



## ADMINISTRATIVE & FINANCE COMMITTEE MEETING

Monday, February 13, 2012 – 1:30 p.m.

Omnitrans Metro Facility

1700 West 5<sup>th</sup> Street

San Bernardino, CA 92411

The Administrative & Finance Committee 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.

### A. CALL TO ORDER

### B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: March 12, 2012 at 1:30 p.m.  
Omnitrans Metro Facility Board Room

### C. POSSIBLE CONFLICT OF INTEREST ISSUES

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

### D. AGENDA ITEMS

- |  |    |
|--|----|
| 1. Approve Administrative & Finance Committee Minutes – January 9, 2012  | 4  |
| 2. Approve Special Administrative & Finance Committee Minutes – January 24, 2012   | 8  |
| 3. Approve Continued Administrative & Finance Committee Minutes – January 26, 2012   | 9  |
| 4. Receive & Forward to the Board Construction Progress Reports No. 1 and No. 2 through January 2012 – sbX E Street Corridor Project                                     | 10 |
| 5. Receive & Forward to the Board Parsons Change Order for Omnitrans sbX/BRT Design, Operating and Maintenance Policy & Manual   | 20 |
| 6. Receive & File College Free Pass Program Status Update  | 26 |
| 7. Receive & File Forward Fuel Purchase Update – January 2012  | 28 |
| 8. Receive and File Report on Commercial Opportunities that have Resulted from Omnitrans' Investment Activities  | 38 |
| 9. Receive and Recommend to Board of Directors Release of Invitation for Bids IFB-IPMO12-10, Vehicle Maintenance Facility Construction for sbX E-Street Corridor Project | 40 |
| 10. Authorize Amendment of FY12 Budget and 2008-2013 Short Range Transit Plan to Add Local Transit Funding Awarded as Part of the Article 3 Transit Stop Access Program  | 47 |
| 11. Receive & Forward to the Board Budget Assumptions for Preparing the Fiscal Year 2012-2013 Budget   | 48 |



**ADMINISTRATIVE & FINANCE COMMITTEE MEETING**

**Monday, February 13, 2012 – 1:30 p.m.**

**Omnitrans Metro Facility**

**1700 West 5<sup>th</sup> Street**

**San Bernardino, CA 92411**

**E. REMARKS AND ANNOUNCEMENTS**

**F. ADJOURNMENT**



**DATE:** February 13, 2012

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

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

**FROM:** Don Walker, Interim Director of Procurement

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

**FORM MOTION**

Staff hereby provides the listing of principals and subcontractors associated with action items on the agenda for the February 13, 2012 Administrative & Finance Committee Meeting.

Item No.	Contract	Principals & Agents	Subcontractors
D-5	Receive & Forward to the Board Parsons Change Order for Omnitrans sbX/BRT Design, Operating and Maintenance Policy & Manual	<i>Parsons Transportation Group Inc.</i> <i>Avrum Loewenstein</i> <i>Project Manager</i>	<i>Gruen Associates</i> <i>Elaine Carbrey</i> <i>Associate Partner</i>

MV



**ADMINISTRATIVE & FINANCE COMMITTEE  
MINUTES  
January 9, 2012**

The Administrative & Finance Committee meeting was called to order by Chair Alan Wapner at 1:35 p.m. on January 9, 2012.

Committee Members Attending

Councilmember Alan Wapner, City of Ontario, Committee Chair  
Mayor Pro Tem Lee Ann Garcia, City of Grand Terrace  
Councilmember Frank Gonzales, City of Colton  
Mayor Ed Graham, City of Chino Hills  
Mayor Pro Tem John Roberts, City of Fontana

Committee Members Absent

Mayor Paul Eaton, City of Montclair  
Mayor Pro Tem Paul Foster, City of Redlands  
Supervisor Gary Ovitt, County of San Bernardino

Omnitrans Staff & Others Attending

Milo Victoria, CEO/General Manager  
Marjorie Ewing, Director of Human Resources  
Samuel Gibbs, Director of Internal Audit Services  
Wendy Williams, Director of Marketing  
Don Walker, Director of Finance  
Jack Dooley, Director of Maintenance  
Maurice Mansion, Treasury Manager  
Milind Joshi, sbX Program Manager  
Bart Hayashi, sbX Planning Manager  
Jonathan Wu, sbX Construction Manager  
Carol Greene, Legal Counsel  
Marc Davis, Mayer Hoffman McCann  
Monica Morales, SANBAG  
Carol Angier, Administrative Secretary

**C. Agenda Items**

1. Approve Administrative & Finance Committee Minutes of November 14, 2011

M/S (Roberts/Graham) to approve the minutes of the November 14, 2011 Committee meeting.

Member Garcia abstained as she was not at this meeting.

2. Receive & Forward to the Board Omnitrans' Fiscal Year Ended June 30, 2011 Audit Reports

CEO/General Manager Victoria said that as a recipient of federal, state, and local funding, Omnitrans is required to have annual audits. He introduced Marc Davis, Omnitrans' independent auditor from Mayer Hoffman McCann. Mr. Davis said the audit was conducted in September and October 2011. There were two findings from the audit. The first one is that salary needs to be charged to federal grants when applicable, and the second finding was that error reports need to be reviewed by an independent party before submittal.

There were four Best Practices recommendations from the audit:

- 1) Use of the P-Card by employees need to follow the established Omnitrans Procurement Policy.
- 2) There needs to be a record retention established regarding documents for NTD reports.
- 3) Information Technology Policies and Procedures need to be updated.
- 4) Employees should sign off on the Omnitrans Ethics Policy on an annual basis.

Chair Wapner asked what Omnitrans' response was to these findings and recommendations. Mr. Davis said management agreed with them all and have started implementation of the recommendations and correction of the findings.

M/S (Gonzales/Garcia) to receive and forward to Omnitrans Board of Directors the following audit reports for fiscal year ended June 30, 2011: Annual National Transit Database Reporting (NTD), Communication of Audit Results With Those Charged with Governance, Comprehensive Annual Financial Report (CAFR), Management Letter, Single Audit Report, and Transportation Development Act Compliance Report (TDA). Motion was unanimous by members present.

3. Receive and Forward to the Board Summary of Risk Assessment Results and FY 2012 Internal Audit Workplan

M/S (Graham/Robert) to receive and forward to the full Board for receipt and file the results from the risk assessment and the FY 2012 Internal Audit Workplan, completed November 30, 2011. Motion was unanimous by members present.

4. Receive & File sbX Project Right of Way Status Update – December 2011

sbX Planning Manager Hayashi said that 100 percent of the properties are now in possession for the construction project. There still remain some price settlement negotiations for approximately 30 of the properties, but Omnitrans can now go on these properties. One property owner filed bankruptcy, but SANBAG does not consider this to be significant in the negotiations. As of December 22, \$7.2 million of the \$11.7 million right of way budget has been spent. It is anticipated that once all settlements are negotiated, the costs will exceed the \$11.7 million budget. However, the Board of Directors authorize \$1.9 million in contingency funds be spent to finalize negotiations. This should cover all the other expenses. From now on, the right of way update will be part of the sbX quarterly status update.

This was a receive and file agenda item.

5. Receive and File Quarterly Status Update – sbX E Street Corridor Project

sbX Program Manager Joshi said that construction for the sbX project was scheduled to start on December 21. Staff is still working on finalizing bonding and insurance requirements with the City of San Bernardino. All bonding and insurance has been completed with the City of Loma Linda. Construction should start within the next two weeks.

The final design for the Vehicle Maintenance Facility is completed and sent to the City of San Bernardino and other regulatory agencies for review. Construction bids are expected to be released in the first quarter of 2012.

Production has started on the 60-foot articulated sbX buses and is on schedule. The first bus delivery is scheduled to be in August or September, with the last bus arriving in March 2013.

Public outreach continues with town hall meetings with the public and stakeholders being scheduled, and meetings will be held with both San Bernardino and Loma Linda on the construction schedule and activities.

This was a receive and file agenda item.

6. Receive & File College Free Pass Program Status Update

Director of Marketing Williams said there is no new information to provide that is different from the presentation on the College Free Pass Program at the January 4 Board of Directors' meeting. Chair Wapner referred to the public comments at the Board Meeting regarding Access service. There seemed to be some misunderstanding that this program was for Fixed Route only. He asked if staff is looking into a program for Access. Director of Marketing Williams said staff is looking into reasonable options regarding Access fares for students. This will be part of a future follow up on the program. Member Graham asked about the status of the City of Rialto's acceptance of the program. Director of Marketing Williams said she continues trying to talk to staff and get the College Free Pass Program on their City Council agenda for approval. Member Graham suggested that a letter from the Omnitrans Board of Directors be sent to the City of Rialto in an attempt to speed this process up.

This was a receive and file agenda item.

7. Receive & File Forward Fuel Purchase Update

Director of Finance Walker said the market for LNG fuel continues to be soft, with the cost being 62 cents per gallon on our hedge and 27 cents per gallon on the spot market. Omnitrans still has a \$35,000 favorable variance on the fuel budget.

On January 31, our current fuel hedge contract will expire, and the contract with Morgan Stanley Smith Barnes will become effective February 1. The LNG fuel hedge will be 52 cents per gallon on the new contract.

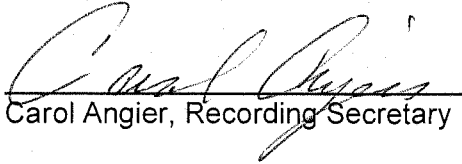
This was a receive and file agenda item.

**D. Closed Session**

1. Conference with Labor Negotiator, Milo Victoria, concerning unrepresented employees, pursuant to Government Code Section 54957.6

The Administrative & Finance Committee adjourned to Closed Session at 2:06 p.m. The Committee reconvened at 2:55 p.m. Chair Wapner said no reportable action took place during Closed Session. A second Administrative & Finance Committee meeting is scheduled for Tuesday, January 24, at 1:30 p.m. This Closed Session item will be the only agenda item for that meeting.

The Administrative & Finance Committee meeting adjourned at 2:56 p.m. to February 11, 2012 the next scheduled meeting.



Carol Angier, Recording Secretary



**SPECIAL ADMINISTRATIVE & FINANCE COMMITTEE  
MINUTES  
January 24, 2012**

The Administrative & Finance Committee meeting was called to order by Chair Alan Wapner at 1:54 p.m. on January 24, 2012.

Committee Members Attending

Councilmember Alan Wapner, City of Ontario, Committee Chair  
Mayor Pro Tem Lee Ann Garcia, City of Grand Terrace  
Mayor Ed Graham, City of Chino Hills

Committee Members Absent

Mayor Paul Eaton, City of Montclair  
Mayor Pro Tem Paul Foster, City of Redlands  
Mayor Frank Gonzales, City of Colton  
Supervisor Gary Ovitt, County of San Bernardino  
Mayor Pro Tem John Roberts, City of Fontana

Omnitrans Staff & Others Attending

Milo Victoria, CEO/General Manager  
Robert Miller, Chief Financial Officer  
Marjorie Ewing, Director of Human Resources  
Don Walker, Director of Finance  
Maurice Mansion, Treasury Manager  
Carol Greene, Legal Counsel  
Carol Angier, Administrative Secretary

**C. Closed Session**

1. Conference with Labor Negotiator, Milo Victoria, concerning unrepresented employees, pursuant to Government Code Section 54957.6.

The Administrative & Finance Committee adjourned to Closed Session at 1:55 p.m. The Committee Meeting reconvened at 2:15 p.m. Chair Wapner noted that there were not enough Committee members for a quorum, and no reportable action was taken by the Committee. The Committee meeting will be continued to Thursday, January 26, at 10:30 a.m.

The Administrative & Finance Committee meeting adjourned at 2:16 p.m. to January 26, 2012 the next scheduled meeting.

  
Carol Angier, Recording Secretary





**CONTINUED ADMINISTRATIVE & FINANCE COMMITTEE  
MINUTES  
January 26, 2012**

The Administrative & Finance Committee meeting was called to order by Chair Alan Wapner at 10:34 a.m. on January 26, 2012.

Committee Members Attending

Councilmember Alan Wapner, City of Ontario, Committee Chair  
Mayor Paul Eaton, City of Montclair  
Mayor Pro Tem Frank Gonzales, City of Colton  
Mayor Pro Tem Lee Ann Garcia, City of Grand Terrace  
Mayor Ed Graham, City of Chino Hills  
Supervisor Gary Ovitt, County of San Bernardino

Committee Members Absent

Mayor Pro Tem Paul Foster, City of Redlands  
Mayor Pro Tem John Roberts, City of Fontana

Omnitrans Staff & Others Attending


Milo Victoria, CEO/General Manager  
Marjorie Ewing, Director of Human Resources  
Maurice Mansion, Treasury Manager  
Carol Greene, Legal Counsel  
Carol Angier, Administrative Secretary

**C. Closed Session**

1. Conference with Labor Negotiator, Milo Victoria, concerning unrepresented employees, pursuant to Government Code Section 54957.6.

The Administrative & Finance Committee adjourned to Closed Session at 10:35 a.m. The Committee Meeting reconvened at 10:50 a.m. Chair Wapner stated there was no reportable action taken during Closed Session.

The Administrative & Finance Committee meeting adjourned at 10:52 a.m. to February 13, 2012 the next scheduled meeting.

  
Carol Angier, Recording Secretary



**DATE:** February 13, 2012

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

**THROUGH:** Milo Victoria, CEO/General Manager *[Signature]*

**FROM:** Milind Joshi, sbX Program Manager *[Signature]*  
Jonathan Wu, Construction Manager *[Signature]*

**SUBJECT: CONSTRUCTION PROGRESS REPORTS NO. 1 AND NO. 2  
THROUGH JANUARY 2012- sbX E STREET CORRIDOR PROJECT**

**FORM MOTION**

Receive and forward to the Board of Directors for receipt and file the Construction Progress Reports No. 1 and No. 2 for the sbX E Street Corridor Project through January 2012.

**SUMMARY AND BACKGROUND**

This is the first of a series of Construction Progress Reports for the sbX E Street Corridor Project. Reports will be submitted monthly to the Administrative & Finance Committee and the Board of Directors.

**CONCLUSION**

Receive and forward to the Board of Directors for receipt and file the Construction Progress Reports No. 1 and No. 2 for the sbX E Street Corridor Project through January 2012.

MV:MJ



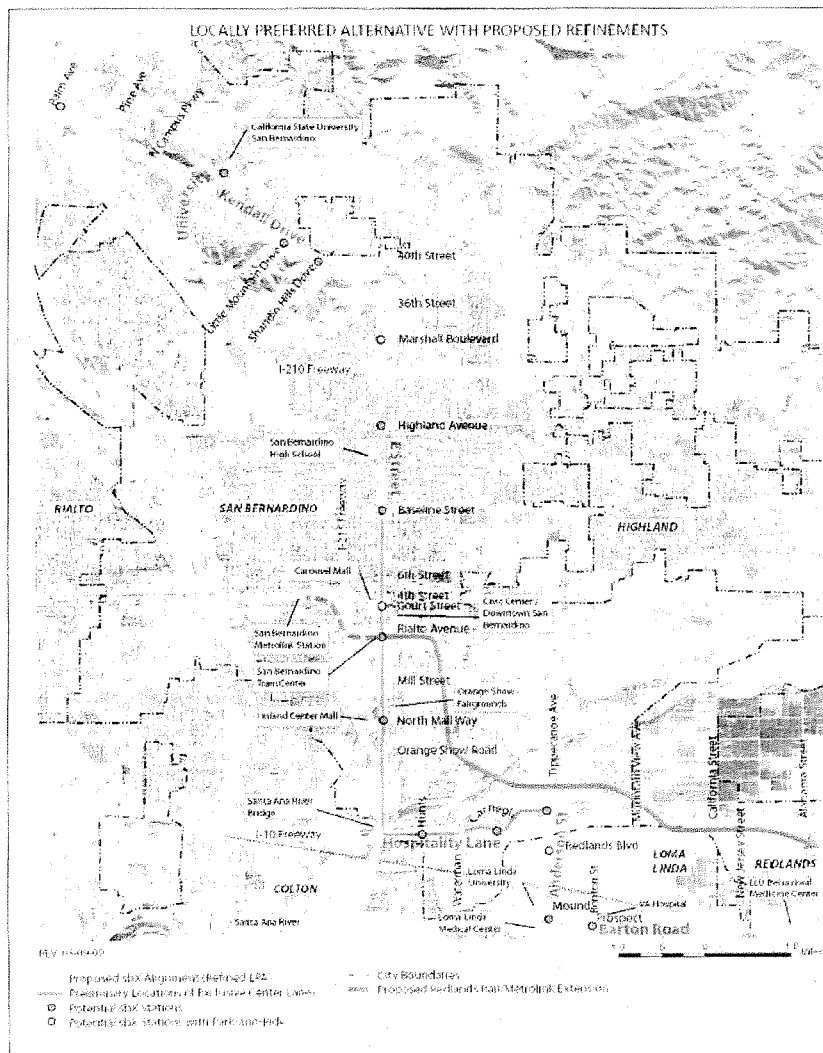
# sbX E Street Corridor Bus Rapid Transit (BRT) Project

## Construction Progress Report No. 1

Month Ending: December, 2011

Submitted By: **JACOBS**

Contractor: Griffith/Comet  
Contractor Contract No.: IPMO11-5  
Project Manager: Joe Jenkins, P.E.  
Resident Engineer: Karim Varshochi, P.E.  
Omnitrans Construction Manager: Jonathan Wu, P.E.



**Construction Progress This Month:**

- Pre-Construction Meeting held on 16 November
- Notice to Proceed issued on 21 November
- Mobilized to the site and set-up field office
- Conducted Safety Kick-off Meeting
- Received and reviewed numerous (90) RFI's and (130) submittals
- Continued coordination for Utility Relocations

**Construction Planned for the Next Month:**

- Install Project Signs
- Install SWPPP and setup traffic control
- Start clear & grub, tree removal, fence removal and grading for Kendall/Palm Park & Ride
- Clear & grub; tree removal fence removal along E Street Station 483+34 to 513+30; 547+00 to 551+36; 565+00 to 565+75; 578+87 to 582+85; 600+50 to 610+40
- Street Lighting removal along E Street; Sta 483+34 to 513+30 and 578+87 to 582+85
- Install Temporary Traffic Signals at E/10, E/9<sup>th</sup>, E/8<sup>th</sup>, E/6<sup>th</sup>, E/Rialto, E/Valley, E/N. Mall Way & E/S. Mall Way

**Areas of Concern and Proposed Solutions:**

- Obtaining Encroachment Permit from the City of San Bernardino; Omnitrans needs to resolve indemnification language in insurance documents, grind and overlay requirements and requirement for anti-theft devices for traffic signal and street lighting pullboxes.
- The SWPPP has been approved and this document along with other permit registration documents have been submitted to the Regional Water Quality Control Board. We are waiting for the Regional Water Quality Control Board to issue the project WDID. Construction can not start without a WDID. The WDID was issued shortly after this reporting period, on 01/05/12.
- Caltrans and the Kendall Plaza have raised concerns pertaining to inadequate draining design of the Kendall/Palm Station. Parsons has made revisions to the drainage plans but Caltrans and the Kendall Plaza may not be aware of these revisions. We may need Parsons to evaluate the concerns raised by Caltrans and the Kendall Plaza.
- Caltrans Encroachment permit for Hospitality and Carnegie; waiting for Caltrans Traffic Signal Section in Sacramento to review additional information provided by Parsons.
- Waiting for the Flood Control District Permit for the Redlands Park & Ride Station.
- The City of San Bernardino Redevelopment Agency is being disbanded and they are a part of the cooperative agreement with the City of San Bernardino. The agreement includes reimbursement of City and City of San Bernardino Municipal Water Department plan check and inspection fees. It has not been determined how or if the City will be reimbursed for plan check and inspection fees. The City is also now requesting that they be the holder of the Contractor's bonds.

**Contract Change Orders:**

- None to date.

**Potential Change Orders:**

<b>PCO</b>	<b>Description</b>	<b>Estimated Cost</b>	<b>Time Extension</b> Contract Calendar Days
1	Permit Plan Changes requested by the City	\$500,000	TBD
2	Permit Plan Changes pertaining to the Gage Canal, G & M Oil Gas Station and Station Utility Service Pedestals	TBD	TBD
3	Project Signs changed from Wood to Aluminum	\$3,600	0
4	Add Panels - rejected	0	0
5	SWPPP training and permit fee	\$5,000	0
6	Street Conduit Forensic study	\$2,500	0
7	Additional Insurance Requirements	\$225,000	0
8	Caltrans Inspection Fee for Kendall/Palm Park & Ride	\$50,000	0
9			
<b>TOTALS</b>		<b>\$786,100</b>	<b>0</b>

**Contract Statistics:****Contract Time**

Activity	Days	Date
Notice to Proceed		11/21/11
Calendar Days per Original Contract	731	
Original Completion Date		12/21/13
Calendar Days Completed	11	
CCO Time Extension to Date	0	
Required Completion Date as of 31 December 2011		12/21/13
Forecasted Completion Date as of 31 December 2011		12/21/13
Percent Time Elapsed	1.4%	

**Contract Cost**

	Change Order Approved Amount	Project Cost
Original Contract Amount		\$64,700,603.05
CCO's to Date		\$0
Total Authorization to Date		\$64,700,603.05
Pending CCO's		\$786,100.00
Forecasted Cost at Completion		\$65,486,703.05
Contract Items as of 31 December 2011		\$1,720,120.00
Materials on Hand as of 31 December 2011		\$0
Amount Earned as of 31 December 2011		\$1,720,120.00
Retention Held		\$17,2012.00
Percent Complete (% paid)		2.6%

**Progress Photos:**



Construction Management Office Field Trailer



Griffith/Comet Project Field Office



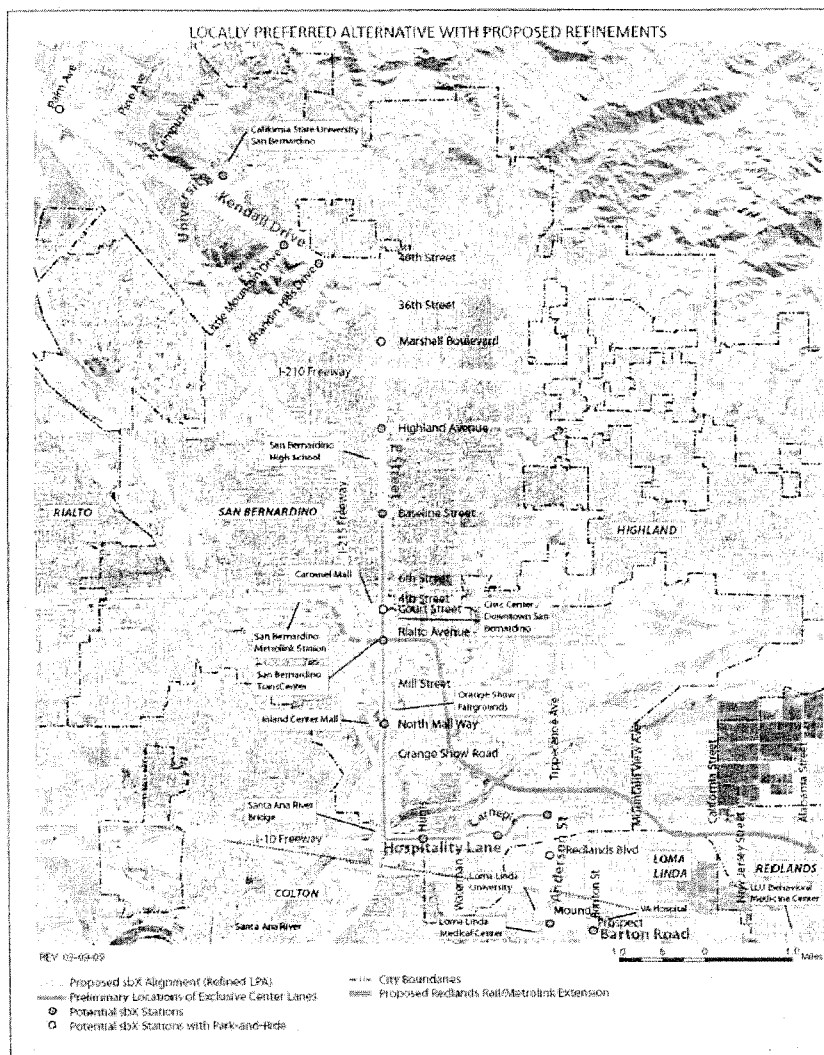
# sbX E Street Corridor Bus Rapid Transit (BRT) Project

## Construction Progress Report No. 2

Month Ending: January 2012

Submitted By: **JACOBS**

Contractor: Griffith/Comet  
Contractor Contract No.: IPMO11-5  
Project Manager: Joe Jenkins, P.E.  
Resident Engineer: Karim Varshochi, P.E.  
Omnitrans Construction Manager: Jonathan Wu, P.E.





**Construction Progress This Month:**

- City of San Bernardino Encroachment Permit issued on 01/27/12
- Continued processing (139) RFI's and (188) submittals
- Continued coordination for Utility Relocations
- The SWPPP was approved and the WDID was issued on 01/05/12.
- Installed SWPPP and setup traffic control for work at the Palm Kendall Park & Ride
- Started clear & grub, tree removal, fence removal and grading for Kendall/Palm Park & Ride

**Construction Planned for the Next Month:**

- Conduct Executive and Team Level Partnering Sessions, scheduled for 02/02/12
- Install Project Signs
- Install SWPPP and setup traffic control along E Street
- Clear & grub; tree removal, fence removal along E Street Station 483+34 to 513+30; 547+00 to 551+36; 565+00 to 565+75; 578+87 to 582+85; 600+50 to 610+40
- Street Lighting removal along E Street; Sta 483+34 to 513+30 and 578+87 to 582+85
- Install Temporary Traffic Signals at E/10, E/9<sup>th</sup>, E/8<sup>th</sup>, E/6<sup>th</sup>, E/Rialto, E/Valley, E/N. Mall Way & E/S. Mall Way
- Water meter relocations along E Street

**Areas of Concern and Proposed Solutions:**

- Received encroachment permit from the City of San Bernardino on 01/27/12; the first contract day of construction was 12/21/11. The actual start of construction has been delayed due to the permitting issue with the City of San Bernardino. The baseline schedule was submitted on 01/09/12 but returned to the contractor on 01/21/12 for corrections. Once the baseline schedule is approved; the contractor will submit a recovery schedule so we can evaluate the impact of the delay.
- Caltrans and the Kendall Plaza have raised concerns pertaining to inadequate draining design of the Kendall/Palm Station. Parsons has made revisions to the drainage plans but Caltrans and the Kendall Plaza may not be aware of these revisions. We may need Parsons to evaluate the concerns raised by Caltrans and the Kendall Plaza.
- Caltrans Encroachment permit for Hospitality and Carnegie; waiting for Caltrans Traffic Signal Section in Sacramento to review additional information provided by Parsons.
- Waiting for the Flood Control District Permit for the Redlands Park & Ride Station.
- The City of San Bernardino Redevelopment Agency is being disbanded and they are a part of the cooperative agreement with the City of San Bernardino. The agreement includes reimbursement of City and City of San Bernardino Municipal Water Department plan check and inspection fees. It has not been determined how or if the City will be reimbursed for plan check and inspection fees.

**Contract Change Orders:**

- None to date.

**Potential Change Orders:**

PCO	Description	Estimated Cost	Time Extension Contract Calendar Days
1	Permit Plan Changes requested by the City	\$489,754	TBD
2	Permit Plan Changes, additional changes	TBD	TBD
3	Permit Plan Changes pertaining to the Gage Canal, G & M Oil Gas Station and Station Utility Service Pedestals	TBD	TBD
4	Project Signs changed from Wood to Aluminum	\$3,600	0
5	Ad Panels - rejected	0	0
6	SWPPP training	\$9,394	0
7	Street Conduit Forensic study	\$4,650	0
8	Additional Insurance Requirements	\$225,000	0
9	Caltrans Kendall/Palm Encroachment Permit	\$50,000	0
10	Revise Station Limits and Elevations	0	0
11	Station Glass Dimension Revisions	0	0
12	Partnering Session Supplies for Team Building	\$9,524	0
13	Station Elevation Modifications for Marshall and Baseline	0	0
14	Electrical Service Modifications for Street Lights	TBD	TBD
15	Electrical Plan Changes	TBD	TBD
16	Taper revisions at Parcels B235, B237, B239	TBD	TBD
17	6" DIP Quantity Sheet #328 and #329	TBD	TBD
18	Drainage Plan and Profile Kendall/Palm Station East	TBD	TBD
19	Lowering Catch Basin for Street Light Foundation	TBD	TBD
20	Missing bid item for 1-1/2" PVC pipe at Kendall/Palm	TBD	TBD
21	Rip Rap drawing revisions due to conflicts at Palm/Kendall	TBD	TBD
22	Potholing along E Street for curb & gutter excavation	TBD	TBD
23	Water Meter and Fire Hydrant Connections to the Main	\$4,100,000	TBD
24			
25			
<b>TOTALS</b>		<b>\$4,891,922</b>	<b>0</b>

**Contract Statistics:****Contract Time**

<b>Activity</b>	<b>Days</b>	<b>Date</b>
Notice to Proceed		11/21/11
Calendar Days per Original Contract	731	
Original Completion Date		12/21/13
Calendar Days Completed	42	
CCO Time Extension to Date	0	
Required Completion Date as of 31 January 2012		12/21/13
Forecasted Completion Date as of 31 January 2012		12/21/13
Percent Time Elapsed	5.75%	

**Contract Cost**

	<b>Change Order Approved Amount</b>	<b>Project Cost</b>
Original Contract Amount		\$64,700,603.05
CCO's to Date		\$0
Total Authorization to Date		\$64,700,603.05
Pending CCO's		\$4,891,922.00
Forecasted Cost at Completion		\$69,592,525.05
Contract Items as of 31 December 2011		\$2,305,363.81
Materials on Hand as of 31 December 2011		\$0
CCO's Paid as of 31 December 2011		\$0
Amount Earned as of 31 December 2011		\$2,305,363.81
Retention Held		\$230,536.38
Percent Complete (% paid)		3.56%



**DATE:** February 13, 2012

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

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

**FROM:** Rohan Kuruppu, Director of Planning and Development Services

**SUBJECT: OMNITRANS SBX/BRT DESIGN, OPERATING AND MAINTENANCE  
POLICY AND MANUAL**

### **FORM MOTION**

Recommend approval to the Board of Directors to authorize the CEO/General Manager to execute change order to contract with Parsons for the completion of Omnitrans sbX/BRT Design, Operating and Maintenance Policy and Manual, for an amount not to exceed \$392,300.

### **SUMMARY**

In the past decade, Omnitrans has invested more than \$17 million in the planning and engineering of the E Street sbX project. In order to avoid future duplication of resources, a manual will be created based on E Street sbX design, branding, and engineering work that will include policy and templates for the cost-effective design, planning, operation, and maintenance of E Street sbX and future sbX corridors. The Manual will enable Omnitrans to streamline the planning and engineering process for expansion of the E Street sbX corridor and future sbX projects, and deliver projects faster and more cost-effectively by capitalizing on previously completed planning and design work.

This task was not in the original contract with Parsons because staff could not develop a scope of work and budget for the Manual in the absence of a Locally Preferred Alternative determining the mode, alignment, and type of transit that would be used along the E Street corridor. The original research conducted by the project team, as well as the lessons learned from peer reviews and FTA reviews, allows for the development of specific guidelines.

A change order is being recommended to Parsons' contract in order to have the Manual developed by the same team that performed the design and planning work for the E Street sbX corridor. This team has accumulated a wealth of original research and expertise, as well as an understanding of local needs and conditions. Much of the manual development will consist of converting original image files and drawings into a simple user friendly format to present in the manual. An outside team would have to duplicate resources by culling through original files created by the Parsons team as well as recreating an enormous amount of original research.

Omnitrans • 1700 West Fifth Street • San Bernardino, CA 92411  
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Serving the communities of Chino, Chino Hills, Colton, County of San Bernardino, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa.

The completion of this Manual will also help the sbX project meet the Federal Transit Administration (FTA)'s expectations for technology sharing. The Manual will document standards, specifications, and guidelines that can be applied to bus rapid transit projects nationwide. There are currently no nationally accepted bus rapid transit (BRT) design guidelines or standards.

Furthermore, the sbX/BRT design guidelines will enable cities and developers to engage in advanced planning and transit oriented development (TOD) planning. Omnitrans, SANBAG, and the cities of Ontario, Highland, and San Bernardino have recently been awarded grants for advanced planning of transit corridors and corresponding land uses. The design guidelines created through this project will allow Omnitrans and its member cities to leverage grants as well as private investments to put in place the infrastructure and land use changes needed for operation of future sbX corridors.

In the absence of comprehensive sbX/BRT design guidelines, each project owner (Omnitrans, cities, or developers) would have to duplicate resources recreating guidelines for incorporating sbX/BRT service and transit oriented development planning. Non-uniform design standards across the BRT system will also create challenges for Omnitrans in operating BRT, as well as lose the consistency that is required to promote the "sbX" rapid transit brand.

### **FUNDING SOURCE**

The total amount that will be used for the work tasks outlined in this change order is \$392,300. Staff conducted an Independent Cost Estimate, and ICE cost for labor fell 0.6% (-\$1,740) below Parsons' estimated labor cost. Staff added \$94,550 in additional costs for publishing, aerial images, and contingency. Staff recommendation is to use the ICE cost of \$392,300 because of the added benefits Omnitrans can deliver to all cities in the San Bernardino Valley.

The actual funding source will be listed upon approval of this task, scope, budget and change order by the Federal Transit Administration (FTA).

ASW Verification of Funding Source and Availability of funds  
(Verified and initialed by Finance)

### **CONCLUSION**

Recommend approval to the Board of Directors to authorize the CEO/General Manager to execute change order to contract with Parsons for the completion of Omnitrans sbX/BRT Design, Operating and Maintenance Policy and Manual, for an amount not to exceed \$392,300.

RK: AR

Attachments:

Timeline

Independent Cost Estimate

**TIMELINE**

<b>Timeline</b>	<b>Task</b>
March 2012	Hold kickoff meeting with Omnitrans, Parsons, and Gruen
	Review previous design guidelines prepared by Parsons, Gruen, and Omnitrans
	Prepare detailed work plan and public involvement plan
May 2012	Conduct interviews with key stakeholders (city officials)
	Develop existing conditions report
August 2012	Facilitate workshops with city officials and staff
	Prepare draft policy document
October 2012	Conduct public involvement, including workshops, outreach to community groups, etc.
	Prepare final policy document
December 2012	Publish final work products

Task/Deliverable Description	Hours/Cost
<b>Deliverable 1</b>	
1. Kickoff meeting. Review existing bus stop design guidelines document and other previous reports, sbX plans, and architectural and engineering drawings of existing transit infrastructure.	30
2. Establish evaluation criteria / Measures of Effectiveness (MOE)	30
3. Review existing conditions data including aerial photos and cities' General Plans/Specific Plans for relevant areas.	20
4. Visit sites to evaluate connectivity, adjacent development, accessibility, etc. Coordinate with SANBAG and cities - recent pedestrian/bike study.	50
5. Discuss with Omnitrans operations staff and representatives of relevant cities as to lessons learned and public/private partnerships achieved. Omnitrans to arrange meeting.	35
6. Evaluate branding, connectivity, site planning and station design related to stimulating transit supportive uses and development.	40
7. Evaluate transit operations, ridership, engineering, and cost effectiveness.	30
8. Prepare report	100
<b>Sub-total</b>	<b>335</b>
<b>Deliverable 2 Graphics and text for 10-page graphic-rich color booklet to tell the story of Omnitrans' accomplishments and explain the importance and benefits of transit for the community. Parsons will provide text and graphics to Omnitrans for production of booklets.</b>	
1. Review and edit text and illustrations created by Omnitrans.	
2. Provide additional needed text and graphics.	50
3. Evaluate messaging needed to reach various target audiences (i.e., public, elected officials, developers, businesses, planners, engineers, design professionals, etc.)	50
<b>Sub-total</b>	<b>100</b>
<b>Deliverable 3 Materials to use in stakeholder involvement during development of tool kit for transit infrastructure design. Gruen will provide electronic files to Omnitrans as well as provide hard copy handouts for meetings (sign in, agendas, flyers, informational handouts)</b>	
1. Coordinate workshops with city officials (including elected officials, planners, engineers, public works, law enforcement, and community health professionals), design professionals, developers, community groups, and public. Purpose of workshops is to discuss how cities, Omnitrans, and other partners can work together to build and maintain transit infrastructure and incorporate transit infrastructure into community design.	40
2. With workshop participants, conduct informal SWOT (strengths, weaknesses, opportunities, threats) analysis to examine cities' transit infrastructure, what could be improved, and what steps to take next.	20
3. Prepare materials and organize materials for posting on internet.	40
4. Prepare PowerPoint for presentation and posting on web based on previous work.	40
5. Assist Omnitrans with identifying ways to reach out to and gain input on transit infrastructure amongst stakeholders and general public. Prepare an outreach strategy.	30
<b>Sub-total</b>	<b>170</b>

**Deliverable 4 Architectural and engineering specifications for various types of stop and station designs, with accompanying text. To use in online toolkit as an updated version of bus stop design guidelines. Parsons will provide raw electronic files and one hard copy of specifications to Omnitrans.**

1. Review with Omnitrans previous work prepared by the Parsons team for sbX Phase 1 for inclusion of a package to guide in design of future sbX corridors, as appropriate: 60
  - a. Design Criteria and Standards Report – April 2009
  - b. Draft Urban Design Report – June 2009
  - c. sbX construction drawings “typical stations” and specifications – Jan 5, 2011.
- branding. 40
3. Review and comment on Bus Stop Guidelines prepared for Omnitrans in Oct 4, 2006 for BRT requirements. 40
4. Include consideration of the following elements in transit infrastructure design: 40
  - a. Omnitrans safety and security design guidelines for Crime Prevention Through Environmental Design.
  - b. Specifications for Omnitrans Bus Arrival Prediction Information System signage.
  - c. Environmental considerations such as use of reclaimed materials, resource conservation, native landscaping, runoff reduction, etc.
  - d. Connectivity with various modes include bicycles, pedestrians, local buses, bus rapid transit, taxis, charter bus service, commuter rail, light rail, etc.
5. Prepare new streamlined document consisting of text and graphics for use for designing other BRT corridors including system-wide branding, station types, urban design and engineering criteria, connectivity criteria, and land use considerations. 230

**Sub-total** 410

**Deliverable 5 Table of various elements of transit stop/station design that are appropriate in varying contexts (e.g., elements such as sign, bench, shelter, bike racks, station buildings, based on context such as footprint, ridership, number of routes, number of buses, etc.).**

**Parsons will provide the electronic file and one hard copy of table to Omnitrans.** 150

**Sub-total** 150

**Deliverable 6 Guidance for integrating transit infrastructure into community design and development.**

List finance and policy mechanisms for partnerships to fund and develop transit infrastructure that is integrated into community design (i.e., sample zoning text, sample architectural design review guidelines, sample agreements). 240

Task 2

**Sub-total** 240

**Deliverable 7 Rich illustration of transit-oriented design guidelines.**

List finance and policy mechanisms for partnerships to fund and develop transit infrastructure that is integrated into community design (i.e., sample zoning text, sample architectural design review guidelines, sample agreements). 40

**Sub-total** 40



**Deliverable 8** Interactive online tool to provide resources, guidelines, and specifications for livable neighborhood design, including transit stop and station design, transit-oriented development, land use planning and site plan review, maintenance processes financing and partnerships, etc.

Prepare graphics and templates. (two drafts for approval) 160

**Sub-total** 160

**Deliverable 9** Planned versus actual comparisons for all Omnitrans projects. Parsons will provide the electronic file and one hard copy of technical paper to Omnitrans. 200

**Sub-total** 200

**Deliverable 10** Develop Infrastructure Operating and Maintenance Policy and Manual 180

**Sub-total** 180

**Total Hours** 1,985

Estimated Hourly Cost 150

**Omnitrans Independent Cost Estimate - Labor** \$297,750

Parsons estimate - Labor \$299,490

Variance (1,740)

**Other Costs**

20% contingency for city-requested additions and modifications \$59,550

Publishing \$25,000

10 high resolution aerial photos @ \$1,000 per location \$10,000

**Sub-total** \$94,550

Omnitrans Independent Cost Estimate \$297,750

**Total** \$392,300



**DATE:** February 13, 2012

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

**THROUGH:** Milo Victoria, CEO/General Manager *[Signature]*

**FROM:** Wendy Williams, Director of Marketing *[Signature]*

**SUBJECT:** COLLEGE FREE PASS PROGRAM STATUS UPDATE

#### **FORM MOTION**

Receive and file an update on the "Go Smart" college free ride pilot program for 2011-12.

#### **BACKGROUND AND SUMMARY**

With funding support from Omnitrans JPA members and participating local colleges, Omnitrans implemented a one-year pilot program offering "fare free" trips to enrolled students at California State University San Bernardino, Chaffey College (three campuses), Crafton Hills College, and San Bernardino Valley College for the 2011-12 academic year. The program began at community colleges on August 15 and at CSUSB on September 22. College students swipe their identification cards in Omnitrans fare boxes to validate their eligibility and to track student usage. Through the first 24 weeks of the program, nearly 750,000 trips were tallied and attributed to over 10,700 unique ID cards. This represents approximately 19 percent of enrolled students. Refer to chart below for daily activity.

Omnitrans met with staff at Chaffey College and the San Bernardino Community College District in January to discuss necessary steps to hold referendums on campuses to consider student fees to support the program beyond the one-year pilot. A meeting with CSUSB is set in February. Omnitrans proposes to establish a five-year agreement with each college and collect \$15 per student per year. Fees would be broken down by term (i.e. \$7.50 in both fall and spring semesters). Community colleges must offer a lower cost for part time than full time students—a 50 cent discount is proposed. To extend a value to students who rely on Access, Omnitrans proposes a 20 percent discount on Access ticket purchases. Also, Omnitrans is preparing reports to contributing jurisdictions so that they can submit emission reduction data as required by the South Coast Air Quality Management District, the source of AB2766 funds used.

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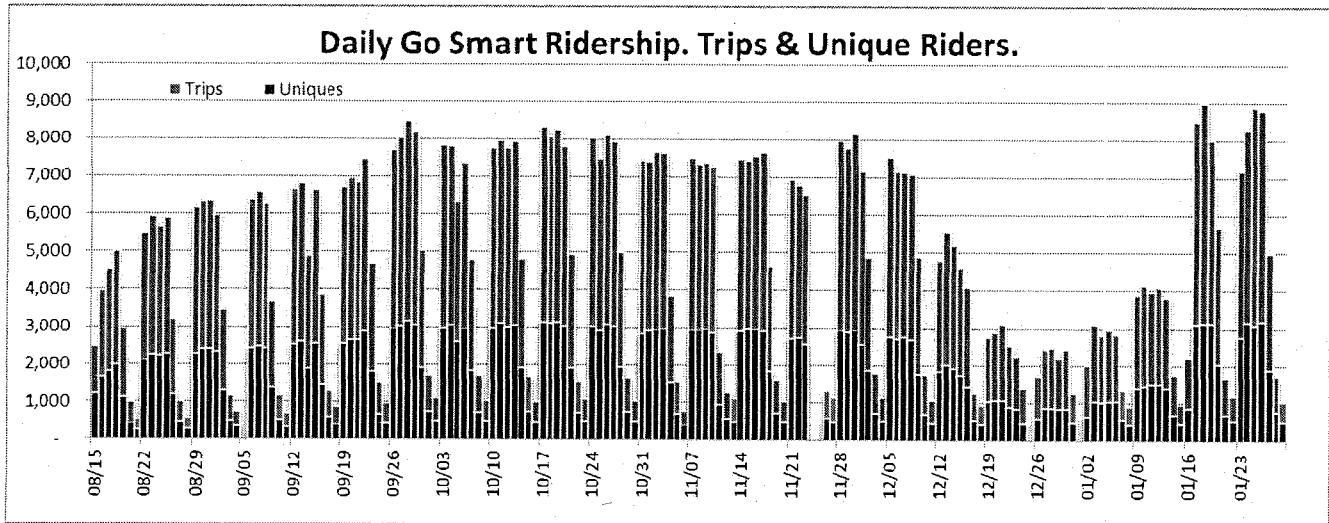
## Timeline

### February:

- Work with college staff and student government on referendum and agreement language.
- Provide progress reports and emission reduction data to JPA partners.

### March—April:

- Student referendums to allow fees to beginning in 2012-13.



### Status of Commitment from JPA members (as of January 31, 2012)

JPA Member	Amount	Status
County of San Bernardino	\$8,000	Paid
Chino	\$18,375	Paid
Chino Hills	\$8,175	Paid
Colton	\$14,895	Invoiced
Fontana	\$93,165	Paid
Grand Terrace	\$5,775	Paid
Highland	\$12,000	Paid
Loma Linda	\$12,180	Paid
Montclair	\$7,305	Paid
Ontario	\$40,830	Paid
Rancho Cucamonga	\$91,545	Paid
Redlands	\$15,000	Paid
Rialto	\$51,375	Recommended by staff, tabled by Council on 7/12/11
San Bernardino	\$141,765	Paid first quarter installment
Upland	\$23,445	Paid
Yucaipa	\$34,725	Paid
<b>TOTAL</b>	<b>\$578,555</b>	

MV: WW



**DATE:** February 13, 2012

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

**THROUGH:** Milo Victoria, CEO/General Manager *[Signature]*

**FROM:** Robert Miller, Chief Financial Officer *RLM 2-13-12*

**SUBJECT:** **OMNITRANS CHIEF FINANCIAL OFFICER'S REPORT ON FORWARD FUEL PURCHASES FOR JANUARY 2012**

#### **FORM MOTION**

Receive and file Omnitrans Chief Financial Officer's report on forward fuel purchases for January 2012. 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.

The baseline forecasts have been adjusted to reflect more closely our actual fuel consumption after recognition of the expected impact of the service reductions introduced in mid September 2010. Second, with the reduced consumption resulting from the service reductions introduced in September 2010, our hedged position now represents approximately 60% of our monthly fuel needs.

#### **SUMMARY AND BACKGROUND**

This report is submitted in order to comply with the requirements of the Omnitrans Forward Fuel Purchase Policy and Procedure.

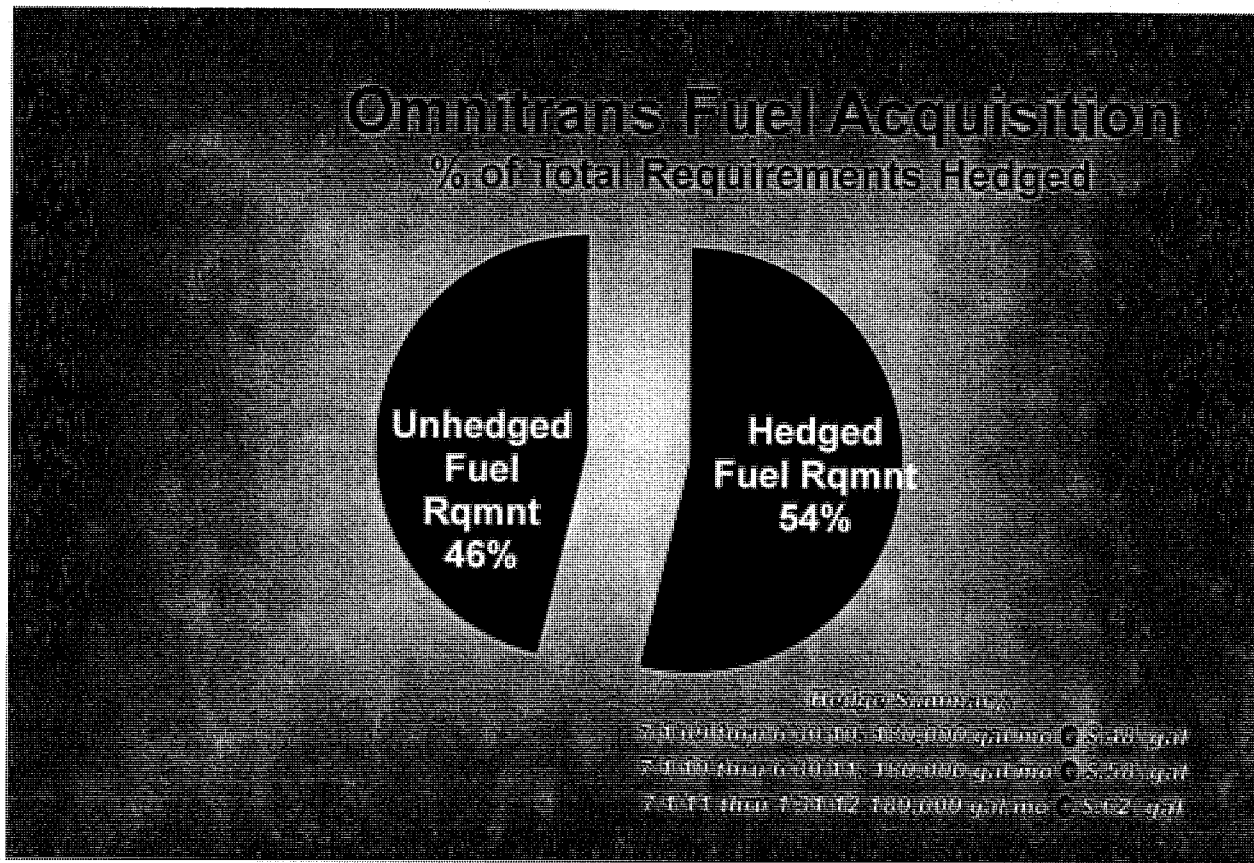
On May 6, 2009, the Omnitrans Board approved the recommendation of staff to amend its LNG supply agreement with Clean Energy Corporation in order to fix the price for the purchase of 180,000 gallons per month of LNG that Omnitrans will consume each month between July 1, 2009 and January 31, 2012. The balance of the monthly fuel requirement will be purchased through current contracts using spot market pricing that is set monthly by vendors using industry standard index pricing. This component of our fuel costs will continue to vary on a monthly basis as spot market prices fluctuate. ***JULY 2011 RESETS OUR HEDGE PRICE THROUGH JANUARY OF 2012. THE NEW PRICE IS \$.62 PER GALLON VS \$.58 PER GALLON WE PAID DURING THE 2011 FISCAL YEAR.***

This report is divided into two sections. The first section is the usual and customary report that has been used to report on our fuel hedge during the period of July 1, 2009 through January 31, 2012. This hedge was put in place through one of our suppliers and the expiring term of the hedge coincided with the expiration of the supply agreement. The second section of 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. **{Staff made a mistake when the hedge was established in January 2012 and hedged 180,000 gallons per month. This is the amount that the Agency has hedged heretofore. The excess amount, 30,000 gallons per month, has been unwound on January 31, 2012. The Agency had a small profit on the transaction that will be recorded in February. The gain will be offset by the commission expense associated with the transaction.}** This section includes a summary of the hedge that has been established, the administrative processes that are in place to comply with the direction of the Omnitrans Board, accounting conventions that will be implemented to record gains or losses on the hedge position, available third party reports that are available to Committee members and an article on significant matters that have impacted the market for CNG.

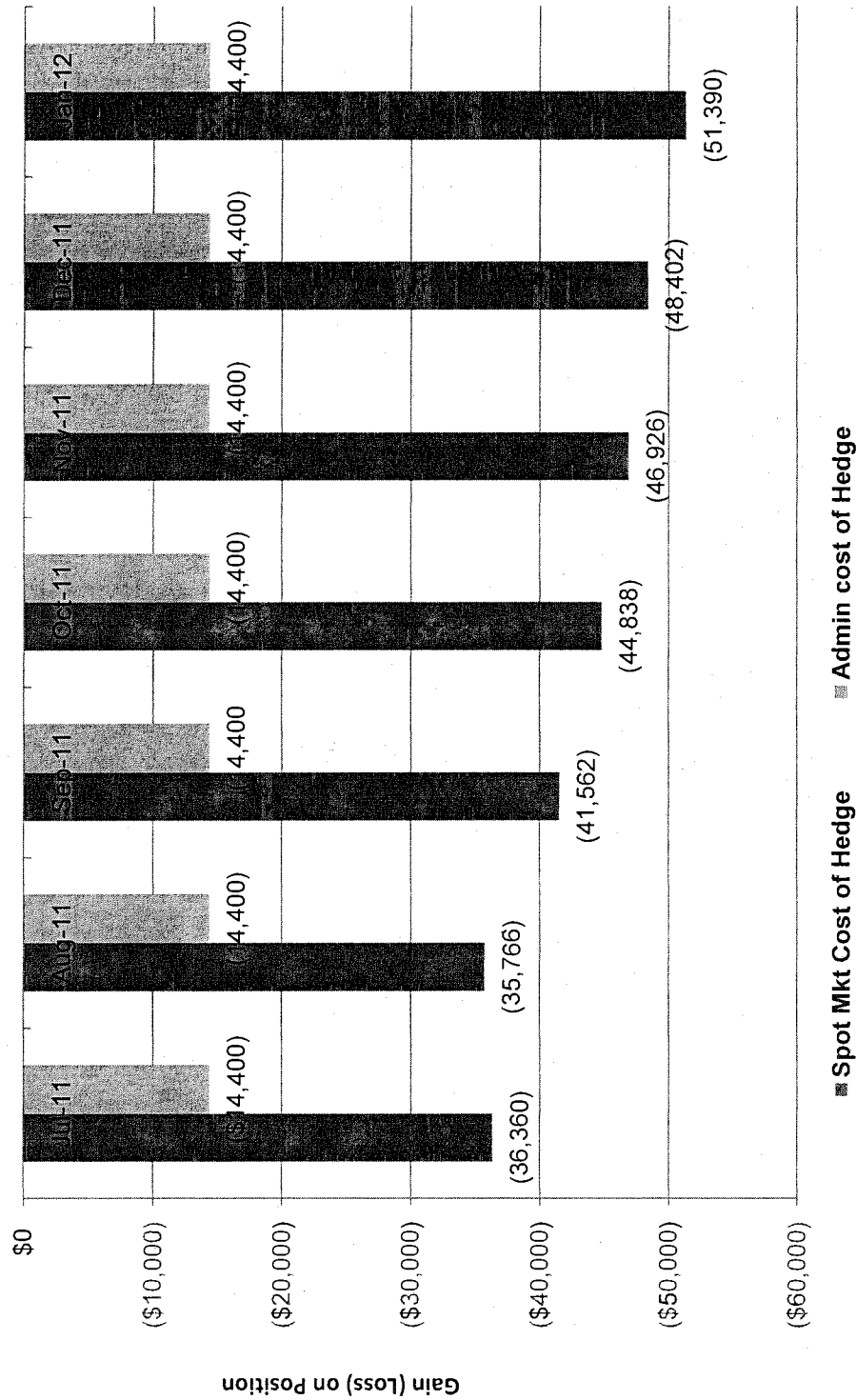
### **Section 1: The last month of the expiring hedge**

Omnitrans elected to hedge fuel prices in order to be better able to forecast fuel costs going forward. The 'cost' of a hedge can be calculated on a monthly basis and is comprised of two components. First is the administrative charges imposed by the vendor each month to cover the costs associated with hedging the requirement. Administrative charges include margin requirements, monitoring, oversight and administration and amount to \$.08 per gallon or \$14,400 per month. The second element of the hedge cost is the differential between the hedge price and the spot market price that otherwise would have been available to Omnitrans during the month. During fiscal year 2012 through January 2012, the Omnitrans hedged price is \$.54 per gallon while the San Juan spot market price for January 2012 was \$.2545 per gallon. The spot to hedge differential was -.2855 per gallon or -\$51,390. The total cost of the hedge during January was approximately \$65,790. However, the favorable spot market pricing resulted in a favorable price variance to budget in January for Omnitrans in the amount of approximately \$39,500.

Please find below three charts/graphs that report our historical performance with the forward fuel purchase program.

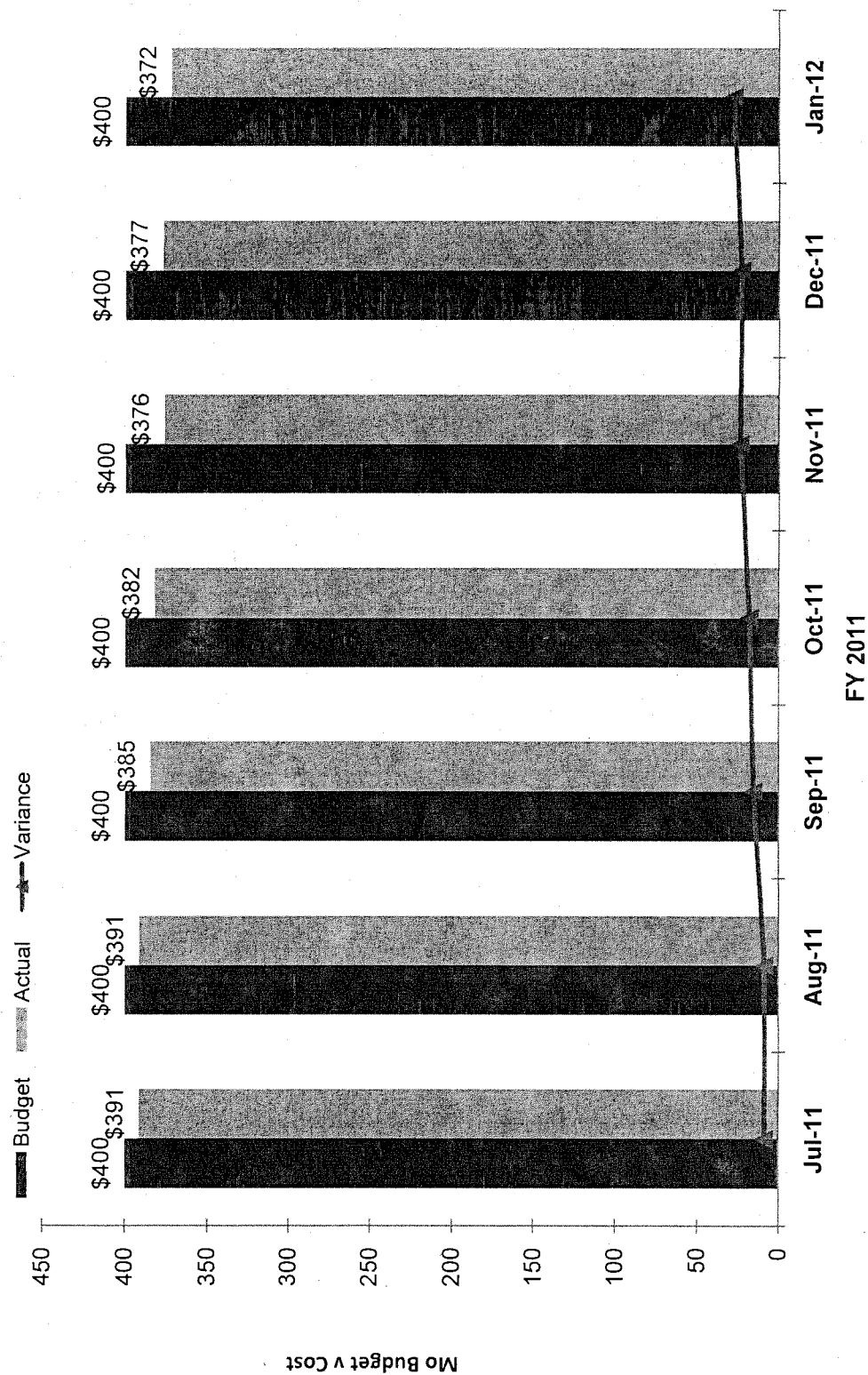


### Omnitrans Hedging Program Results - Spot Market & Administrative Cost of the Hedge



FY 2012

## Omnitrans Fuel Costs- Performance to Budget





**Section 2: The new hedge- February 2012 through June 2014**

A new hedge was established on January 17, 2012 fixing the price of 150,000 gallons of fuel per month for Omnitrans beginning in February 2012 through June 2014. {After unwinding the additional 30,000 gallons per month highlighted earlier.} The Board authorized the Agency to participate in the NYMEX market through Morgan Stanley in order to lower the cost of the hedging transaction itself. This object has been accomplished. Without the structural change, Omnitrans would have paid \$.08 per gallon or \$12,000 per month to hedge 150,000 gallons of fuel. The total cost for the 29 month period would have been \$348,000. Under the Morgan Stanley structure the Agency incurred costs of \$4,630 to establish the 29 month hedge position. A similar amount will be incurred over the life of the hedge as each monthly position closes. The total transactional cost has been reduced to \$9,260; a savings of \$338,740 for the Agency.

Over the last year the price for natural gas has been declining as the supply has been increased due to new recovery technology. The new hedge was established at a price of \$.277 per gallon of LNG. This compares to a price of \$.54 per gallon under the expiring hedge. Because of the favorable market conditions, Omnitrans will be able to reduce its fuel budget for FY 2013 by \$900,000 year over year.

Under the new hedge program, Omnitrans staff is recommending that the hedge cost be averaged over the entire hedge period thereby fixing the per gallon fuel cost for 29 months. In the past the prices have been averaged over periods coinciding with the Agency's fiscal years. While this will increase the cost during the close in months, the Agency will be able to reduce the volatility of approximately 5% of its annual expenses. This will permit us to minimize our year over year expense growth rate and this will allow us to satisfy the test so we can use STA funding for both capital and operating expenses.

Simple administrative controls have been put in place to make sure the Agency's hedge program is controlled and is consistent with the direction of the Committee and the Board. An account statement is independently generated nightly by Morgan Stanley. The report is simultaneously distributed to Milo Victoria, Donald Walker and Robert Miller. They are the only individuals authorized to trade the account. Any activity would be highlighted on the statements distributed to the three authorized traders.

Once each month the Agency will use the Morgan Stanley daily statement to record the financial results from the hedge position. The gain or loss on the current contract will be closed against fuel acquired during the month. The gain or loss on the out month contracts will be recorded on the balance sheet as a deferred item. For example, for February the final settlement price was \$2.678.

I have attached a recent article reporting the decision of Chesapeake Energy to curtail capital investments in natural gas production due to market conditions. The announcement came after

Omnitrans established our hedge position and the pricing in the market immediately increased. A graph has been included that summarizes the market conditions at the time of the hedge transaction.

MV:rm

## Chesapeake to cut natural gas production

JONATHAN FAHEY - AP - 2 hrs 1 min ago

### Related Stocks

#### CHK - Chesapeake Energy Corp.

NEW YORK (AP) — Faced with decade-low natural gas prices that have made some drilling operations unprofitable, Chesapeake Energy Corp. says it will drastically cut drilling and production of the fuel in the U.S.

Chesapeake, the nation's second largest natural gas producer, said Monday that it plans to cut production 8 percent. That means the company would produce the same or slightly less natural gas in 2012 than it did in 2011. Chesapeake produces about 9 percent of the nation's natural gas.

That's a change from the dramatic increase in domestic output seen in recent years. Chesapeake and other drillers have learned to tap enormous reserves of natural gas trapped in shale formations under several states using a controversial drilling method known as hydraulic fracturing combined with horizontal drilling. The drillers force millions of gallons of water and sand, laced with chemicals, into compact rock to create cracks that serve as escape routes for the gas.

Extreme weather for two winters and two summers kept natural gas prices high by boosting demand for home heating and power generation. But this season's mild winter weather especially in the Northeast and Upper Midwest, has crimped demand and led to a glut.

Natural gas futures slipped to \$2.32 per 1,000 cubic feet last week, their lowest levels since 2002, before rising slightly to \$2.34 on Friday. Prices have fallen 23 percent since the beginning of the year. Storage levels of the fuel are 21 percent higher than their 5-year average for this time of year, according to the Energy Information Administration.

The drop in price has meant lower revenues and profits for drillers. Analysts surveyed by FactSet estimate that Chesapeake's earnings fell to \$2.81 per share in 2011, excluding special items, from \$2.95 per share in 2010. They say at today's prices only the least expensive, most productive natural gas wells remain profitable for drillers.

In electronic trading Monday morning, natural gas prices were up 3.9 percent to \$2.434 per 1,000 cubic feet, getting a boost from the Chesapeake announcement. Chesapeake shares were up 6.6 percent to \$22.35.

Drillers had already begun to shift their drilling activity toward shale formations and other regions that produce oil and other liquid hydrocarbons. Strong global demand has kept oil prices high and made these drilling operations extraordinarily profitable.

Chesapeake said it would cut its current activity in so-called dry-gas regions by half, to 24 rigs, by the second quarter. That's 67 percent fewer rigs than an average of 75 rigs the company had in use last year.

Chesapeake increased natural gas production by 13.5% from 2010 to 2011. It now plans to cut spending on natural gas regions to \$1 billion in 2012, down from \$3.1 billion in 2011.

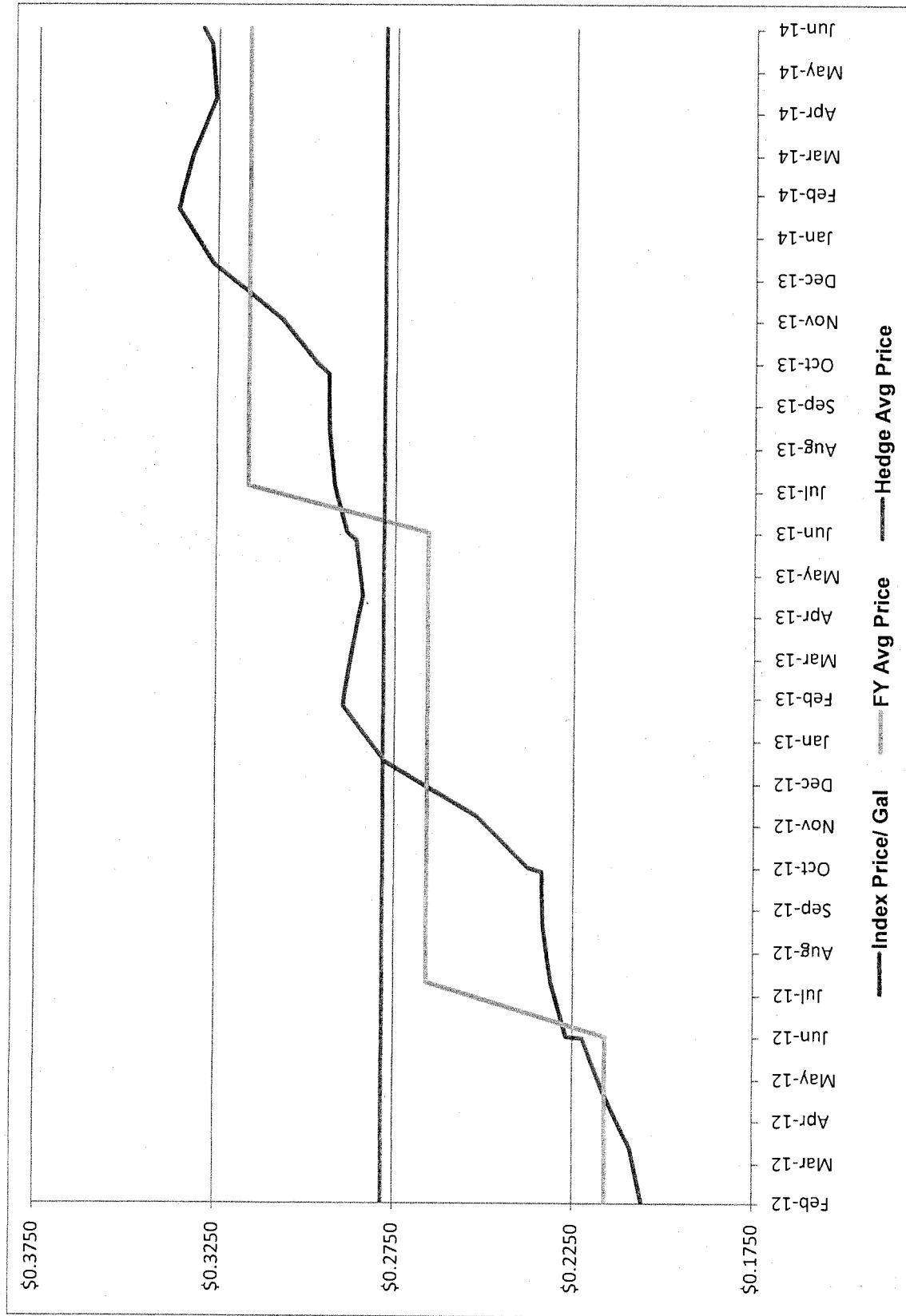
The plan calls for a cut of 500 million cubic feet of gas per day, about 8 percent of its current production, in two drilling regions in Texas, Arkansas and Louisiana.

The move is designed to reduce the glut of natural gas in the country, and therefore increase prices. But analysts caution that drillers historically have reneged on plans to cut output in times of low prices, bowing to pressure from investors to increase production.

Also, even as drillers avoid dry-gas regions, they are aggressively increasing drilling in regions rich in oil and other liquids. Those regions also produce large amounts of natural gas, which will help keep total natural gas production high and will likely keep prices relatively low.

Chesapeake and others are also working to stimulate demand for the fuel, advocating its use as a transportation fuel or exporting it. International natural gas prices are high because they are linked to the price of oil.

Jonathan Fahey can be reached at <http://twitter.com/JonathanFahey>





**DATE:** February 13, 2012

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

**THROUGH:** Milo Victoria, CEO/General Manager *[Signature]*

**FROM:** Robert Miller, Chief Financial Officer *RM 1-31-12*

**SUBJECT:** **OMNITRANS CHIEF FINANCIAL OFFICER'S REPORT ON THE COMMERCIAL OPPORTUNITIES THAT HAVE RESULTED FROM OMNITRANS INVESTMENT ACTIVITIES**

**FORM MOTION:**

Receive and file Omnitrans Chief Financial Officer's report on opportunities available to the Agency resulting from Omnitrans' investment activities.

**SUMMARY AND BACKGROUND:**

During the course of ongoing operations, Omnitrans has made business and investment decisions after consultation with the Board of Directors. Some of the investment decisions now offer the Agency an opportunity to develop new revenue streams. The opportunities fall in three general areas:

- Licensing intellectual property (IP) developed by the Agency
- Increasing productivity of real estate assets
- Leveraging the expertise of our staff across the industry

**LICENSING INTELLECTUAL PROPERTY DEVELOPED BY THE AGENCY**

During the last four years the Agency has invested approximately \$15,000,000 million dollars in an Enterprise Resource Planning (ERP) platform that is used to manage the business. The platform has been built using SAP software that supplies core transactional, work flow and data management capabilities. The cost of the base software platform was approximately \$1,000,000. The cost to configure the platform for the transit application has required an investment of an additional \$14,000,000. The configuration work has involved approximately \$2,000,000 in Omnitrans' staff time and another \$12,000,000 spent with a systems integrator. The Omnitrans ERP project has been delivered on time and on budget.

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The transit industry is comprised of 2,200 local monopolists serving communities across the country. Because of the non competitive nature of local monopolies and the common accounting and reporting requirements mandated by the Federal Transit Administration (FTA) and State Governments, the configured platform developed by Omnitrans provides 70% plus of the functionality required by any transit industry participant. In addition, the Omnitrans deployment included the development of the interfaces required by major industry providers of operating software.

Reuse of the common functionality developed by Omnitrans would permit a subsequent user of the template to significantly shorten the timeline to install, lower the cost of the implementation and reduce the risk associated with a major technology and business process reengineering program. Functionality can be delivered while the \$14,000,000 of integration costs can be significantly limited.

Recognizing how this could impact the industry, Omnitrans approached the FTA to confirm that they would permit the Agency to benefit from the leveraging of the intellectual property developed at the Agency. {Funding for the Omnitrans ERP project has been largely provided by the FTA.} Staff Council in Washington, DC has provided a letter to Omnitrans authorizing the Agency to resell the IP.

#### INCREASING PRODUCTIVITY OF REAL ESTATE ASSETS

Over time, Omnitrans has acquired an interest in property for use in the delivery of transit services to the Inland Empire. Joint public/private partnerships can increase the utility of the properties for the residents and provide cash flow to Omnitrans. Two opportunities may be available to the Agency presently, the parcel at E and Rialto in San Bernardino that will include the transit center and the parcel acquired for use as a mid valley bus yard in Rancho Cucamonga..

#### LEVERAGING THE EXPERTISE OF OUR STAFF ACROSS THE INDUSTRY

Omnitrans has talent in place that can be leveraged for the benefit of the industry. The Planning and IT departments have resident technical capabilities that are in demand by other operators. Staff in operating departments has expertise on configuration decisions associated with the SAP ERP platform. The Agency has been approached regarding the availability of staff to assist on projects at other transit properties. Such services can be provided on a fee for service model on a basis that would be economically attractive to Omnitrans. Staff participation in third party projects will permit Omnitrans to remain forward thinking regarding the methods and infrastructure required to professionally manage a transit property. Regular interaction with industry thought leaders will also assist in the training and development of the Omnitrans team.

The Agency will be exploring how best to pursue these opportunities. The review process will begin with an evaluation of our organizational structure. The cost of the evaluation is expected to be less than \$25,000.00. Staff will report back with results.

MV:rm



**DATE:** February 13, 2012

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

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

**FROM:** Robert Miller, Chief Financial Officer  
Donald Walker, Director of Finance  
Bart Hayashi, IPMO Planning Manager

**SUBJECT:** IFB-IPMO12-10, VEHICLE MAINTENANCE FACILITY  
CONSTRUCTION

### **FORM MOTION**

Receive and forward to the Board of Directors for approval to release IFB-IPMO12-10, Vehicle Maintenance Facility Construction for sbX E-Street Corridor Project to modify the East Valley Vehicle Maintenance Facility to accommodate up to twenty-three (23) sixty-foot (60') articulated buses.

### **SUMMARY AND BACKGROUND**

Omnitrans is in the process of constructing the E-Street Bus Rapid Transit (BRT) Corridor. When operational, the corridor will use a fleet of up to twenty-three (23) articulated buses. The current maintenance and operations complex at the East Valley facility (Exhibit 1) will require modifications (Exhibit 3) with the acquisition and operations of these new BRT buses.

Areas of impact to current operations include:

Maintenance Repair Bays  
Fuel and Bus Wash Facilities  
Bus Parking

The impacts to these areas are defined below:

1. **Maintenance Repair Bays** –The facility is currently configured with twelve (12) general repair bays, five (5) heavy repair bays, five (5) body bays, and a paint booth. The bays are sized to accommodate forty-foot (40') buses (Exhibit 2). The addition of the fourteen (14) articulated buses impacts the EV facility in two primary ways:

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- The total number of bays required: The addition of fourteen (14) buses (up to twenty-three (23) in the future based on ridership) will create a bay/hour demand for two (2) repair bays. Since these buses are articulated, the bay-need increases to three (3), due to potential bay loss during long period repairs.
- The bay configuration: All current bays are sized for standard forty-foot (40') buses. It is not possible to maintain the new BRT coaches within the existing bays.

Omnitrans seeks to use the defined reconfigured bays for either BRT or standard buses to meet the required bay quantities necessary to support the increased fleet size (Exhibit 4). The existing repair bays Methane Detection System will be upgraded to meet current requirements.

2. **Fueling Facility** – The current capacity of the fueling islands and associated fuel storage are sufficient to add the projected fleet of twenty-three (23) coaches. However, changes to the configuration and work processes are required due to the additional length of the BRT coaches. The existing fuel island and associated supporting building will be demolished to make room for the relocated bus wash facility and a new fueling facility will be constructed near the northern Medical Center Drive entrance. The new three-lane fueling facility will be adequately sized to accommodate both the current fleet and the future BRT buses.
3. **Existing Underground Storage Tanks (USTs)** – Omnitrans' existing fleet uses compressed natural gas (CNG) and BRT buses will also be using CNG. The location of the existing USTs, as well as the relocation of the bus wash facility, requires removal of these USTs. The diesel USTs will no longer be needed, and will be removed and properly disposed of. The other existing UST's for unleaded gasoline, lubricants, and coolant will also have to be removed and properly disposed of, but since the products are still needed, above ground storage tanks will be provided as part of the new fueling facility.
4. **Bus Wash Facility** – Due to tight BRT bus turning movements, as well as the current facility's inability to accommodate a BRT bus in its current configuration, the bus wash facility will be demolished. A new bus wash facility with longer drive through washer bay and a longer chassis wash bay will be constructed to accommodate the needs of a sixty-foot (60') sbX bus as well as the existing forty-foot (40') fleet.
5. **Bus Parking** – The additional fleet will impact the existing bus parking layouts. Bus parking will be restriped to allow for up to a total of twenty-three (23) BRT buses. The parking requirement for twenty-three (23) articulated coaches is the same as thirty-four (34) standard coaches. Bus parking will run parallel to the fuel island and bus wash functions to minimize site circulation. The bus parking plan shows a possible layout of ninety-seven (97) standard buses and twenty-three (23) sbX buses (Exhibit 3). Parking layout will allow for typical bus movements without making a three-point turn to enter the stall.

### **FUNDING SOURCES**

Funding for this purchase is as follows:

<b>FUNDING</b>	<b>GRANT #</b>	<b>FISCAL YEAR</b>	<b>PROJECT NAME</b>
FTA	TBD	2011	Vehicle Maintenance Facility Modification A&E Services for sbX - E-Street Corridor
LOCAL	TBD	2011	Vehicle Maintenance Facility Modification A&E Services for sbX - E-Street Corridor

ASW

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

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

### **PROPOSED TIME LINE**

- IFB Release: March 7, 2012
- Pre-Bid Meeting: March 21, 2012
- RFI Due Date April 3, 2012
- RFI Response Date April 17, 2012
- Final Amendment Issuance April 23, 2012
- Deadline for Bids : May 1, 2012 (12:00 Noon)
- Bid Opening: May 1, 2012
- Contract Award: July 11, 2012
- Issue Notice to Proceed July 31, 2012
- Start of Construction August 6, 2012
- Construction & Training Completion August, 2013

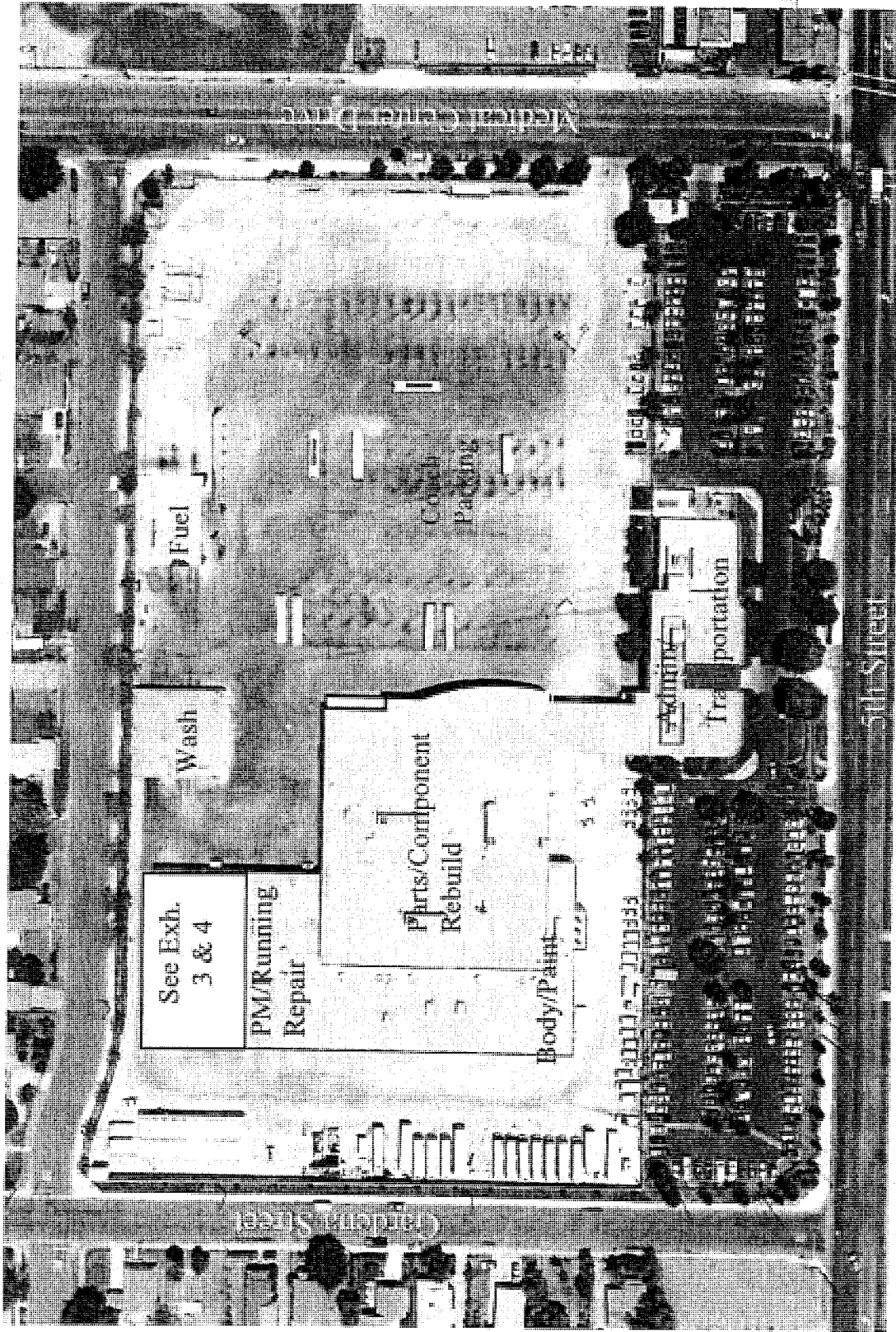
### **RECOMMENDATION**

For the foregoing reasons, staff recommends that the Members of the Administrative and Finance Committee receive and forward to the Board of Directors for approval to release IFB-IPMO12-10, Vehicle Maintenance Facility Construction for sbX E-Street Corridor Project to modify the East Valley Vehicle Maintenance Facility to accommodate up to twenty-three (23) sixty-foot (60') articulated buses.

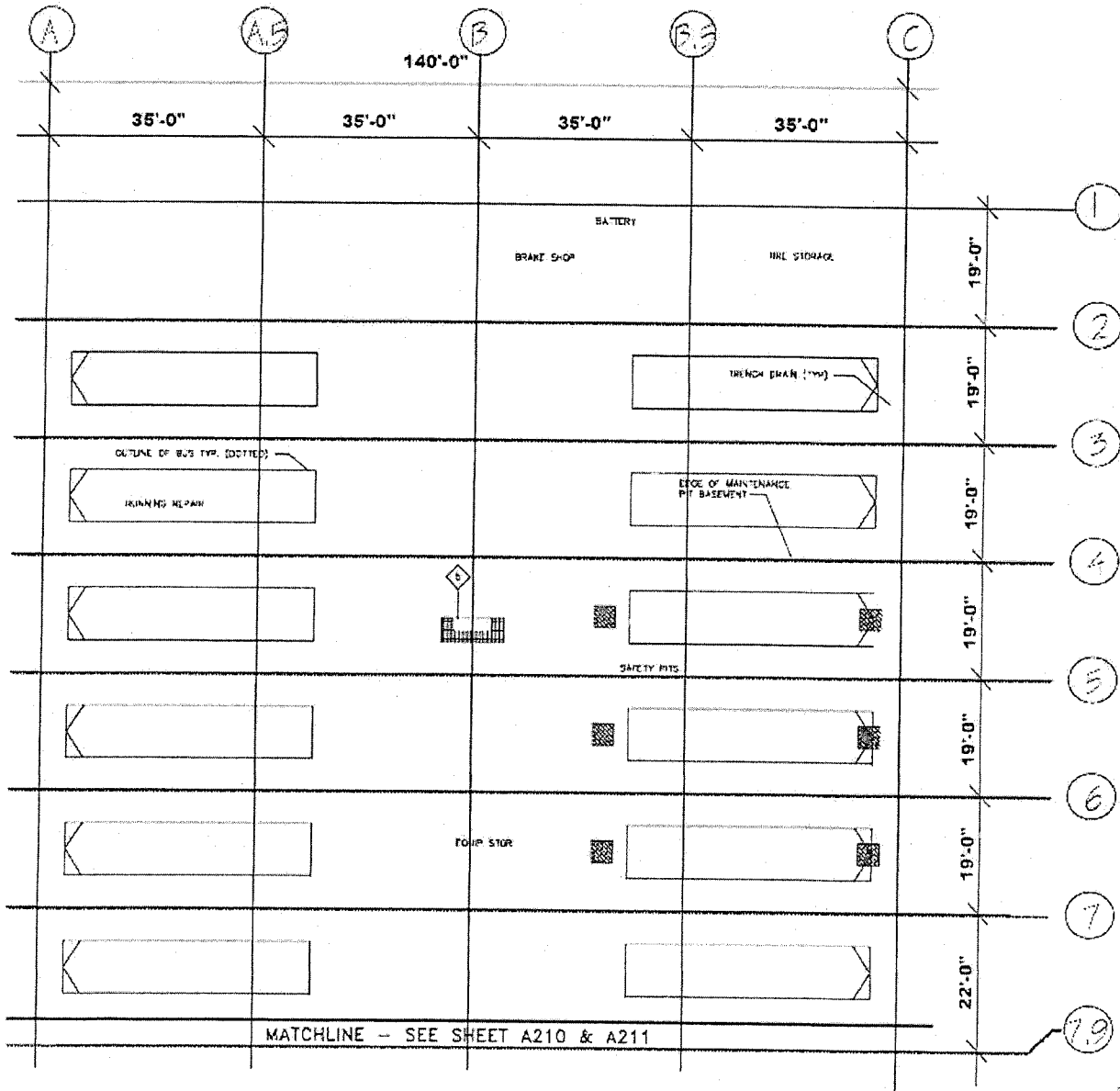
MV:CV

Attachments:  
Exhibits 1-4

# EXHIBIT 1 - EAST VALLEY SITE PLAN



# EXHIBIT 2 - EXISTING REPAIR BAY CONFIGURATION



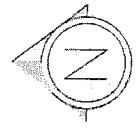


EXHIBIT 3 - PROPOSED SITE PLAN

6th STREET

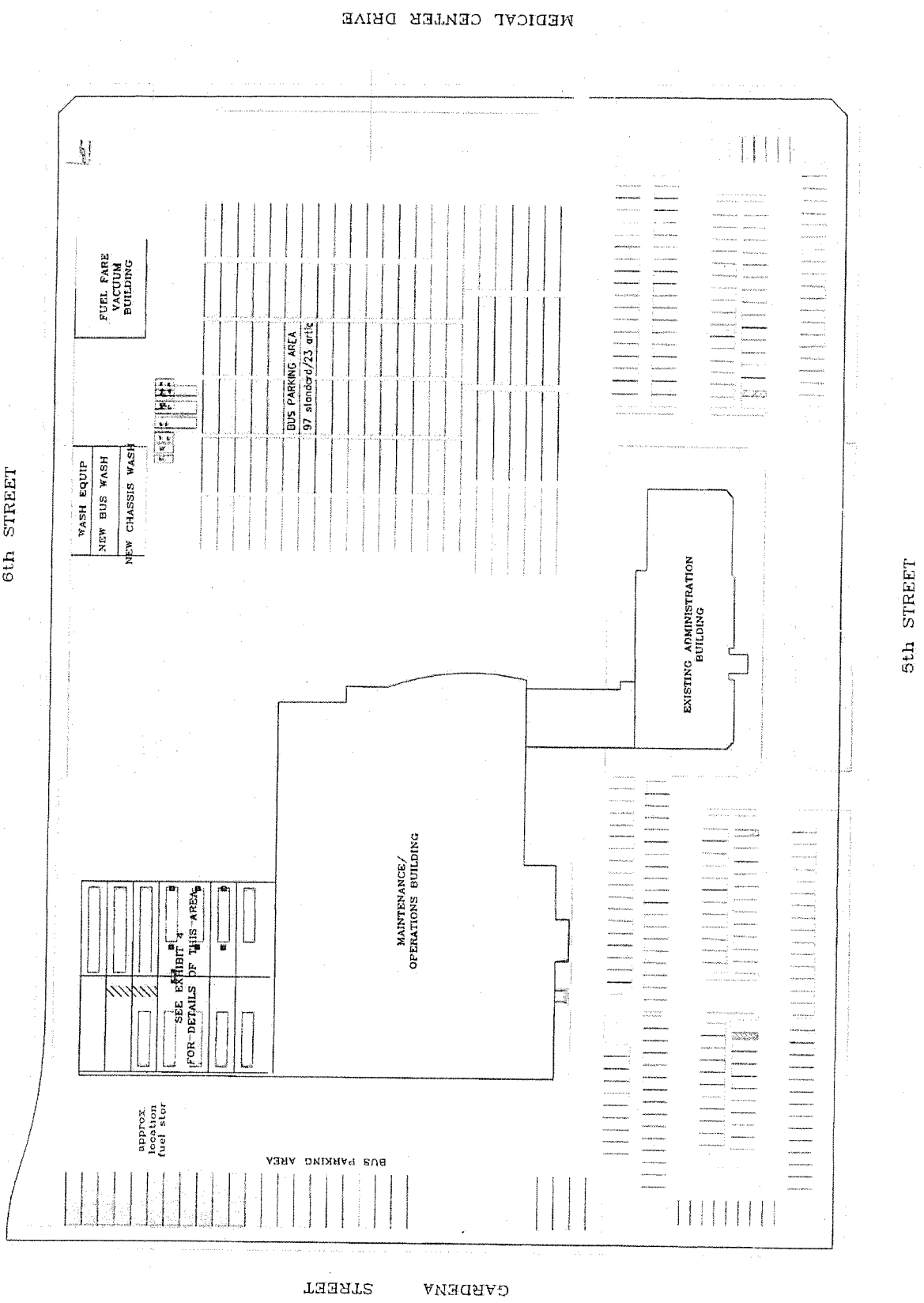
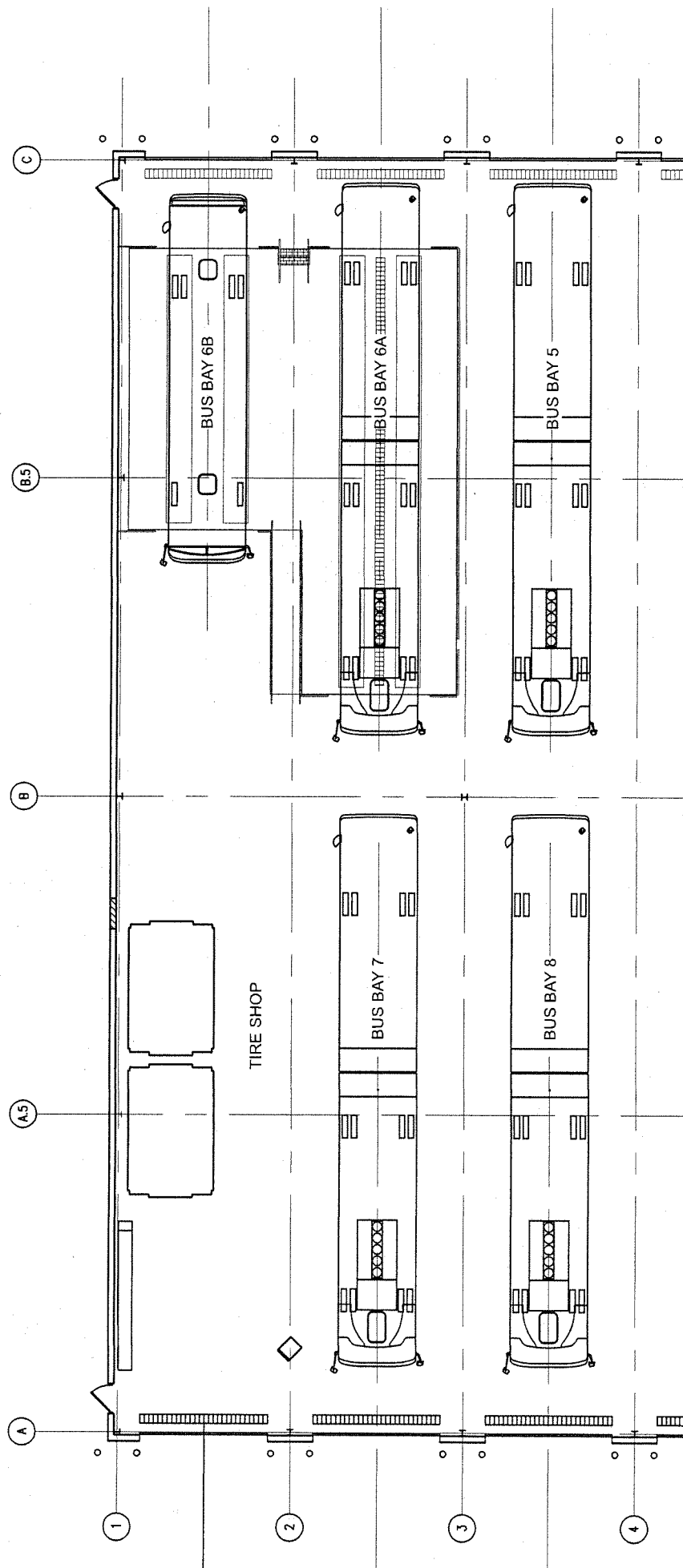


Exhibit 4 - New Design Bus Layout





**DATE:** February 13 , 2012

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

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

**FROM:** Robert Miller, Chief Financial Officer  
Donald Walker, Director of Finance  
Maurice A. Mansion, Treasury Manager

**SUBJECT: AMEND THE FY12 BUDGET AND THE 2008-2013 SHORT RANGE TRANSIT PLAN TO ADD LOCAL TRANSIT FUNDING AWARDED AS PART OF THE ARTICLE 3 TRANSIT STOP ACCESS PROGRAM**

### **FORM MOTION**

Authorize the CEO/General Manager to amend the Fiscal Year 2012 Capital Budget and the 2008 – 2013 Short Range Transit Plan (SRTP) to add \$78,369 of Local Transportation Funds awarded as part of the Transportation Development Act Article 3 Transit Stop Access Program.

### **SUMMARY AND BACKGROUND**

On December 7, 2011, San Bernardino Associated Governments (SANBAG) awarded Omnitrans \$78,369 as part of the Transportation Development Act Article 3 program. This funding will be used to start Omnitrans' Bus Stop Improvement Program. Omnitrans goal is to improve stops within our service area that do not meet ADA requirements but have been grandfathered in due to their age. The first 16 stops to be improved are located in the cities of San Bernardino, Highland, Yucaipa, Ontario, and Rancho Cucamonga. The improvements will consist of connecting curb to sidewalk to create a solid landing for the deployment of the wheelchair lift. Additionally, Omnitrans will be creating two (2) new stops which will serve the Inland Regional Center and the Lighthouse for the Blind. The first initial 16 stops will be completed by December 2013.

### **CONCLUSION**

Authorize the CEO/General Manager to amend the Fiscal Year 2012 Capital Budget and the 2008 – 2013 Short Range Transit Plan (SRTP) to add \$78,369 of Local Transportation Funds awarded as part of the Transportation Development Act Article 3 Transit Stop Access Program.

MV:rm:dw:mm



**DATE:** February 13, 2012

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

**THROUGH:** Milo Victoria, CEO/General Manager *[Signature]*

**FROM:** Robert Miller, Chief Financial Officer *RAM 2-1-12*  
Donald Walker, Director of Finance *DW*  
Maurice Mansion, Treasury Manager *MM*

**SUBJECT:** **BUDGET ASSUMPTIONS FOR PREPARING THE FISCAL YEAR 2012 – 2013 BUDGET**

### **FORM MOTION**

Receive and forward to Omnitrans' Board of Directors the Fiscal Year 2012 – 2013 Budget Assumptions allowing Omnitrans' staff to develop the Operating and Capital Budgets for Fiscal Year 2012 - 2013.

### **SUMMARY AND BACKGROUND**

A critical component in the development of the Agency's budget is the development of budget assumptions. This information was obtained through research performed and includes searches on the Internet, review of Agency data including the Service Plan assumptions and the Teamsters and ATU memorandum of understanding.

Maintenance and Administrative/Support Unit (Teamsters)	Effective Date
MOU End	June 30, 2012
Wage increase: Based on contract negotiation	TBD
Step progression increase	Per MOU qualifications
Benefits Package: Current package is \$437.50 per pay period; maximum of \$10,500/year.	10/01/2010
Source: MOU effective July 1, 2009 through June 30, 2012	



Coach Operators (ATU)	Effective Date
MOU End	March 31, 2013
Wage increase: Based on contract negotiation	TBD
Step progression increase	Per MOU qualifications
Benefit Package: Current package is \$485 per pay period; maximum of \$11,640/year.	
Source: MOU effective April 1, 2010 through March 31, 2013	

Management /Confidential	Effective Date
Pay for Performance: In accordance with personnel policy manual	FY 2012-13
Benefit Package: In accordance with personnel policy manual	FY 2012-13
Source: Omnitrans Human Resources	

Insurance	Effective Date
Workers' Compensation SIR/IBNR – Stays constant based on	June 2011
Actuarial Analysis	
SDI: 1.0%	January 2012
FICA-Medicare 1.45%	January 2012
Source: Omnitrans Finance Department	

CalPERS	Effective Date
11.070% Employer Contribution (2%@55 Plan) – Miscellaneous Plan	FY 2012-13
Employee contribution covered in employees' benefits package per personnel policy and MOU agreements.	
Source: Omnitrans Finance Department	

Unemployment	Effective Date
Annual average expected to remain at 12.5%	January 2012
Source: U.S. Department of Labor	
Riverside/San Bernardino/Ontario CA Metropolitan Statistical Area	
<a href="http://data.bls.gov/eag/eag/ca_riverside.msa.htm">http://data.bls.gov/eag/eag/ca_riverside.msa.htm</a>	

Energy /Fuel Costs	Effective Date
LNG Fuel: \$.92/gallon for FY 12-13	FY 2012-13
Source: Procurement Department	
Unleaded Fuel: \$4.03/gallon for FY 12-13	FY 2012-13
Source: Scott Graham, Director of Operations	

Consumer Price Index	Effective Date
Inflation of about 3.0%	January 2012
Source: U.S. Bureau of Labor Statistics	
<a href="http://www.bls.gov/news.release/cpi.t03.htm">http://www.bls.gov/news.release/cpi.t03.htm</a>	

**RECOMMENDATION**

Receive and forward to Omnitrans' Board of Directors the Fiscal Year 2012-2013 Budget Assumptions allowing Omnitrans' staff to develop the Operating and Capital Budgets for Fiscal Year 2012 - 2013.

MV:rm:dw:mm