicle Maintenance Facility (VMF) modifications continue to progress and the safe and reliable Revenue Operation begins April 30, 2014.

MV:MJ