EXECUTIVE COMMITTEE AGENDA

Friday, December 7, 2007
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• FINAL 2008 LEGISLATIVE PROGRAM

• ANNUAL PROPOSED AMENDMENTS TO BOARD POLICIES

• FY 2008 BUDGET AMENDMENTS: CALIFORNIA TRANSPORTATION PLANNING GRANTS

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MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Executive Committee may take action on any item appearing on the agenda.

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EXECUTIVE COMMITTEE  
Friday, December 7, 2007

ITEM # | RECOMMENDATION
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+1. APPROVAL OF NOVEMBER 9, 2007, MEETING MINUTES | APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each and shall reserve time by completing a "Request to Speak" form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.

CONSENT ITEMS (3)

+3. FEDERAL LEGISLATIVE STATUS REPORT (Victoria Stackwick) | INFORMATION

This status report provides an update on federal legislative activities.

REPORTS (4 through 7)

+4. FINAL 2008 LEGISLATIVE PROGRAM (Genevieve Morelos) | RECOMMEND

Each year, the Executive Committee recommends a legislative program in a priority order to the Board of Directors for the ensuing calendar year. Consistent with past programs, the 2008 SANDAG legislative program includes policies and proposals for possible federal and state legislation and local activities. Changes to the draft program were made based on discussion by the Executive Committee in November. The Executive Committee is asked to recommend that the Board of Directors approve the 2008 Legislative Program at its December 21, 2007, meeting.

+5. ANNUAL PROPOSED AMENDMENTS TO BOARD POLICIES (Julie Wiley) | RECOMMEND

The General Counsel brought proposed amendments to the SANDAG Board Policies to the Executive Committee last month for initial review. The remaining amendments are being brought back to the Executive Committee for continued discussion. The Executive Committee is asked to recommend that the Board of Directors approve the proposed amendments to the Board Policies.
6. FY 2008 BUDGET AMENDMENTS: CALIFORNIA TRANSPORTATION PLANNING GRANTS (Shelby Tucker)

SANDAG recently received four new Caltrans transportation planning grants for market-based planning for the Metropolitan Transit System Comprehensive Operational Analysis, safe routes to school planning in City Heights, an interregional transit, vanpool, and buspool study with Riverside County, and continuation of a transit planning internship. The Executive Committee is asked to approve Resolution No. 2008-11 to amend the FY 2008 Budget and Overall Work Program to accept Caltrans Transportation Planning Grant Funds totaling $387,186.

7. REVIEW OF DECEMBER 21, 2007, DRAFT BOARD AGENDA

8. UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, January 11, 2008, at 9 a.m.

9. ADJOURNMENT

+next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
NOVEMBER 9, 2007

Chair Mary Sessom (East County) called the Executive Committee meeting to order at 9:00 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by First Vice Chair Lori Pfeiler (North County Inland) and a second by Second Vice Chair Jerome Stocks (North County Coastal), the minutes of the October 12, 2007, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a member of the public, commented that the price of gasoline is on the rise again and could hit $4 a gallon in 2008. Board members who drive single-occupant vehicles should remember that it was this Governor who balanced the most recent state budget by taking money from California’s Public Transportation Account. Mr. Lungerhausen suggested that a $2 temporary registration fee increase be levied for all registered vehicles in the state to share more fairly the funding for public transportation. Increased fares for public transit are already in the process of being approved.

Chair Sessom moved Item No. 5 up for discussion at this time.

5. DRAFT 2008 LEGISLATIVE PROGRAM (DISCUSSION)

Genevieve Morelos, Senior Legislative Analyst, reported that each year the Executive Committee recommends to the Board of Directors a legislative program for the upcoming calendar year. The program is organized into three distinct sections: Sponsor, Support/Oppose, and Monitor. Within each section, individual goals are assigned a priority level, ranging from highest to lowest. The program also lists the Board position, position year, which committee is involved, and whether the goal involves federal, state, and/or local efforts. She reviewed the draft 2008 program, specifically the proposed changes to the legislative goals under the Sponsor section. She noted that the Public Safety Committee (PSC) is scheduled to review the proposed public safety-related goals at its November 16, 2007, meeting. She asked for the Executive Committee’s comments and noted that staff would bring the final program back for Committee and Board action in December.

Supervisor Roberts said he had two items of concern. The first is related to Legislative Goal No. 2A, “Pursue amendments to statutes authorizing SANDAG to levy taxes, issue bonds,
and/or other funding mechanisms to finance projects that implement the RCP.” He noted that there will be unanimity in opposition to this item from the Board of Supervisors. The Board of Supervisors will not support allowing a regional board that is not directly elected to levy taxes.

His second concern is related to Legislative Goal No. 6A, “Pursue resources to improve regional public safety voice and data communications and interoperability, including connectivity with state and federal systems.” One thing that is different now from four years ago is that there is no problem with various agencies communicating with one another. That’s because we have worked together. Beyond that, the City of San Diego and the County of San Diego are proceeding with a joint procurement for the next generation communications system for public safety. This new system will use different technology and is very expensive. He was not sure of the role of SANDAG in this issue, as it doesn’t relate to the agency’s mission. He questioned whether this goal was necessary given what is being done by other agencies regarding interoperability.

Chair Sessom said that this has been one of the public safety-related goals recommended by the Public Safety Committee.

Kim Kawada, Policy and Legislative Affairs Program Manager, commented that a couple of years ago the Public Safety Committee conducted a regionwide needs assessment regarding public safety. This needs assessment identified four important issue areas that needed additional investment or better coordinated regional efforts. One of these issue areas was improving regional interoperability and communications. The intent of the proposed legislative goal is to allow SANDAG to support regional efforts to improve interoperability and communications in the San Diego region. In 2005, the Public Safety Committee proposed this as its highest legislative goal.

Cindy Burke, Criminal Justice Research Division Director, said that another one of the identified needs was improving public safety training facilities, which the Public Safety Committee is currently discussing. Regarding interoperability, it is not proposed that SANDAG take the lead but instead support efforts for improved interoperability.

Supervisor Roberts said that the list needs some modifications.

First Vice Chair Pfeiler reminded everyone that the list of goals represents a regional perspective. The City of San Diego and the County of San Diego may be taking the lead on this particular issue, but including this goal on the SANDAG program reminds us that it is a regional issue and that the 17 other cities should support it. We are not at odds on this issue.

Second Vice Chair Stocks suggested that the language be revised to indicate, “Support regional efforts to pursue improving regional public safety voice and data communications and interoperability…”

Chair Sessom reminded everyone that we are not taking any action on this today. This recommended change will be reviewed by the Public Safety Committee next week.
Councilmember Jim Madaffer (City of San Diego) said that this change also could be made to Goal No. 7A, so that it reads, “Support regional efforts to pursue Homeland Security funding...” On Goal No. 2A, he suggested striking the words, “levy taxes,” and inserting “seek voter approval for any measure to levy taxes.” Goal No. 4A would pursue statutory authority to build a toll road and port of entry at East Otay Mesa. He thought this goal should be moved up on the priority list. We also should be more involved in Goal No. 4B related to legislation that provides incentives to jurisdictions that afford opportunities for more housing rather than just support/oppose measures.

Supervisor Roberts said that deleting the words, “levy taxes,” doesn’t eliminate the concern about a non-directly elected body levying taxes. Councilmember Madaffer pointed out that Senate Bill (SB) 1703 gives SANDAG authority to levy local taxes up to 1 percent. Julie Wiley, General Counsel, said that Item 2A would expand the purposes for those tax monies. There now has to be a transportation nexus for the use of those funds, and the Board might want to use it for other purposes, such as beach sand replenishment.

Chair Sessom stated that we don’t want to turn the public off to opportunities when we mention taxes. We should word this item in a way to keep people’s minds open to possible funding opportunities.

Councilmember Madaffer agreed that we shouldn’t foreclose on opportunities that a regional body like SANDAG can address.

Second Vice Chair Stocks said that instead of saying “levy taxes” or “issue bonds,” we could revise the language to expand the tax authority that currently exists.

Councilmember Madaffer said that if you are going to ask the voters for a tax increase, you should make that clear.

Second Vice Chair Stocks commented that we need to address the question of why we need the funds.

Supervisor Roberts reiterated that expansion of authority is the problem.

Mayor Cheryl Cox (South County) suggested that Goal No. 12B be eliminated and that the language be combined with Goal Nos. 4A and 7A. Enhancing border security fits with Goal No. 7A, and reducing border wait times fits with Goal No. 4A.

First Vice Chair Pfeiler wondered whether we would need to keep Goal No. 12B to enable us to oppose or support border-related efforts that others propose.

**Action:** The Executive Committee provided direction to staff related to the draft 2008 Legislative Program. The program will be brought back for action at the December 7, 2007, Executive Committee meeting.
CONSENT (3)

3.  STATE LEGISLATIVE STATUS REPORT (INFORMATION)

The California State Legislature approved 964 bills during the first year of the 2007-2008 regular legislative session. Governor Schwarzenegger signed 750 bills and vetoed 214. This report provides an update on key legislation for SANDAG that was signed or vetoed by the Governor as well as two-year bills that will likely move again next session.

Action: This item was presented for information only.

REPORTS (4 through 7)

4.  2008 ANNUAL SANDAG BOARD RETREAT (RECOMMEND)

Colleen Windsor, Communications Director, reported that it is time to start planning for the Board’s annual retreat. As a result of a competitive process, the retreat will be held again at La Casa Del Zorro in Borrego Springs. She noted that suggested discussion topics include the following: funding alternatives for habitat, stormwater, beach sand, and public transit and/or other quality of life priorities. We propose to hold breakout sessions to identify and build consensus on agency priorities for FY 2009 and propose to hold a forum with our state delegation to discuss policy initiatives such as climate change and funding for public transit. During past retreats, we also have provided a primer on the agency’s vision, mission, and functions, and the role and responsibilities of a Board member for new members, as well as a refresher course for existing Board members.

Ms. Windsor asked Executive Committee members to provide input on the proposed topics and speaker(s). She stated that one idea for a keynote speaker is to select someone who can provide insight and has worked on the passage of a quality of life funding measure. She said that the retreat provides an opportunity to collaboratively address significant regional issues.

Chair Sessom said that we are looking for suggestions for speakers and input on the list of retreat topics.

Mayor Cox said that she liked having the smaller breakout sessions. She suggested the Executive Director of King County, Washington, as a possible speaker. She has heard him speak about the need to reduce energy dependence and climate change.

Councilmember Madaffer suggested Greg Nichols, the Mayor of Seattle, as an outstanding speaker and a leader in this area. He commented that last year’s retreat was very crowded and that there was little opportunity for in-depth discussion among the Board members, but perhaps the breakout sessions will resolve that.

Councilmember Matt Hall (North County Coastal) said that some of the feedback he heard from last year was that first-time attendees lack an understanding of the retreat dynamics and don’t know how they can best participate.
First Vice Chair Pfeiler agreed it would be helpful to provide information on what first-time attendees should expect and how they can make the most of the retreat.

Chair Sessom suggested that some experienced Board members could attend the first-timer orientation.

Chair Sessom reiterated that we competitively looked at locations for this event.

Gary Gallegos, Executive Director, added that this was the most cost-effective location.

Councilmember Madaffer liked the idea of the retreat being out of town. He feels it will foster more discussion. He urged people to check their cell phones at the door because they can create a distraction.

Ms. Windsor said that if there are any more speaker suggestions, to let her know.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Councilmember Madaffer, the Executive Committee voted unanimously to recommend Board approval of the 2008 Board Retreat agenda.

7. REVIEW OF NOVEMBER 30, 2007, DRAFT BOARD AGENDA (APPROVE)

Diane Eidam, Chief Deputy Executive Director, reviewed the draft agenda for the November 30 SANDAG Board meeting. She noted that Tijuana Mayor Kurt Honold will be at the November 30 Board meeting, and that this is his last day in office.

Action: Upon a motion by Second Vice Chair Stocks and a second by Councilmember Madaffer, the Executive Committee voted to approve the agenda for the November 30, 2007, Board of Directors meeting.

6. ANNUAL PROPOSED AMENDMENTS TO BOARD POLICIES (DISCUSSION/ POSSIBLE ACTION)

Ms. Wiley reported that each year we review Board policies and ask department directors and their staffs to look for areas that need updating. She said that only substantive changes would be reviewed. She noted that Renee Wasmund, Director of Finance, would review changes to the Investment Policy (No. 003).

Ms. Wasmund reviewed proposed changes to Policy No. 003 related to ARJIS accounting, allowing for the use of non-negotiable Certificate of Deposit (CD) purchases, and allowing SANDAG to utilize deposit placement services for the non-negotiable CD purchases. These changes also will allow SANDAG to invest funds in smaller community banks.

First Vice Chair Pfeiler asked how much would be reinvested in the local community banks. Ms. Wasmund replied that she did not have that specific amount. It would be one opportunity used for diversification of our investment portfolio.

Gary Gallegos, Executive Director, said that we still would want to make a reasonable rate of return when we place investments in the local community banks.
Ms. Wasmund said that as an example, the County’s investment program requires the rate of return for local investments to be 10 basis points above the rate of Treasury Bills.

Councilmember Madaffer asked if this action for the CDs would be under the discretion of the Director of Finance or something that the Board would approve. Ms. Wasmund said that there is a list of staff members shown in Board Policy No. 003, who are authorized to make these kinds of transactions.

Mayor Mickey Cafagna (North County Inland) asked about updating the minimum amount in Section 8.8 related to Commercial Paper from $500 million to $1 billion. Ms. Wasmund said she would have our investment advisor look at the minimums to see if they should be revised.

Ms. Wiley continued by reviewing proposed changes to Policy No. 004, Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies; and Policy No. 016, Procurement of Services.

Mr. Gallegos said that we would continue to review proposed changes to Board Policies No. 023, Procurement and Contracting – Equipment and Supplies; No. 024, Procurement and Contracting – Construction; No. 025, Public Participation/Involvement Policy; No. 027, Transportation Development Act; and No. 031, TransNet Ordinance and Expenditure Plan Rules, at the December Executive Committee meeting.

**Action:** This item was presented for information at this time.

8. **UPCOMING MEETINGS**

The next Executive Committee meeting is scheduled for Friday, December 7, 2007, at 9 a.m.

9. **ADJOURNMENT**

Chair Sessom adjourned the meeting at 9:56 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### NOVEMBER 9, 2007

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ ALTERNATE</th>
<th>ATTENDING</th>
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<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler, 1st Vice Chair</td>
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<td>City of Poway</td>
<td>Mickey Cafagna</td>
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<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Jerome Stocks, 2nd Vice Chair</td>
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<td>City of Carlsbad</td>
<td>Matt Hall</td>
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<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
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<td>City of Chula Vista</td>
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<td>East County</td>
<td>City of Lemon Grove</td>
<td>Mary Sessom, Chair</td>
<td>Member</td>
<td>Yes</td>
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<td>City of Santee</td>
<td>Hal Ryan</td>
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<td>City of San Diego</td>
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<td>Jerry Sanders</td>
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<td>Toni Atkins</td>
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<td>Ron Roberts</td>
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<td>Greg Cox</td>
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<td>Bill Horn</td>
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FEDERAL LEGISLATIVE STATUS REPORT

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on federal legislative activities.

Discussion

FY 2008 Budget Process

On November 8, 2007, Speaker of the House of Representatives, Congresswoman Nancy Pelosi (D-CA), appointed conferees to the Transportation, Housing and Urban Development (THUD) Appropriations Act of 2008. The Conferees met and agreed to file a conference report. On November 14, 2007, the measure passed the House by a vote of 270 - 147. The bill provides $105.6 billion for Transportation and Housing and Urban Development, a 7 percent increase from last year and 5 percent more than the President requested. The Conference report is now before the Senate and is awaiting further action. At this time, it still remains unclear if the President will sign the spending measure. If the THUD bill is vetoed, there is a possibility that it would be combined with other spending bills and become subject to additional funding cuts in conference.

The Conference Committee’s version of the THUD Appropriations Act of 2008 included a slight increase in funding from previous versions of the bill. The Conference Committee approved funding for the following transportation projects in the San Diego region:

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Pending FY 2008 Transportation Appropriations Projects</th>
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<tbody>
<tr>
<td>State Route 56 Connectors and Interstate 5 Widening</td>
<td>$500,000</td>
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<tr>
<td>State Route 76 widening and realignment</td>
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<tr>
<td>Balboa Park Trolleys</td>
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<tr>
<td>West Vista Way widening</td>
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<tr>
<td>East County Bus Facility</td>
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<tr>
<td>San Luis Rey Transit Center</td>
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<td>Regional Bus Replacements</td>
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<td>Shoal Creek Pedestrian Bridge</td>
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<td>Leucadia at-grade safety improvements</td>
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<td>Citracado Parkway Project</td>
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<td>School Zone Safety Improvements, Chula Vista</td>
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<tr>
<td>Total</td>
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</tbody>
</table>
Federal Highway Administration

The legislation funds the Federal Highway Administration (FHWA) at $40.2 billion, $1.25 billion above 2007 levels and $631 million above the President’s request. The measure also includes $1 billion for bridge projects and $195 million in emergency funds to rebuild the collapsed Interstate 35W Bridge in Minneapolis, Minnesota.

Federal Transit Administration

The bill funds the Federal Transit Administration (FTA) at $9.65 billion, $640 million above 2007 levels and $227 million above the President’s request. Of this amount, the New Starts/Small Starts program is funded at $1.65 billion, which is $50 million below the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) authorized funding levels. The bill also includes $1.65 billion for capital investment grants for commuter rail and other light rail systems to alleviate traffic congestion.

AMTRAK

The spending measure includes $1.45 billion for Amtrak, $156 million over 2007 levels and $550 million over the President’s request. The bill includes $75 million for a new grant program that will match state contributions for intercity passenger rail operations. The program is similar but not identical to a $100 million program that was included in the President’s budget. The bill also includes language that prohibits Amtrak from moving any of its jobs overseas, and authorizes programs to improve rail security and implement operational changes.

Other Highlights

- Language that allows Congestion Mitigation and Air Quality (CMAQ) funds to be used for New Starts projects initiating service in the first three years was included in the conference report. The language was inserted as a response to the proposed new regulations issued jointly by the FHWA and FTA that would have eliminated the ability to use CMAQ funds for the first three years of new transit service operations.

- The conferees have asked for a study on the rail modernization program and what it would cost to bring rail infrastructure up to a state of good repair.

- The Comptroller General is directed to prepare a study by March 31, 2008, that would analyze the process to select participants for several of the programs included in the U.S. Department of Transportation (USDOT) National Strategy to Reduce Congestion on America’s Transportation Network (often referred to as the “Congestion Initiative”). The Comptroller General would review the Urban Partnership Agreements, Corridors of the Future, and Public-Private Partnerships, including their methodology, use of funds, and selection criteria; conduct an evaluation of the effectiveness of the Congestion Initiative, including the a discussion of the USDOT efforts at relieving congestion at the nation’s border, in aviation, and at vital trade gateways; and examine the relationship between the Congestion Initiative and the goals of the programs used to fund it.

- The Senate included report language which would limit the use of FTA Section 5309 bus and bus facilities monies for the Urban Partnership Program.
Continuing Resolution

The federal government operates on a fiscal year cycle, which starts on October 1 and continues to midnight September 30. By the end of the fiscal year, if Congress fails to pass regular appropriations or continuing resolutions, or if the President fails to sign or vetoes any type of appropriations legislation, nonessential activities of the federal government may be forced to cease for lack of budget authority.Traditionally, most continuing resolutions have been signed into law, which permits budget authority to federal departments and programs until regular appropriations acts are enacted.

On November 8, 2007, the Senate approved the Department of Defense Appropriations Act of 2008, including a Continuing Resolution that will fund the federal government at FY 2007 levels through December 14, 2008.

AMTRAK Reauthorization

On October 30, 2007, the Senate passed S. 294, the Passenger Rail Investment and Improvement Act of 2007, introduced by Senators Frank R. Lautenberg (D-NJ) and Trent Lott (R-MS). The measure provides an $11.4 billion authorization to fully fund Amtrak. For fiscal year 2007, a record 25.8 million passengers rode Amtrak, which is an increase of 1.5 million passengers over fiscal year 2006. The bill aims to enhance security on Amtrak, institute new quality standards, and make other logistical reforms aimed at improving service quality for passengers and placing Amtrak on a solid financial footing. Amtrak, created in 1970, has been operating under annual appropriations bills since its authorization expired in 2002. S. 294 is before the House of Representatives and is awaiting further action.

KIM KAWADA
Policy and Legislative Affairs Program Manager

Key Staff Contact: Victoria Stackwick, (619) 699-6926, vst@sandag.org
Introduction

Each year, the Executive Committee recommends a legislative program in priority order to the Board of Directors for the upcoming calendar year. Consistent with past programs, the 2008 Legislative Program (Attachment 1) includes policies and proposals for federal and state legislation as well as local activities.

At its November 9, 2007, meeting, the Executive Committee reviewed the draft program and requested revisions to the wording of Goal No. 3A concerning Regional Comprehensive Plan (RCP) funding measures, and Goal Nos. 6A and 7A, concerning supporting regional efforts for public safety communications and interoperability, and pursuit of Homeland Security funding. The Executive Committee also asked for a reordering of some of the goals within the Sponsor and Support/Oppose sections of the program. At Executive Committee request, the prior border-related legislative goal in the Support/Oppose section also was eliminated, and its language was combined with Goal Nos. 2A and 7A.

On November 16, 2007, the Public Safety Committee (PSC) reviewed the recommended public safety-related goals, as modified by the Executive Committee, and made additional minor language changes to the goals, which are reflected in the revised program.

Discussion

The SANDAG Legislative Program serves as a road map for Board members and staff to follow as legislation is introduced and activities occur during the federal and state legislative sessions. The program is organized into three distinct sections which generally relate to the level of effort needed to support corresponding legislative activities: (1) Sponsor, (2) Support/Oppose, and (3) Monitor. Within each section, individual goals are assigned a priority level, ranging from highest priority to lower priority. The program also lists the Board position, position year, which Policy Advisory Committee is involved, and whether the goal involves federal, state, and/or local efforts.

Sponsored items include efforts where SANDAG will be actively involved with sponsoring specific legislation, requests for funding, and/or policy changes. New goals under the Sponsor section for 2008 include pursuing statutory authority to build a toll road and a port of entry at East Otay Mesa (Goal No. 2A), pursuing amendments to statutes authorizing SANDAG to issue bonds or other
funding mechanisms to implement the RCP (Goal No. 3A), and developing SANDAG priorities for the next federal surface transportation reauthorization (Goal No. 5A). Other continuing priorities include the pursuit of funding from the statewide infrastructure bond measures, the pursuit of federal appropriations requests, supporting regional efforts to improve public safety voice and data communications and interoperability, supporting regional efforts to pursue Homeland Security funding, and the pursuit of policy and/or legislation changes to enable the use of freeway shoulders as transit lanes on major corridors in the San Diego region.

The **Support/Oppose** section includes 16 goals that relate to the diverse SANDAG work program. The goals focus on the areas of transportation planning, funding, and project delivery; implementation of the RCP, including housing, energy, environmental, and fiscal reform; and public safety and criminal justice efforts. Staff routinely monitors proposed bills in these subject areas and provides regular reports to the Executive Committee during the legislative session. In turn, the Executive Committee determines whether SANDAG should take a specific position on the various bills.

Finally, the **Monitor** section includes four lower priority goals related to monitoring proposals to limit eminent domain, public facility infrastructure funding proposals, and legislation regarding personnel and administrative matters.

The 2007 Legislative Program, which was approved by the Board in December 2006, included 28 separate legislative goals. For the 2008 Legislative Program, goals that have been completed or that are no longer relevant have been deleted, modifications have been made to some existing goals, and new goals for 2008 are proposed. Attachment 2 provides a summary of the major changes. The revisions to the 2007 Legislative Program are shown in strikeout/underline format in Attachment 3.

**Next Steps**

Upon the Executive Committee’s recommendation, the 2008 Legislative Program will be presented for approval at the December 21, 2007, Board meeting.

Staff will continue to provide periodic status reports on legislative activities to the Executive Committee throughout the year. If new legislation or activities related to the SANDAG mission are introduced that are not part of its established legislative goals, a report will be brought back to the Executive Committee for direction.

KIM KAWADA
Policy and Legislative Affairs Program Manager

Attachments

1. 2008 Legislative Program
2. Summary of Major Changes to the 2007 Legislative Program
3. Revisions to the 2007 Legislative Program

Key Staff Contact: Genevieve Morelos, (619) 699-1994, gmo@sandag.org
**OVERARCHING GOAL:** Pursue policy and legislatives changes that enable SANDAG to better implement its adopted plans and programs.

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<td>Participate in discussions with stakeholders and begin developing SANDAG priorities for the next federal surface transportation reauthorization. (2007)</td>
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<td>Support regional efforts to pursue resources to improve regional public safety voice and data communications and interoperability, including connectivity with state and federal systems. (2005)</td>
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<td>Support regional efforts to pursue Homeland Security funding at both the state and federal levels to improve public safety, enhance border security and improve security in the San Diego region, through Automated Regional Justice Information System (ARJIS) operations and enhancements; regional transportation system improvements; and activities related to regional emergency preparedness, prevention, training and response to catastrophic events. (2003, 2005)</td>
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**Legend:** T: Transportation; R: Regional Planning; P: Public Safety; B: Borders
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<td>2B</td>
<td>Support policies and/or legislation implementing Assembly Bill 32 climate change guidelines that are consistent with the RCP and RTP. (2007)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
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<td>3B</td>
<td>Efforts consistent with financial strategies adopted in the RTP such as, but not limited to, increase revenues for transportation and other related purposes through measures that would increase gas tax or equivalent revenue sources, bond measures, developer fees, and public/private partnerships; and maximize flexibility of federal and state funds; and oppose efforts that reduce revenues for transportation including spillover funds. (2002,2005)</td>
<td>Highest</td>
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<td>4B</td>
<td>Legislation assisting in the implementation of the RCP, including dedicated ongoing funding source for regional blueprint planning and funding incentives for smart growth (mixed-use projects, transit-oriented development, walkable communities, etc.). (2002)</td>
<td>Highest</td>
<td>Support</td>
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<td>Support</td>
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<td>6B</td>
<td>Fiscal reform initiatives that enable regions to develop their own fiscal strategies and oppose unfunded mandates on local governments. Pursue initiatives that balance the fiscal influence that sales tax revenues have upon local land use decisions. (2002)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
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<td>7B</td>
<td>Lower the current two-thirds voter requirement for special purpose taxes, such as transportation and quality of life improvements, to a simple majority vote. (2002)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
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<td>8B</td>
<td>Technical clean-up language to Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), such as, but not limited to, revising and clarifying earmark language and policy changes. (2005)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
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<tr>
<td>9B</td>
<td>Efforts assisting in the implementation of key environmental issues, including habitat conservation, planning, beach restoration and replenishment, and water quality-related issues. (2002)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
<td></td>
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<tr>
<td>10B</td>
<td>Mechanisms providing for the implementation of the RTP, including value pricing, managed lanes, high occupancy toll (HOT) lanes; the alleviation of current constraints on transponder technology; transit priority treatments; and other efforts that promote efficient use of highways and local roads. (2003)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
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<tr>
<td>11B</td>
<td>Pursue resources to implement the Regional Energy Strategy (RES); and support energy-related legislation that is consistent with RES principles. (2002)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>12B</td>
<td>Transit boards’ legislative programs where consistent with SANDAG policy. (2002)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>13B</td>
<td>Support funding opportunities for prevention and intervention programs that address substance abuse, increase public safety, and reduce youth and gang violence. (2005)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
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<tr>
<td>14B</td>
<td>Participate in efforts related to legislative and administrative reform of the state housing element law and ensure adequate state funding for the Regional Housing Needs Assessment (RHNA) process. (2002)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
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<td>State</td>
</tr>
<tr>
<td>15B</td>
<td>Full funding of the Census Bureau’s American Community Survey Program to ensure timely release of critical demographic and economic information for the region. (2005)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Federal</td>
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<td></td>
<td>(C) MONITOR</td>
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<tr>
<td>1C</td>
<td>Proposals that limit the use of eminent domain for public infrastructure projects. (2005)</td>
<td>Lower</td>
<td>Monitor/Respond</td>
<td>X</td>
<td>X</td>
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<tr>
<td>2C</td>
<td>Legislation affecting solid waste, water supply, and storm water; support of funding opportunities to assist in these areas. (2003)</td>
<td>Lower</td>
<td>Monitor/Respond</td>
<td>X</td>
<td>X</td>
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<tr>
<td>3C</td>
<td>Legislation relating to personnel matters, i.e., workers’ compensation, Public Employee Retirement Systems (PERS) benefits, and other labor-related issues. (2003)</td>
<td>Lower</td>
<td>Monitor/Respond</td>
<td></td>
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<tr>
<td>4C</td>
<td>Legislation requiring local agencies to implement new administrative compliance measures. (2005)</td>
<td>Lower</td>
<td>Monitor/Respond</td>
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Summary of Major Changes to the 2007 Legislative Program

The 2007 Legislative Program, which was approved by the SANDAG Board of Directors in December 2006, includes 28 separate legislative goals. Staff has modified the 2007 program as a starting point to initiate discussion regarding the 2008 program. Goals that have been completed or that are no longer relevant have been deleted, modifications have been made to the some existing goals, and new goals for 2008 are proposed. In Attachment 3, proposed deletions are shown in strikethrough text, and modifications and additions are underlined. The major changes include:

Proposed Deletions

Public meetings in jurisdictions that border SANDAG – Goal No. 8A: This goal is proposed to be removed from the legislative program, because it has been determined that separate legislative authority is not needed in order for SANDAG to conduct meetings with adjacent jurisdictions. SANDAG has been able to hold public meetings with officials in Mexico and neighboring counties by taking certain measures to ensure compliance with the existing requirements of the Brown Act.

Maintain and increase regional decision-making authority – Goal No. 15B: This goal is proposed to be removed in order to streamline current goals. All of the goals within the legislative program help to promote the SANDAG mission and authority.

Proposed Modifications

Pursue policy and legislative changes – Goal No. 2A: This goal is proposed to be moved from the Sponsor section and included as an overarching goal for the legislative program.

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) clean-up language – Goal No. 4A: This goal is proposed to be moved to the Sponsor section from the Support/Oppose section, because legislation has been introduced this year in Congress that addresses technical corrections to previously approved projects in SAFETEA-LU. Staff expects that the SAFETEA-LU technical corrections will be passed during this federal legislative session.

Freeway Shoulders as Transit Lanes – Goal No. 8A: This goal is proposed to be amended to allow freeway shoulders to be used as transit lanes on a continuing basis, rather than just as an interim priority measure. This would enable SANDAG to seek policy or legislative changes to enable the use of shoulders to transit lanes in key corridors. Staff would continue to work with Caltrans, California Highway Patrol, and the transit agencies to identify the appropriate corridors in the region. In 2005, SANDAG partnered with these agencies to implement a demonstration project on a limited portion of State Route 52/Interstate 805 to evaluate the effectiveness of using freeway shoulder lanes as a low-speed transit priority measure when regular freeway lanes are congested. The demonstration project has proven successful and expanding the application to other corridors is being considered.

Transportation Funding – Goal No. 3B: This goal is proposed to be updated to remove specific references to Proposition 42 funding, which has been protected under Proposition 1A (2006). Language concerning protecting public transit “spillover” funding is proposed to be included; this acknowledges the recent diversion of the spillover dollars to General Fund purposes in the 2007-2008 state budget.
Transportation Project Delivery – Goal No. 6B: This goal is proposed to be modified to reflect a change in terminology but not in substance. The previous term used was “Construction Management at-risk Procurements” and the new term is “Construction Manager/General Contractor.”

Proposed New Goals

Regional Comprehensive Plan (RCP) Funding – Goal 2A: This new goal seeks the passage of a local voter-approved tax measure, bond, or other funding measure to enable SANDAG to address regional funding needs and potential future investments for stormwater management, beach sand replenishment, habitat conservation, and public transit, as discussed by the Board on October 12, 2007. The Office of General Counsel has concluded that an amendment to the SANDAG taxation authority would be required to make the full range of the projects/programs in these infrastructure areas eligible for funding by a tax measure. The RCP, adopted by SANDAG in July 2004, includes these environmental infrastructure components and could serve as the justification for modification to the taxation authority.

State Route 11/East Otay Mesa Port of Entry – Goal No. 4A: As the binational region continues to grow, the need for new or improved cross-border transportation facilities becomes ever more important to the San Diego region and California’s economic competitiveness. This new goal is proposed to enable SANDAG to seek state and federal legislation to implement State Route 11 and the East Otay Mesa Port of Entry as possible toll-funded facilities.

Federal Surface Transportation Reauthorization – Goal No. 5A: SAFETEA-LU, the current federal surface transportation legislation, is set to expire in 2009. This new goal is proposed as initial discussions by organizations and advocacy groups are getting underway on the next federal reauthorization.

Addressing Climate Change – Goal No. 2B: This new goal aims to address the upcoming discussions that will take place throughout the California and the nation on climate change. Assembly Bill 32 (Nunez, 2006) requires the state to reduce greenhouse gas emissions to 1990 levels by the year 2020. This new goal would allow SANDAG to support climate change policies and legislation that are consistent with the RCP and Regional Transportation Plan.
### OVERARCHING GOAL:
Pursue policy and legislatures changes that enable SANDAG to better implement its adopted plans and programs

### (A) SPONSOR

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<td>Sponsor/Sponsor</td>
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<td>Participate in discussions with stakeholders and begin developing SANDAG priorities for the next federal surface transportation reauthorization. (2007)</td>
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<td>5A</td>
<td>Aggressively support regional efforts to pursue resources to improve regional public safety voice and data communications and interoperability, including connectivity with state and federal systems. (2005)</td>
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<td>8A</td>
<td>Allow SANDAG to conduct public meetings in Mexico and other jurisdictions that border SANDAG jurisdiction for the purpose of addressing projects, programs, and issues that affect multiple jurisdictions, but which are currently restricted under the Brown Act. (2005)</td>
<td>Medium</td>
<td>Sponsor</td>
<td>X</td>
<td>X</td>
<td>X</td>
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(B) SUPPORT/Oppose

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<td>Highest</td>
<td>Support</td>
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<td>2B</td>
<td>Support policies and/or legislation implementing Assembly Bill 32’s climate change guidelines that are consistent with the RCP and RTP.  (2007)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
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<td>1B</td>
<td>Efforts consistent with financial strategies adopted in the RTP such as, but not limited to, increase revenues for transportation and other related purposes through measures that would increase gas tax or equivalent revenue sources, bond measures, developer fees, and public/private partnerships; and maximize flexibility of federal and state funds; and oppose efforts that reduce revenues for transportation including spillover funds; and other related purposes such as the borrowing of Proposition 42; and maximize availability and flexibility of federal and state funding for the region. (2002, 2005)</td>
<td>Highest</td>
<td>TBD (based on activity)</td>
<td>X</td>
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<td>2B</td>
<td>Legislation that provides incentives to rewards jurisdictions that produce provide opportunities for more housing, especially including affordable and transit-oriented developments; supports regional fair-share allocation of housing funds; and provides additional affordable housing funding for affordable housing with greater local/regional control, over the allocation of those funds. (2002)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
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<td>3B</td>
<td>Legislation assisting in the implementation of the RCP, including ensuring a reliable, dedicated ongoing funding source for regional blueprint planning and funding incentives for smart growth, e.g., (mixed-use projects, transit-oriented development, walkable communities, etc.), (2002)</td>
<td>Highest</td>
<td>Support</td>
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<td>4B</td>
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<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>State</td>
</tr>
<tr>
<td>5B</td>
<td>Fiscal reform initiatives that enable enabling regions to develop their own fiscal strategies and oppose unfunded mandates on local governments. Pursue initiatives that balance the fiscal influence that sales tax revenues have upon local land use decisions. (2002)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Federal/State/Local</td>
</tr>
<tr>
<td>6B</td>
<td>Lower the current two-thirds voter requirement for special purpose taxes, such as transportation and quality of life improvements, to a simple majority vote. (2002)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>State</td>
</tr>
<tr>
<td>7B</td>
<td>Technical clean-up language to SAFETEA-LU, such as but not limited to, revising and clarifying earmark language and policy changes. (2005)</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Federal</td>
</tr>
<tr>
<td>8B</td>
<td>Efforts assisting in the implementation of key environmental issues efforts, including habitat conservation, planning, beach restoration and replenishment, and water quality-related issues. (2002)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>State/Local</td>
</tr>
<tr>
<td>9B</td>
<td>Mechanisms providing for the implementation of the MOBILITY 2030 RTP, including value pricing, managed lanes, high occupancy toll (HOT) lanes; the alleviation of current constraints on transponder technology; transit priority treatments; and other mechanisms efforts that promote provide for more efficient use of highways and local roads. (2003)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Federal/State</td>
</tr>
<tr>
<td>10B</td>
<td>Pursue resources to implement the Regional Energy Strategy (RES); and support energy-related legislation that is consistent with RES principles. (2002)</td>
<td>Higher</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Federal/State/Local</td>
</tr>
<tr>
<td>NO.</td>
<td>GENERAL DESCRIPTION OF GOAL</td>
<td>PRIORITY</td>
<td>BOARD POSITION</td>
<td>T</td>
<td>R</td>
<td>P</td>
<td>B</td>
<td>JURISDICTION</td>
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<tr>
<td>10B</td>
<td>Enhancing of border security and reducing border wait times; pursuit of funding, legislation, and other financing mechanisms supporting interregional partnerships and bi-national trade and border projects. (2002)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>Federal/State/Local</td>
</tr>
<tr>
<td>12B</td>
<td></td>
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<tr>
<td>11B</td>
<td>Transit boards’ legislative programs where consistent with SANDAG policy. (2002)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Federal/State/Local</td>
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<tr>
<td>13B</td>
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<tr>
<td>12B</td>
<td>Support funding opportunities for prevention and intervention programs that address substance abuse, increase public safety, and reduce youth and gang violence. (2005)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Federal/State/Local</td>
</tr>
<tr>
<td>14B</td>
<td></td>
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<tr>
<td>13B</td>
<td>Participate in efforts related to legislative and administrative reform of the state housing element law and ensure adequate state funding for the Regional Housing Needs Assessment (RHNA) process. (2002)</td>
<td>High</td>
<td>Support</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>State</td>
</tr>
<tr>
<td>15B</td>
<td></td>
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<tr>
<td>14B</td>
<td>Full funding of the Census Bureau’s American Community Survey Program to ensure timely release of critical demographic and economic information for our region. (2005)</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>Federal</td>
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<tr>
<td>16B</td>
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<tr>
<td>15B</td>
<td>Maintain and increase regional decision-making authority in areas consistent with SANDAG mission/policies. (2003)</td>
<td>Medium</td>
<td>Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>State</td>
</tr>
</tbody>
</table>

(C) MONITOR

<table>
<thead>
<tr>
<th>NO.</th>
<th>GENERAL DESCRIPTION OF GOAL</th>
<th>PRIORITY</th>
<th>BOARD POSITION</th>
<th>T</th>
<th>R</th>
<th>P</th>
<th>B</th>
<th>JURISDICTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1C</td>
<td>Proposals that limit the use of eminent domain for public infrastructure projects. (2005)</td>
<td>Lower</td>
<td>Monitor/Respond</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>Federal/State</td>
</tr>
</tbody>
</table>

Legend: T: Transportation; R: Regional Planning; P: Public Safety; B: Borders
2C Legislation affecting solid waste, water supply, and storm water; support of funding opportunities to assist in these areas. (2003) | Lower | Monitor/Respond | X | X | State/Local
3C Legislation relating to personnel matters, i.e., workers' compensation, Public Employee Retirement Systems (PERS) benefits, and other labor-related issues. (2003) | Lower | Monitor/Respond |  |  | Federal/State/Local
4C Legislation requiring local agencies to implement new administrative compliance measures. (2005) | Lower | Monitor/Respond |  |  | Federal/State
ANNUAL PROPOSED AMENDMENTS TO BOARD POLICIES

File Number 9800100

San Diego Association of Governments
EXECUTIVE COMMITTEE

December 7, 2007

AGENDA ITEM NO.: 5

Action Requested: RECOMMEND

Introduction

Each year the Office of General Counsel solicits requests from staff for any suggested changes to Board Policies and reviews SANDAG Policies to determine if updates or changes should be recommended to the Board of Directors. These proposed amendments are attached and are brought to the Executive Committee for discussion and recommendation to the Board. Last month the Executive Committee discussed the proposed changes to Board Policy Nos. 003, 004, and 016 (Attachments 1-3, respectively). No modifications were requested.

Discussion

The significant changes for the Board Policies that were not discussed last month are summarized below. The actual language changes for all of the Board Policies, including those discussed last month, are tracked in the attached draft versions.

Board Policy No. 023 - Procurement and Contracting-Equipment & Supplies
(Attachment 4)

Language is proposed to be removed from Section 2 to remove dollar limitations on use of purchase orders in place of contracts. The current dollar limitation is not imposed by statute and a lengthy contract is not always needed to adequately protect SANDAG interests. Staff proposes removal of language in Section 5.3 because the delegation of authority from the Executive Director to staff is set forth by dollar amount in a separate administrative policy and therefore this language is superfluous. Section 6.2 contains updates related to changes in the Disadvantaged Business Enterprise (DBE) legal requirements. Updates are needed for consistency with current SANDAG DBE practices. Sections 7 and 8 have minor language changes proposed to make the policy consistent with the current practices of the Contracts and Procurement division. Amended language is proposed in Section 9, which concerns conflicts of interest, to make it consistent with the other procurement policies and to cross-reference the SANDAG Standard of Conduct related to procurements and ethical decision making.

Recommendation

The Executive Committee is asked to discuss the proposed changes to Board Policies and recommend the amendments to the Board of Directors for approval.
Board Policy No. 024 - Procurement and Contracting-Construction (Attachment 5)

New language is proposed in Section 1.1.2.3 to clarify the bonding requirements for projects that do not exceed $50,000. Due to changes in the DBE legal requirements, updates are needed throughout Section 1 of the Policy concerning SANDAG DBE practices. Section 1.6.7 of the Policy currently states the bonding requirements applicable to most of SANDAG projects in the past; however, it is becoming more common for SANDAG projects to be funded with both Federal Transit Administration and Federal Highway Administration funds, and staff would like the flexibility to adjust the bonding requirements based on the color of money used for the project. An additional ground for debarment of a contractor for making false statements or certifications in documents submitted as part of a bid is proposed in Section 1.11.1.11. An additional basis for sole source procurement that is approved by the federal Department of Transportation agencies has been added to Section 4.1.5. Amended language is proposed in Section 6, which concerns conflicts of interest, to make it consistent with the other procurement policies and to cross-reference the SANDAG Standard of Conduct related to procurements and ethical decision making. Finally, a new section has been added to the end of this Policy to specifically authorize staff to utilize job order contracting as a procurement methodology. Section 7 defines job order contracting and the circumstances under which it can be used in compliance with the competitive procurement requirements that SANDAG is governed by in statute.

Board Policy No. 025 — Public Participation/Involvement Policy (Attachment 6)

Amendments to this policy are proposed to clean-up some language inconsistencies, update references to North County Transit District (NCTD), and add clarifying language regarding the location of meetings involving construction of projects in the Metropolitan Transit System (MTS) jurisdiction. Additionally, a new section “B” is added to address the public participation steps SANDAG will take concerning the Short Range Program for the Regional Transportation Improvement Program. Finally, references regarding persons with limited English proficiency and the availability of notices in Spanish are added in Sections A and E.

Board Policy No. 027 - Transportation Development Act (Attachment 7)

Several provisions in the existing policy reflect similar or exact language contained in the Transportation Development Act as set forth in the Public Utilities Code (PUC). The changes proposed herein reflect how SANDAG specifically applies the state provisions:

Section 1d would be revised to reflect that only MTS, NCTD, or SANDAG may file claims for rail passenger service. This would not allow other jurisdictions within the county to claim funds for this purpose.

Section 1e would be deleted reflecting SANDAG Board practice established in February 2007. In accordance with PUC Section 99233.5, this section of SANDAG Policy No. 027 currently provides that up to 10 percent of the funds apportioned to the MTS service area shall be shared by MTS and SANDAG to carry out administrative duties. As explained in the report for Agenda Item No. 4, February 23, 2007, consolidation under Senate Bill 1703 provided that SANDAG absorb most of the administrative, project development, and planning functions from MTS making this provision unnecessary. MTS now claims its entire share (including transfers to SANDAG for assumed planning and development functions) under the remaining provisions of the act.
Section 1f would be revised to reflect that the full 5 percent allowed under PUC 99233.7 for Community Transit Services will be apportioned for this purpose by eliminating the phrase “up to.” Section 1g would identify MTS, NCTD, and SANDAG as the only eligible claimants for transit operator claims under PUC Section 99233.8. Sections 1h and 1i identify MTS and NCTD as the only eligible claimants in the County for express bus (PUC Section 99400.6) and commuter ferry service (PUC section 99400.7).

Section 4 would be revised by eliminating the provision that SANDAG would act as a single claimant for MTS. MTS and NCTD will continue to serve as the claimants for their respective population share of TDA revenues. Section 4.1 would be revised to reflect that the operator claims must be received by April 30 of each year and that SANDAG will provide a preliminary summary of those claims to the SANDAG Transportation Committee in the following May. Transit claims are to be consistent with the SANDAG guidelines for development of transit operator budgets. Section 4.3 would be revised to include Consolidated Transportation Planning Agency claims with those claims exempt from farebox recovery ratio requirements.

Section 5 would be revised to extend the bicycle and pedestrian TransNet claim requirements to the two percent of revenues coming from annual TransNet receipts for the Bicycle, Pedestrian and Neighborhood Safety program effective in FY 2009 consistent with the 2004 TransNet Extension Ordinance. Section 5.1 would move the date for submitting bicycle and pedestrian claims from April 1 to March 1 of each year. Section 5.2 would simplify the payment process for bicycle and pedestrian claims. Section 5.3 would include an added provision requiring the return of funds for inactive projects. Section 5.4 would delete reference to MTS rural as a separate service, because the rural routes have been incorporated in the overall MTS operations. Reference to the former National City Transit also is deleted.

Section 9.2 no longer would require that SANDAG make certain findings with regard to the MTS State Transit Assistance (STA) claim as MTS, according to statute, submits its claim directly to the state without SANDAG involvement.

Section 10 would be revised to reflect the change of focus in performance measures approved by the SANDAG Transportation Committee on September 21, 2007, as part of the Regional Short Range Transit Plan and Coordinated Public Transit-Human Services Transportation Plan. That focus goes from annual recommended improvements to multi-year, long-term focused improvements specifically described in the Plan and TDA Manual.

Section 11 would be revised to eliminate farebox recovery ratio calculations based on percentage of urbanized versus nonurbanized miles provided by a single operator.

**Board Policy No. 031 – TransNet Ordinance and Expenditure Plan Rules (Attachment 8)**

A technical correction is proposed for Rule 7 as it contains the wrong percentage. The wording in Rule 11 also is proposed to clarify that TransNet funds are to augment TDA funds. Therefore, for accounting purposes, following the expenditure of fare revenues and other local operating revenues, the interest earnings on the TransNet and TDA funds shall be considered to be spent first, followed by the TDA funds, then the TransNet funds.
Rule 18 concerns the requirement in Section 2(C)(1) of the TransNet Extension Ordinance that at least 70 percent of the revenues provided for local street and road purposes should be used for congestion relief purposes and no more than 30 percent for maintenance purposes. Grade separation projects are identified in Section 2(C)(1) as projects that qualify as congestion relief projects, but are not specifically listed in the guidance in Attachment 2 to this policy. A reference to the eligibility of grade separation projects as congestion relief projects has been added to Rule 18 to ensure consistency and clarity.

Rule 20 is proposed for addition to the Policy. It clarifies that it is the mayors from each of the subregions that are to select from among themselves to sit on the Selection Committee for the Independent Taxpayers Oversight Committee, not the representatives who sit on the Board who may or may not be a mayor. It also provides that members of the Selection Committee who are mayors from the subregions shall serve for a period of two years or until the designee no longer holds the office of mayor. At the end of this term, the mayors from the affected subregion(s) shall either inform the Clerk of the SANDAG Board that the same representative is being redesignated or identify the new mayor that they have selected to represent their subregion on the Selection Committee. (Note: The attached version of Board Policy No. 031 does not contain the new rule proposed for bicycle and pedestrian projects that will be discussed in a separate report to the Executive Committee.)

JULIE D. WILEY
General Counsel

Attachments: 1. Board Policy No. 003 – Investment Policy
   2. Board Policy No. 004 – Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies
   3. Board Policy No. 016 – Procurement of Services
   4. Board Policy No. 023 – Procurement and Contracting-Equipment & Supplies
   5. Board Policy No. 024 – Procurement and Contracting-Construction
   6. Board Policy No. 025 - Public Participation/Involvement Policy
   7. Board Policy No. 027 – Transportation Development Act
   8. Board Policy No. 031 – TransNet Ordinance and Expenditure Plan Rules

Key Staff Contact: Julie Wiley, (619) 699-6966, jwi@sandag.org
INVESTMENT POLICY

1. Introduction

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy, and to organize and formalize investment-related activities.

The investment policies and practices of the San Diego Association of Governments (SANDAG) are based upon state law and prudent money management. All funds will be invested in accordance with the SANDAG’s Investment Policy and California Government Code Sections 53600 et seq. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

2. Scope

It is intended that this policy cover all funds and investment activities, with the exception of bond proceeds, under the direction or care of SANDAG, including funds of the San Diego County Regional Transportation Commission, and SourcePoint, the SANDAG’s chartered nonprofit corporation, and the Automated Regional Justice Information System (ARJIS). Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

3. Prudence

All persons authorized to make investment decisions on behalf of SANDAG are trustees and therefore fiduciaries subject to the prudent investor standard: “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Objectives

The primary objectives, in priority order, of SANDAG’s investment activities are:
4. Safety. Safety of principal is the foremost objective of the investment program. Investments of SANDAG shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

4.2. Liquidity. The investment portfolio of SANDAG will remain sufficiently liquid to enable SANDAG to meet its cash flow requirements.

4.3. Return on Investment. The investment portfolio of SANDAG shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

5. Delegation of Authority

5.1 The Board of Directors delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Executive Director for a one-year period. The Executive Director is charged with the responsibility for carrying out the policies of the Board of Directors and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires. In accordance with the SANDAG’s established system for internal control, all financial transactions of SANDAG require the signature of at least two individuals authorized by the Executive Director.

5.2 For the purposes of carrying out this investment policy, any two of the following individuals are hereby authorized to make investment decisions, in strict accordance with this investment policy, on behalf of SANDAG:

- Executive Director
- Deputy Executive Director
- Director of Finance
- Finance Manager
- Manager of Financial Programming and Project Control
- Such other individuals authorized, in writing, by the Executive Director.

5.3 All accounts established for the purpose of investing SANDAG funds shall require the written authorization of the Executive Director.

5.4 No single individual, acting alone, may engage in an investment activity.

5.5 The Executive Director may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all investment decisions and transactions in strict accordance with state law and this investment policy.

5.6 The daily management responsibility for the investment program is assigned to the Director of Finance, who shall monitor and review all investments for consistency with this investment policy.
6. **Ethics (Conflict of Interest)**

Officers, employees and agents thereof involved in the investment process shall comply with state law and refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

7. **Selection of Financial Institutions and Broker/Dealers**

7.1 SANDAG shall transact business only with banks, savings and loan associations, and registered investment securities dealers. The purchase by SANDAG of any investment other than those purchased directly from the issuer shall be either from an institution licensed by the State as a broker/dealer, as defined in Section 25004 of the Corporation Code, who is a member of the National Association of Securities Dealers, or a member of a federally-regulated securities exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The Director of Finance shall investigate all institutions which wish to do business with SANDAG, in order to determine if they are adequately capitalized, make markets in securities appropriate to the SANDAG's needs of SANDAG, and agree to abide by the conditions set forth in the SANDAG's Investment Policy.

7.2 The Director of Finance shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of SANDAG to purchase securities only from those authorized institutions and firms. If SANDAG has contracted investment advisors/managers, the Director of Finance may approve and use a list of authorized broker/dealers provided by the investment advisor/manager.

8. **Permitted Investment Instruments**

8.1 The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Government Code §53601 states that when there is a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

8.2 **Treasury Obligations**: Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.3 **Federal Agencies and U.S. Government Sponsored Enterprises**: Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

8.4 **State of California Obligations**: Registered state warrants, treasury notes or bonds of the State of California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state. Such obligations must be rated A-1/P-1, or equivalent or
better short-term; or Aa/AA or better long-term by at least one of the nationally recognized statistical-rating organizations.

8.5 Local Agency Obligations: Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by one of the nationally recognized statistical-rating organizations.

8.6 Repurchase Agreements: Repurchase Agreements used solely as short-term investments not to exceed 90 days.

8.6.1 The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANDAG’s custodian bank or handled under a properly executed tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by SANDAG for the term of the investment. Since the market value of the underlying securities is subject to daily fluctuation, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

8.6.2 Market value must be calculated each time there is a substitution of collateral.

8.6.3 SANDAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

8.6.4 SANDAG may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of $1 billion and in the highest short-term rating category, as provided by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation.

8.6.5 SANDAG will have properly executed a Public Securities Association (PSA) agreement with each firm with which it enters into Repurchase Agreements.

8.7 Bankers’ Acceptances: Bankers’ Acceptances issued by domestic banks or domestic branches or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category by Moody’s Investors Services or by Standard & Poor’s Corporation. Purchases of Bankers’ Acceptances may not exceed 180 days maturity or 40 percent of SANDAG’s surplus money. No more than 10 percent of SANDAG’s surplus funds may be invested in the Bankers’ Acceptances of any one commercial bank.

8.8 Commercial Paper: Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-
rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

(a) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized statistical-rating organization.

(b) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. No more than 10 percent of SANDAG’s surplus funds may be invested in Commercial Paper of any one U.S. corporation.

Purchases of commercial paper may not exceed 25 percent of SANDAG’s surplus money which may be invested.

8.9 Medium-Term Notes: Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall be rated in a rating category of “A” or better by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 30 percent of the agency’s surplus money. No more than 10 percent of SANDAG’s surplus funds may be invested in the Medium-Term Notes of any one corporation.

8.10 Certificates of Deposit: The maximum term for certificates of deposit shall be one year. The combined amount invested in negotiable certificates of deposit and certificates of deposit shall not exceed 30 percent of SANDAG’s surplus money.

8.10.1 Negotiable Certificates of Deposit: Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated “AA” or better by Moody’s or Standard & Poor’s.

8.10.2 Nonnegotiable The maximum term for certificates of deposit shall be one year. Purchase of negotiable certificates of deposit may The combined amount invested in negotiable certificates of deposit and certificates of deposit shall not exceed 30 percent of SANDAG’s surplus money.

Certificates of Deposit: Nonnegotiable certificates of deposit shall meet the conditions in either paragraph (a) or paragraph (b):
a. Certificates of deposit shall meet the requirements for deposit under Government Code Section 53635 et. seq. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

b. Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

8.11 **State of California’s Local Agency Investment Fund:** State of California’s Local Agency Investment Fund (LAIF) may be invested in for the benefit of local agencies up to $40 million. For ongoing due diligence, the Director of Finance shall maintain on file a copy of LAIF’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.12 **San Diego County Treasurer’s Pooled Investment Fund:** Deposits in the County pooled investment fund shall be limited to the dollar maximums of the State LAIF. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the County pool’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.13 **Savings/Money Market Accounts:** Savings/Money Market Accounts deposits placed with commercial banks and savings and loans. The amount on deposit shall not exceed the shareholder’s equity in the financial institution. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

8.14 **California Asset Management Program:** Shares in a portfolio of the California Asset Management Program, so long as the portfolio is rated among the top two rating categories by one of the nationally recognized statistical-rating organizations. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the Program’s current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.15 **Money Market Funds:** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three
largest nationally-recognized statistical-rating organizations, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of $500,000,000.

The purchase price of shares shall not include any commission that the companies may charge. The purchase of shares may not exceed 20 percent of SANDAG's surplus money. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the money market fund's current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.16 Mortgage and Asset-Backed Obligations: Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-pass-through certificate, or consumer receivable-backed bond of a maximum of 5 years maturity. Such obligations must be rated Aa/AA or higher by two national rating agencies and the issuer of such obligations must be rated Aa/AA or higher by two of the national rating agencies as well. Purchases of securities authorized by this section may not exceed 20 percent of SANDAG's surplus funds that may be invested pursuant to this section.

8.17 Ineligible Investments: Security types which are thereby prohibited include, but are not restricted to:

(a) Reverse repurchase agreements.

(b) “Complex” derivative securities such as range notes, dual index notes, inverse floating-rate notes, leveraged or deleveraged floating-rate notes, or any other complex variable-rate or structured note.

(c) Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

(d) Securities lending.

In the event that SANDAG possesses ineligible investments purchased prior to the adoption of this policy, SANDAG may hold these investments to their maturity dates. The limitation in this section shall not apply to SANDAG's investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940.

9. Maximum Maturity

9.1 Investment maturities shall be based upon a review of cash flow forecasts. Maturities will be scheduled so as to permit SANDAG to meet all projected obligations.

9.2 The maximum maturity will be no more than five years from purchase date to maturity date.
10. **Performance Standards**

The investment performance of the SANDAG’s portfolio shall be evaluated and compared to appropriate indices in order to assess the success of the investment program. The comparable benchmarks should be consistent with the SANDAG’s portfolio in terms of maturity and composition, which includes credit quality and security type.

11. **Reporting Requirements**

11.1 The Director of Finance shall submit to the Board annually a statement of investment policy, which the Board shall consider at a public meeting.

11.2 A monthly report of all investment transactions shall be submitted to the Board Members.

11.3 Quarterly investment reports shall be submitted to the Board Members. The reports should include information in accordance with Section 56346(b) of the California Government Code.

12. **Safekeeping and Custody**

12.1 All security transactions, including collateral for repurchase agreements, entered into by SANDAG shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian and evidenced by safekeeping receipts.

12.2 The only exception to the foregoing shall be securities purchases made with: (i) local government investment pools; and, (ii) money market mutual funds, since the purchased securities are not deliverable.

Adopted January 2003
Amended November 2004
Amended September 2005
Amended December 2007
RULES OF PROCEDURE FOR BOARD OF DIRECTORS, POLICY ADVISORY COMMITTEES AND OTHER LEGISLATIVE BODIES

This policy is intended to define and clarify Rules of Procedure for the Board and incorporate them in Board policy.

From time to time over the last 30 years the Board has utilized and amended rules of procedure. It is desirable to have these rules contained in Board Policy for ease of reference.

Procedures for the Board and Policy Advisory Committees

1. **Ordinances**

   1.1 Every ordinance shall be signed by the Chair of the Board, or for the comprehensive fare ordinance the Chair of the Transportation Committee, and attested by the Clerk of the Board.

   1.2 Upon the passage of an ordinance, the votes of the Board members or Transportation Committee members, as appropriate, shall be entered in the minutes.

   1.3 Ordinances shall not be passed within five days of their introduction, nor at any meeting other than a regular meeting. An urgency ordinance may, however, be passed immediately upon introduction and either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board or Transportation Committee members present, all ordinances shall be read in full at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

   1.4 The Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board or Transportation Committee to be published at least once in a newspaper of general circulation in the SANDAG’s area of jurisdiction.

   1.5 The publication of an ordinance as required by this policy, may be satisfied by either of the following actions:

      1.5.1 Publication of a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and the Office of General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least
five days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, the Clerk of the Board shall publish a summary of the ordinance or amendment with the names of the Board or Transportation Committee members voting for and against the ordinance or amendment and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those members voting for and against the ordinance or amendment; or

1.5.2 If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board or Transportation Committee so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the SANDAG’s area of jurisdiction shall be published at least five (5) days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and prove information regarding, the adopted ordinance or amendment including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment, and the name of those members voting for and against the ordinance amendment.

1.6 Ordinances and amendments shall take effect thirty (30) days after their final passage. Exceptions to this effective date are: 1. When the ordinance is for the immediate preservation of the public peace, health or safety, and contains a declaration of facts constituting urgency, and is passed by a two-thirds vote of the Board or Transportation Committee, the ordinance or amendment will take effect immediately; and 2. If otherwise provided by law.

2. **Board Policies**

2.1 Board policies shall be reviewed to determine if updates are needed no less often than every three years.

2.2 Once updated, policies shall contain a footer identifying the last date they were modified by the Board.

3. **Public Comment**

3.1 Persons wishing to provide comment or testimony shall be permitted to address the Board or Policy Advisory Committee after submitting a written request to speak, identifying themselves and the agenda item on which they want to be heard. Ordinarily, each speaker will be allowed no more than three minutes. The Chair, however, may extend or limit the time for each presentation or may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony or for other reasons that are in the best interest of the Board or committee in the Chair’s discretion. Testimony must be limited to issues relevant to the agenda item.
3.2 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board or committee. Persons wishing to comment during the general public comment period must submit a written request in advance identifying themselves and the subject matter on which they wish to speak. The Chair may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

4. Standards of Conduct & Ethics Applicable to All of SANDAG’s Legislative Bodies

4.1 This policy shall be supplemental to the SANDAG Conflict of Interest Code and is not intended to supersede such Code or any provisions thereof. All Board and Policy Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including alternates, shall file a Statement of Economic Interests with SANDAG upon request by the SANDAG Office of General Counsel.

4.2 Each Board member and alternate occupies a position of public trust that demands the highest moral and ethical standards of conduct. All references to “Board members” in Section 4 of this Policy shall be read to include all Board and Policy Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including ex officio members and alternates.

4.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent that is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

4.4 Generally, no Board member shall engage in any enterprise or activity that will result in any of the following:

4.4.1 Using the prestige or influence of the Board office for private gain or advantage of the member or another person.

4.4.2 Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.

4.4.3 Receiving or accepting money or other consideration from anyone other than the Board or another government agency for the performance of acts done in the regular course of duty.

4.4.4 Receiving or accepting, directly or indirectly, any gift or favor from anyone doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in their duties or as a reward for official action.

4.4.5 Soliciting any gift or favor in the member’s official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on the member’s duties or decisions, or when the
individual’s position as a Board member would in any way influence the
decision of the person being solicited.

4.5 Prohibited Interests

4.5.1 It is unlawful for any current SANDAG Board member to render a decision where a party to the decision has given the SANDAG Board member, promised to give the SANDAG Board member, or acted as an intermediary for the SANDAG Board member to have, an opportunity for compensation. For purposes of this section, opportunities for compensation provided to a SANDAG Board member include opportunities for compensation provided to the SANDAG Board member’s immediate family. When such an opportunity for compensation is provided to a member of the SANDAG Board member’s immediate family, the SANDAG Board member shall not participate in a decision involving a party to the decision unless the SANDAG Board member had no knowledge or involvement in securing the opportunity for compensation.

4.5.2 It is unlawful for any current SANDAG Board member to make, participate in making, or use his or her Board member position to influence a decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.

4.5.3 It is unlawful for any current SANDAG Board Member to be financially interested in any contract made by them in their Board member capacity. It is also unlawful for any contract to be made by SANDAG or any board or commission established by SANDAG if any individual member of the body has a financial interest in the contract.

4.5.4 Definitions

4.5.4.1 For purposes of the prohibitions set forth in this section, the term “financial interest” means any interest, other than a remote interest as prescribed in California Government Code section 1091 or a noninterest prescribed in California Government Code section 1091.5, that would prevent SANDAG Board members involved from exercising absolute loyalty and undivided allegiance to the best interests of SANDAG.

4.5.4.2 For purposes of this section, “material financial effect” has the same meaning as that term is used in title 2, sections 18705 through 18705.5 of the California Code of Regulations.

4.5.4.3 For purposes of this section, “render a decision” means to take part personally and substantially in the project by rendering a decision, approval, or disapproval; by making a formal written recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.
4.5.4.4 For purposes of this section, "project" means any matter where a private business has made an application to SANDAG for discretionary funding or discretionary entitlements, or where SANDAG exercises discretion to enter into a lease, agreement, or contract with a private business.

4.5.5 Any SANDAG Board Member with a remote financial interest in a prospective contract of SANDAG must disclose the existence of the remote interest to the body of the board in which the SANDAG Board member is a member if that board has any role in creating, negotiating, reviewing, or approving the contract; and the SANDAG Board member must abstain from influencing or participating in the creation, negotiation, review, or approval of the contract.

4.5.6 It is unlawful for any SANDAG Board member to knowingly influence a decision of the SANDAG Board if it is reasonably foreseeable that the decision will have a material financial effect on:

4.5.6.1 the SANDAG Board member or a member of his or her immediate family, if the material financial effect is distinguishable from its effect on the public generally; or any of the following economic interests:

4.5.6.1.1 any business entity in which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.2 any business entity for which a SANDAG Board member or a member of the SANDAG Board member’s immediate family is a director, officer, partner, trustee, employee, or holds any position of management; and

4.5.6.1.3 any real property which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.4 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received (or by whom you have been promised) $500 or more in income within twelve months prior to the decision; and

4.5.6.1.5 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received gifts that total $300 or more within twelve months prior to the decision;

4.5.6.1.6 the personal expenses, income, assets, or liabilities of a SANDAG Board member or a member of SANDAG Board member’s immediate family.
4.5.7 Prohibitions Applicable to Former Board Members

4.5.7.1 It is unlawful for any former SANDAG Board Member who received compensation from SANDAG to render a decision on a particular project during his or her SANDAG service to engage in direct communication with SANDAG, for compensation, with regard to any pending application for discretionary funding or discretionary entitlements before SANDAG relating to that particular project on behalf of any person other than a public agency for a one year period immediately following the last payment from SANDAG to the Board Member.

4.5.7.2 It is unlawful for any former SANDAG Board member, for compensation, to knowingly counsel or assist any person other than a public agency in connection with an appearance or communication in which the former SANDAG Board Member is prohibited from engaging pursuant to subsection 4.5.7.1 for a one year period immediately following termination of service with SANDAG.

4.6 Lobbying and Campaign-Related Activities

4.6.1 It is unlawful for any SANDAG Board Member to engage in campaign-related activities, such as fund-raising, the development of electronic or written materials, or research, for a campaign for any elective office using SANDAG facilities, equipment, supplies, or other SANDAG resources. Nothing in this section, however, shall prohibit the use of SANDAG resources to provide information to the public about the possible effects of any bond issue or other ballot measure relating to SANDAG activities, operations, or policies, provided that:

4.6.1.1 the use of public resources is otherwise legally authorized; and

4.6.1.2 the information provided constitutes a fair and impartial presentation of relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

4.6.2 It is unlawful for any former SANDAG Board Member to engage in direct communication for the purpose of lobbying SANDAG if all of the following circumstances apply:

4.6.2.1 the former SANDAG Board Member served as a SANDAG Board Member within the previous twelve months; and

4.6.2.2 the former SANDAG Board Member received compensation from SANDAG for his or her service as a SANDAG Board Member; and

4.6.2.3 the former SANDAG Board Member is receiving compensation from a private business to engage in the direct communication with SANDAG.
4.6.3 The prohibitions contained in 4.6.2 shall not apply:

4.6.3.1 to prevent a former SANDAG Board Member from making or providing a statement, based on the former SANDAG Board Member’s own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received other than that regularly provided for by law or regulation for witnesses;

4.6.3.2 to prevent any former SANDAG Board Member from representing himself or herself, or any member of his or her immediate family, in their individual capacities, in connection with any matter pending before SANDAG;

4.6.3.3 to the activities of any former SANDAG Board Member who is an elected or appointed officer or employee of any public agency, or a consultant of any public agency, when that former SANDAG Board Member is solely representing that agency in his or her Board Member capacity as an officer, employee, or consultant of the agency;

4.6.3.4 to any ministerial action. A ministerial action is one that does not require a SANDAG Board Member to exercise discretion concerning any outcome or course of action; or

4.6.3.5 to any individual who terminated status as a SANDAG Board Member prior to July 1, 2003, except that any such individual who returns to service as a SANDAG Board Member on or after July 1, 2003, shall thereafter be subject to the provisions of this section.

4.7 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will be making a decision regarding the agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board’s legal counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

4.8 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member must state that he or she has a conflict of interest and shall be disqualified and shall leave the room during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the decision or discussion. In the case of uncertainty, the Board member must request a binding determination from the Board’s legal counsel. In accordance with the Brown Act, any Board member who is disqualified shall be entitled to any information that is publicly reported. The Board member will not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.
4.9 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

4.10 No Board member may disclose confidential or privileged information or communication to any person other than a Board member, counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

4.11 Confidential or privileged information concerning threatened, anticipated, or actual litigation or claims will not be disclosed to a Board member if he or she has an actual, potential, or apparent conflict of interest. In the case of uncertainty as whether a conflict of interest exists, the Board’s legal counsel will issue a binding determination.

4.12 No Board member shall represent a position on an issue to be the Board’s position unless the Board has formally adopted such position at a public meeting.

4.13 Any violation of this policy shall constitute official misconduct if determined as such by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

4.14 All SANDAG Board or committee members (including alternates) who may receive any type of stipend, compensation, salary, or reimbursement for travel expenses from SANDAG must attend at least two hours of ethics training every two years. All such persons who hold office with SANDAG as of January 1, 2006, must complete their first course no later than January 1, 2007. The ethics training course materials must be approved by the Fair Political Practices Commission and Attorney General’s Office in compliance with the requirements of Government Code § 53234 et seq. Proof of attendance may be issued by SANDAG or any other local government agency providing an ethics training course that complies with these requirements.

5. Additional Advisory Membership on Board

5.1 From time to time, the Board may determine it is in SANDAG’s best interest of SANDAG to supplement the Board with additional members that can provide beneficial advice and information to the Board on matters of interest to the region.

5.2 The criteria for selection of additional advisory members shall be as follows:

5.2.1 Agency/group has land use or eminent domain authority;

5.2.2 Agency/group has regional authorities and responsibilities important to the SANDAG’s mission;
5.2.3 Membership by the agency/group would enhance SANDAG’s regional decision-making;

5.2.4 Agency/group desires representation, submits a written request, and commits to participation; and

5.2.5 Agency/group is able to agree on the form of representation and who will represent it.

6. Procedures Applicable to SANDAG Legislative Bodies Other Than the Board and Policy Advisory Committees

The Brown Act is a state law which governs open meetings for local governmental bodies. The Brown Act (also “Act”) is contained in the Government Code at § 54950 et seq., and establishes rules designed to ensure that actions and deliberations of public bodies of local agencies are taken openly and with public access and input. The Brown Act governs the meetings of all local “legislative bodies,” that is, all multi-member committees and the like, of a local governmental agency such as SANDAG. Bodies created by ordinance, resolution, or formal action of the SANDAG Board or one of the Policy Advisory Committees are covered by the Act.

6.1 All of the SANDAG legislative bodies are required to comply with the requirements of the Act, including but not limited to the following:

6.1.1 Agendas for all regular meetings must be posted at least 72 hours in advance of the meeting and all meetings must be open to the public.

6.1.2 The Act applies whenever a majority of the voting members of the legislative body meet to discuss, deliberate or acquire information about a matter within the subject matter of the body.

6.1.3 A public comment period must be provided at each meeting.

6.1.3 The Act prohibits “serial meetings.” Serial meetings are a series of in-person meetings, phone calls, emails, or other types of communication that ultimately involve a majority of the legislative body to develop a consensus as to action to be taken on a matter coming before the body. This prohibition is based on the Act’s goal to ensure that the public’s business is in fact conducted in public. In addition, a third party cannot be used to communicate among the members to obtain a consensus; an intermediary cannot be used to accomplish the actions directly prohibited by the Act.

6.1.4 Secret ballots and anonymous voting are prohibited.

6.1.5 An attendance, registration, or sign-in sheet may be used at public meetings to document the presence of persons other than the members of the legislative body, however, the sheet must clearly state that its completion is voluntary and not a precondition for attendance.
6.1.6 Meetings may not be held in facilities that are inaccessible to disabled persons or in facilities that prohibit the admittance of any persons on the basis of race, religious creed, color, national origin, ancestry or sex.

6.1.7 Meetings must be held within the County of San Diego, unless some exception under the Act applies. Questions regarding the applicability of the Act should be directed to the SANDAG Office of General Counsel.

6.1.8 The agenda must list all items that will be discussed or acted upon by the legislative body. That listing should be described in an informative way so that members of the body as well as members of the public understand the general nature of the agenda item and can make an informed decision whether to attend the meeting or not. The Act provides that this description need not exceed 20 words, but as many words as necessary to give adequate notice should be used.

6.1.9 Members may take action to add an item to the agenda of a regular meeting if, by two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, the body determines that there is a need to act immediately, that the body's consideration of the matter cannot await the next meeting and that the need for immediate action arose after the posting of the agenda. This should only occur in very rare occasions, and the SANDAG Office of General Counsel should be consulted before relying on this exception.

6.2 In addition to the requirements of the Act, SANDAG legislative bodies must also comply with the following requirements:

6.2.1 Only the regular members, or in their absence, a designated alternate, may vote on action items. Seating or placards at meetings should be arranged so that it is clear which persons in the room are voting members, as compared to nonvoting members, alternates, speakers, or members of the public. Nonvoting members and alternates in attendance may participate in the body’s discussion, but may not vote.

6.2.2 The members of a legislative body may only designate an alternate if their service on the legislative body is based on their capacity as a representative of another group; members selected for their individual qualifications do not act as a representative of another group and may not designate an alternate.

6.2.3 A quorum shall be a majority of the voting members of a legislative body. A majority of the quorum must approve all actions taken by the legislative body.

6.2.3 Unless otherwise provided by the Board or Policy Advisory Committee, each legislative body should select a chair and vice chair by a vote of the majority of a quorum on an annual basis.
6.2.4 Roberts Rules of Order should be used by legislative bodies for guidance on procedural matters such as the making of motions and voting.

6.2.5 The chair of a legislative body may direct that comments from the public shall be limited to no more than three minutes per person. Comments from the public should be requested following introduction of each agenda item. Efforts should be made to make it clear to the members of the legislative body and audience when a comment is being made by a member of the public versus a member of the legislative body.

6.2.6 In the event a legislative body is having difficulty taking action on items due to lack of attendance to create a quorum, the legislative body may make a recommendation regarding changes to membership and seek approval of these recommendations from the Board or Policy Advisory Committee that created the legislative body.

6.3 The scope of topics within the jurisdiction of the legislative shall be limited to those issues delegated to the legislative body by the Board or relevant Policy Advisory Committee.

6.4 Legislative bodies created by the Board or a Policy Advisory Committee do not have authority to take action on behalf of SANDAG, make a final determination on behalf of SANDAG, and/or take a position on behalf of SANDAG.

6.5 The SANDAG Committee and Working Group Guidelines should be used for additional guidance.

6.6 New committees shall not be created by SANDAG staff without approval of either (1) the Board, (2) a Policy Advisory Committee, or (3) the Executive Director with the concurrence of the Chair of the Board. A Policy Advisory Committee or the Board must approve all charter or membership changes for committees that are created by ordinance, resolution, or formal action of the Board or one of the Policy Advisory Committees. An informational report shall be provided to the Board on an annual basis concerning the status of all standing and ad hoc committees and working groups.

6.7 Upon assuming office, the Chair of Board shall be provided with a list of all of the SANDAG’s legislative bodies that are not Policy Advisory Committees and the Chairs and Vice Chairs of those bodies. The Chair shall determine if a new Chair and/or Vice Chair should be appointed for these bodies and shall report any changes he/she wishes to make at a Board meeting. When making decisions concerning the Chair and Vice Chair appointments to legislative bodies, the potential appointee’s participation at the Policy Advisory Committee reported to by the legislative body shall be taken into consideration.

Adopted June 2003
Amended November 2004
Amended January 2006
Amended December 2006
Amended December 2007
PROCUREMENT OF SERVICES

Pursuant to Public Utilities Code section 132352.4, the following statutory requirements apply to procurements of services. If the estimated total cost of required services exceeds one hundred thousand dollars ($100,000), the services will not be performed by another government entity, and the services are not within the category of services defined in Section 4525 of the Government Code, SANDAG must solicit bids in writing and award the work in a competitive procurement process that is in the best interest of SANDAG. Services defined in Section 4525 include: architectural, landscape architectural, engineering, environmental, land surveying services, and construction project management services, as those terms are defined in Government Code section 4525 (hereinafter "Section 4525 Services"). If Section 4525 Services with a contract value in excess of $50,000 must be procured or the contract will be funded with federal money SANDAG will make the procurement pursuant to the provisions of Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code. SANDAG must use the procedures of the Brooks Act if federal funds are used and the services are architectural or engineering in nature (hereinafter "A&E Services"). Contracts that do not exceed these statutory limitations may be procured using simplified procedures. All references to the Executive Director in this policy also apply to the Executive Director's designee.

Procedures

1. Micro ServicePurchase Agreements ($2,500 or less). These procedures apply to the procurement of all services excluding Section 4525 Services funded with federal money.

   1.1 For purchases below $2,500 a micro purchase procurement method may be used. A micro purchase is a non-competitive purchase technique; however, the price of the item must still be fair and reasonable.

   1.2 There should be equitable distribution among qualified service providers in the local area and no splitting of procurements to avoid competition.

   1.3 A bid is only required from the vendor of choice and a purchase order, invoice, or simple letter agreement may be used instead of the standard services agreements.

2. Minor ServiceSmall Purchase Agreements ($2,501 - $100,000). These procedures apply to the procurement of all services excluding Section 4525 Services funded with federal money.

   2.1 If the estimated value of the contract is $100,000 or less, staff may select a qualified proposer whose proposal is most advantageous to the Board, price and all other factors considered, with the approval of their division director or department director.

   2.2 The Executive Director shall determine the selection procedure for contracts valued between $102,501,001 and $100,000 to distribute work in a fair and equitable manner. Prior approval of the selection procedure shall be obtained from the
applicable level of management. An informal competitive process shall be followed with price, or rate quotations or best value obtained from an adequate number of qualified sources to ensure that SANDAG is obtaining a fair and reasonable price. The informal competitive process must be documented by staff. In obtaining price or rate quotations, a scope of work shall be developed and supplied to all bidders.

3. Major Service Agreements ($100,001 and greater). These procedures apply to the procurement of all services, except Section 4525 Services, of $100,001 or more and including procurement of Section 4525 Services in excess of $2,501.

3.1 Normally, a "one-step" selection procedure will be used for service contracts in excess of $100,000. The "one-step" competitive process is as follows:

3.1.1 Firms shall submit a response to a SANDAG Request for Proposals (RFP) or Request for Qualifications (RFQ). The RFP/RFQ shall include:

3.1.1.1 Pass/fail criteria to be used as an initial screening of responses. Such criteria shall include, but not be limited to, insurance requirements, licensing, and any other consideration which would make the proposer ineligible to perform the work.

3.1.1.2 All evaluation factors and their relative importance.

3.1.1.3 The standard contract language that the successful proposer will be required to comply with, including applicable federal clauses and certifications.

3.1.2 Notice of the professional services required shall be published at least once in a newspaper of general circulation in San Diego County and in community newspapers, as appropriate, at least three weeks before the proposal due date. For federally funded projects, notice shall also be published in one or more Disadvantaged Business Enterprises (DBE)/Small business directed-certified newspapers and in such other minority or community newspapers as appropriate in San Diego County, at least three weeks before the proposal due date. The notice shall state that the SANDAG Board is interested in receiving responses from qualified firms, and indicate how additional information can be obtained, and the time and place for receiving responses.

3.1.3 Notice shall also be sent to firms or individuals previously known to be interested in providing the required services, including small and emerging businesses on SANDAG’s various interested party lists, and to appropriate DBE firms or individuals listed in the SANDAG DBE Directory (for federal procurements)/vendor database and the California Unified Certification Program (CUCP), Database.

3.1.4 Responses to an RFP/RFQ shall list all proposed subconsultants and subcontractors, their area of the work, and identify which of them are certified DBEs.
3.1.5 Responses to an RFP/RFQ shall include a detailed cost estimate.

3.1.5.1 For Section 4525 Services, separately bound or sealed cost proposals shall be submitted as part of the process and shall not be opened until after the evaluation committee has ranked the proposers. Cost proposals shall be excluded as an evaluation factor and will only be used by the Executive Director, or his/her designee, when negotiating within the prescribed budget, except as provided in 3.1.8 below.

3.1.5.2 For all other services, the cost proposal shall be submitted along with the technical proposal and will be used as an evaluation factor by the evaluation committee.

3.1.6 The responses shall be evaluated by an evaluation committee. The evaluation committee should consist of SANDAG staff and at least one person from outside the agency.

3.2 The top-ranked firm(s) shall then be interviewed, if deemed necessary. The final list of qualified firms shall be based on the response to the RFP/RFQ, references, the interview, and other relevant factors. The project manager will summarize the findings of the evaluation committee in a recommendation memo to the Executive Director. The memo shall include the evaluation committee’s recommendation for negotiations with one or more firms in the competitive range.

3.2.1 The Executive Director will approve or reject the recommendation based upon information provided by the evaluation committee, and other factors as deemed appropriate, including, but not limited to, qualifications, ability to meet schedule and budget, cost of work, meeting insurance requirements, and DBE participation if the program is considered race conscious (for federally funded projects). The Executive Director may also interview one or more of the firms prior to making a selection.

3.2.2 Approval by the Executive Director of the recommendation shall be deemed approval to enter into negotiations with one or more firms in the competitive range.

3.2.2.1 For contracts for Section 4525 Services, the separately submitted cost proposal shall be used as a basis for negotiation. Negotiations will be conducted by the Executive Director, or his/her designee, and can include factors other than cost, such as staffing levels, project schedule, etc. Should negotiations fail, the Executive Director, or his/her designee, will enter into negotiations with the next ranked firm. Once negotiations are complete, a contract incorporating the negotiated terms and conditions will be prepared for the approval of the Executive Director or his/her designee. Only the cost proposal of the firm in negotiations shall be opened. At the end of the process, all unopened cost proposals shall be returned or disposed of or returned, unopened, to the respective companies via certified mail. Alternatively, companies may, at their option, arrange to pick up
For all other service contracts, the cost proposals from the firm(s) in the competitive range shall be used as a basis for negotiation. Negotiations will be conducted by the Executive Director or his/her designee, and can include factors other than cost, such as staffing levels, project schedule, etc. If negotiations are only conducted with one firm and those negotiations fail, staff will enter into negotiations with the next ranked firm. If negotiations are conducted with more than one firm in the competitive range, then staff may attempt to obtain the most favorable terms by negotiating with all of the firms. Once negotiations are complete, a contract incorporating the negotiated terms and conditions will be prepared for the approval of the Executive Director or his/her designee.

For those services that are able to be defined with a very explicit scope of work containing detailed, straight-forward specifications that will allow consistent responses (i.e., freeway vanpool, freeway service patrol services, service patrol contracts), proposers will be considered qualified or not qualified based on predetermined criteria. Cost proposals will then be opened for those proposers considered qualified and the consultant with the lowest bid will be awarded the contract. The department directors will determine whether the nature of any of the services within their purview lend themselves to using this low bid procedure.

If desired, a “two-step” selection process may be followed, as follows:

3.4.1 Letters of Interest/Statements of Qualifications (LOIs/SOQs) shall be solicited from the current SANDAG consultant list for the particular services specialty.

3.4.2 Notice of the professional services required shall be published at least once in a newspaper of general circulation in San Diego County and in one or more DBE/Small business directed newspapers and in such other minority or community newspapers as appropriate in San Diego County, at least three weeks before the proposal due date. The notice shall state that the Board is interested in receiving LOIs/SOQs from qualified firms, and indicate how additional information can be obtained, and the time and place for receiving responses.

3.4.3 Requests for LOIs/SOQs may be sent to firms or individuals previously known to be interested in or capable of providing the required services. Reasonable effort shall be made to send requests to minority firms known to be capable of providing the required services.

3.4.3 “Pass/fail” criteria will be established by staff and clearly stated in the LOI/SOQ to be used as a screening of responses. Such criteria shall include, but not be limited to: adherence to project budget, insurance requirements, and DBE participation.
3.4.4 An evaluation committee will be formed, which should consist of SANDAG staff and at least one person from outside the agency.

3.4.5 The evaluation committee will evaluate the SOQs and the project manager will prepare a memo to the Executive Director summarizing the evaluation committee’s findings and recommending one or more qualified firms to be invited to receive an RFP. Following approval by the Executive Director, staff shall then issue an RFP to the qualified firm(s). The RFP shall include all evaluation factors and their relative importance and the contract that the successful proposer will be expected to execute (including all applicable federal clauses and certifications).

3.4.6 From this point, the steps above for a one-step procurement should be followed.

4. Compliance with Brooks Act Provisions for Federally Funded Contracts. If federal funds are used and the services are A&E in nature, SANDAG shall comply with the provisions of the Brooks Act.

5. Non-Competitive Procurements - Sole Source (More than $2,500)

5.1 Also known as sole source acquisitions, these shall only be permitted when the conditions below are met.

5.2 When the acquisition will be paid for in whole or in part by federal funds, one of the following conditions must be met:

5.2.1 There is an urgent need for the service due to an emergency or some other exigency that will not permit a delay resulting from competitive solicitation. Examples of such need include a danger to the public or loss of use of a transportation facility used by the public.

5.2.2 Staff solicited competitive bids and was unable to obtain a responsive bid from a responsible bidder.

5.2.3 The grantor agency providing funds for the project has approved sole source acquisition.

5.2.4 The service is only available from a single source.

5.3 When there are no federal funds involved one of the following additional factors may be utilized to justify a sole source acquisition:

5.3.1 There is only one consultant capable of providing the services because the services are unique or highly specialized.

5.3.2 The services should be purchased from a particular consultant in the interest of economy or efficiency as a logical follow-on to services already in progress under a competitively awarded contract.
5.3.3 The cost to prepare for a competitive procurement exceeds the cost of the services.

5.3.4 The services are essential to maintain research or operational continuity.

5.3.5 The service is one with which staff members who will use the deliverables have specialized training and/or expertise and retraining would incur substantial cost in time and/or money.

6. General Conditions

6.1 In the event that circumstances dictate other than the processes indicated above for procurements that will exceed $100,000, prior Board concurrence shall be obtained following submittal of a written statement by staff setting forth the reasons for not pursuing all or part of any of the processes.

6.2 Where proposals received are deemed inadequate by the Executive Director, the Board may authorize a negotiated contract with a recommended firm based on a newly approved scope of services, performance schedule, and/or instructions and conditions.

6.3 The Executive Director is not required to make a contract award if he/she determines that the proposals received or contract terms negotiated by SANDAG staff are not in the SANDAG’s best interests of SANDAG.

6.4 The Executive Director may approve contract amendments that exceed the project budget totaling up to $100,000 that are necessary to complete the contract services, as originally contemplated subject to the limitations set forth in Section 12.2 of this policy. The Board will be notified of all such amendments. Contract amendments that will cause the project budget to be exceeded by more than more than 25% over the original contract amount and/or with $100,000 or those contemplating a significant change in the original scope of services must be processed in accordance with the SANDAG procurement manual and policies.

6.5 For purchases involving no federal funds and not exceeding $50,000 for A&E services and $100,000 for non A&E, a purchase order may be used. For purchases in excess of $2,500 involving federal funds, all applicable federal requirements and certifications must be attached to the purchase order or contract. For purchases that exceed $50,000 for A&E services and $100,000 for non A&E, a contract must be used in order to ensure provisions are included to protect the interests of SANDAG.

6.6 The Board’s Equal Employment Opportunity Program will be incorporated by reference in all services contracts. The Board’s Disadvantaged Business Enterprise (DBE) Program shall be incorporated by reference in all services contracts that are federally funded. DBEs shall have every possible opportunity to participate in the procurement of services as set forth in the Board’s DBE program.
7. **Conflicts of Interest**

7.1 A consultant is eligible for award of service contracts by SANDAG so long as the contract in question does not create an actual, potential, or apparent conflict of interest. A prohibited conflict of interest exists when a firm is or may be unable to render impartial, objective assistance or advice to SANDAG or where a firm would receive an unfair competitive advantage. Prohibited conflicts of interest include, but are not limited to, the following situations:

7.1.1 Any firm that provides design services to SANDAG for a design-bid-build project will be ineligible for award of a construction contract to construct the improvements, which are the subject of the design services.

7.1.2 Any firm, except for General design/Engineering Consultants, for a design-bid-build project that provides design services to SANDAG will be ineligible for award of any contract to provide construction management services resulting from the specific project for which design services were provided.

7.1.3 Any General design/Engineering Consultant for a project is eligible for award of a contract to provide the following general construction management services for that project so long as a SANDAG employee will oversee the project and make all final decisions and approvals: Office Engineer, Assistant Resident Engineer, Inspector, and Administrative/Clerical Assistant. General design/engineering consultants for a project are not eligible for award of a contract to provide the following construction management services for that project: Project Manager and Resident Engineer.

7.1.4 Any firm that provides construction management services to SANDAG for a design-bid-build project will be ineligible for award of a construction contract for which construction management services were or will be provided.

7.1.5 SANDAG shall not contract with, and will reject any bid or proposal submitted by, the following persons or entities, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

7.1.5.1 Persons employed by SANDAG;

7.1.5.2 Profit-making firms or businesses in which SANDAG employees serve as officers, principals, partners or major shareholders;

7.1.5.3 Persons who, within the immediately preceding twelve (12) months, were employed by SANDAG and (1) were employed in positions of substantial responsibility in the area of service to be performed by the contract, or (2) participated in any way in developing the contract or its service specifications; or
7.1.5.4 Profit-making firms or businesses in which the former employees described in subsection 7.1.5.3 serve as officers, principals, partners or major shareholders.

7.2 General consultants or subconsultant firms may provide services on other SANDAG projects. A consultant shall not, however, participate in the review and analysis of, or render opinions regarding, its work performed on other SANDAG projects or as limited in this section. Unless otherwise defined by the Executive Director, a general consultant is a consultant whose procurement is typically for a two-year period with an option for one or more one-year option extensions to provide services as needed for various assigned projects from time to time on a work order or task order basis, rather than for one specific predefined project. General consultants support SANDAG staff in managing other SANDAG consultants. General consultants are prime consultants to SANDAG. Subconsultants to general consultants are not classified as general consultants. General consultant procurements are identified as such during the RFP process.

7.3 A Notice of Potential for Conflict of Interest shall be included within any RFP for services issued by SANDAG. The Notice shall be the policy of the Board as listed herein. Any major service agreement issued in accordance with this policy shall include or make reference to the policy listed herein.

7.4 A “firm” shall be defined as any company or family of companies where there is a single parent board of directors or staff of officers who can influence the policies and actions of the design company, construction management company, and the construction company.

7.5 “Ineligible” firms shall include the prime consultant for the services, subcontractors for portions of the services, and affiliates of either. An affiliate is a firm that is subject to the control of the same persons through joint ownership or otherwise.

7.6 If there is any doubt by a firm regarding a potential conflict of interest for a specific project or function, the appropriate member of management staff, depending on type of project, will, upon written request, provide a written ruling. This procedure is encouraged prior to submittal of proposals or bids. In the event a conflict of interest is determined to exist, a written appeal may be made by the affected firm to the Executive Director within five calendar days of notice from SANDAG the conflict. The Executive Director shall determine the adequacy of the appeal and make a subsequent final decision. No further appeal shall be considered.

7.7 The Executive Committee shall review and, if appropriate, waive any actual or apparent conflict of interest that may exist or arise as a result of concurrent legal representation of SANDAG and parties whose interests may conflict.

7.8 SANDAG staff and third parties with whom SANDAG does business shall comply with SANDAG’s administrative policies concerning Standard of Conduct and all relevant Board Policies.
8. Protests to Solicitation, Bid, or Award

8.1 SANDAG shall include in all contracts a procedure to be followed by interested parties who wish to protest a specification or procedure. The procedure shall include the following:

8.1.1 A requirement that protest submittals shall be in writing, be specific to the specification being protested, state the grounds for protest, and include all documentation needed to enable SANDAG to reach a decision.

8.1.2 A statement that the protest shall be submitted within clearly defined time limits prior to receiving proposals or opening bids or prior to award of contracts.

8.1.3 A statement specifying the review and determination process by SANDAG, including time limits for response.

8.1.4 Requirements for submittal of a protest reconsideration.

8.1.5 A statement that the initial protest will be reviewed by a protest review committee and that protest reconsiderations will be reviewed by the Executive Director.

9. Procedure for Consultants with Claims Against SANDAG on Service Contracts

9.1 On all SANDAG services contracts estimated to cost more than $50,000, a section shall be included in the contract provisions that specifies how a consultant should file a "Notice of Potential Claim" and the procedures for review and disposition thereof.

9.2 Written notice of the potential claim must be given to the project manager prior to the time the consultant shall have performed the work giving rise to the potential claim, if based upon an act or failure to act of the project manager; or in all other cases, within 15 calendar days of the happening of the event, thing or occurrence giving rise to the potential claim.

9.3 It is the intention of this requirement that differences between the parties arising under and by virtue of the contract be brought to the attention of the project manager at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The consultant shall agree to have no right to additional compensation for any claim that may be based on any such act, failure to act, event, thing or occurrence for which no written notice of potential claim as herein required was filed. A claim must be presented and acted upon as a prerequisite to suit thereon.

9.4 If a consultant files an appropriate "Notice of Potential Claim," the administrative procedure shall be as follows:

9.4.1 SANDAG staff shall respond in writing within 25 calendar days with an appropriate decision. It is expected that SANDAG staff shall investigate the
area of claim thoroughly and shall issue a decision that is fair to all parties. It is further expected that every effort will be made to resolve the claim at the job level.

9.4.2 If it appears to staff that the claim cannot be settled, the project manager and contracts staff shall, as soon as practicable, forward the details of the claim to the Executive Director and shall so notify the consultant of the action.

9.4.3 The Executive Director shall direct the appropriate department director to obtain all pertinent information, including any oral or written presentation, concerning the claim the consultant might wish to present. The department director shall provide all information to the Executive Director, including any recommendations.

9.4.4 The Executive Director shall report a final decision in writing to the consultant. The written decision shall notify the consultant that this action completes the consultant's administrative remedies and any further dispute would have to be resolved by either a nonbinding Dispute Resolution Board or arbitration if provided for in the provisions of the contract and agreed to by both parties, or litigation.

9.4.5 The final recommendation of the Dispute Resolution Board or arbitration shall be presented to the Executive Director for approval before going to the Board for action.

9.4.6 Any claim disputes not resolved by the Executive Director shall be reported to the Board at one of the Board's regular meetings.

9.5 If a contract amendment proposed for the settlement of a claim causes a budget impact over $100,000, the amendment must be sent to the Board for approval.

9.6 Federal Transit Administration review and concurrence may be required for claim settlements that exceed $100,000 if federal funds are involved.

9.7 A list of all outstanding claims exceeding $100,000 which involve the use of federal funds shall be included in the federal grants quarterly report.

10. Debarment Procedures for Service Contracts

10.1 In addition to all other remedies permitted by law, SANDAG may, upon advice of the Executive Director and Office of General Counsel, by resolution declare a proposer or consultant ineligible to bid on SANDAG contracts for a period not to exceed three years for any of the following grounds:

10.1.1 unjustified failure or refusal to timely provide or properly execute contract documents;

10.1.2 unsatisfactory performance of contract;
10.1.3 excessive and/or unreasonable claims while performing work for SANDAG;

10.1.4 two or more occasions within a two year period of failure to submit bond or insurance documents acceptable to SANDAG in the time periods required;

10.1.5 unjustified refusal to properly perform or complete contract work or warranty performance;

10.1.6 unjustified failure to honor or observe contractual obligations or legal requirements pertaining to the contract;

10.1.7 conviction under a state or federal statute or municipal ordinance for fraud, bribery, theft, falsification or destruction of records, receiving stolen property or of any other similar crime;

10.1.8 any offense or action which indicates a lack of business integrity and which could directly affect the reliability and credibility of performance of the consultant on future contracts with SANDAG;

10.1.9 any debarment of the consultant by another governmental agency; and

10.1.10 two or more claims of computational, clerical, or other error in cost proposal submission within a two-year period.

10.2 SANDAG may permanently debar a firm for a conviction under federal or state antitrust statutes involving public contracts or the submission of bid proposals, for any corrupt practices involving the administration or award of a contract with SANDAG, or permanent debarment of the bidder or consultant by another governmental agency, as permitted by law.

10.3 The proposer or consultant shall be provided notice and an opportunity to present evidence and show cause before the Board why such ineligibility should not be declared after the Executive Director has established a factual basis for debarment.

10.4 A consultant’s debarment shall be effective amongst SANDAG and any of its subsidiary entities. Debarment prohibits SANDAG and subsidiary entities from executing contracts with the debarred consultant.

10.5 Debarment constitutes debarment of all divisions or other organizational elements of the consultant, unless the development decision is limited by its terms to specific divisions, organizational elements, or commodities. The debarment decision may be extended to include any affiliate of the consultant if the affiliate is (1) specifically named, and (2) given written notice of the proposed debarment and an opportunity to respond.

10.6 Notwithstanding the debarment of the consultant, the Board may continue contracts in existence at the time the consultant is debarred, unless the Board directs otherwise, after receiving advice from the Executive Director or his or her designee as to the effects of termination of an existing agreement.
11. Contract Administration and Consultant Assurances

11.1 SANDAG consultants must meet all applicable laws concerning labor law, labor rates, EEO and licenses.

11.2 SANDAG shall ensure that all services requiring a licensed consultant shall be performed by licensed consultants.

11.3 Consultants will be responsible for complying with the provisions of the Fair Labor Standards Act of 1938 as amended.

11.4 Consultants must provide the minimum scope of insurance as stipulated in the contract.

11.5 Consultants shall be required to provide Workers' Compensation Insurance to their employees in accordance with the provisions of Section 3700 of the Labor Code. Prior to commencement of work, the consultant shall sign and file a certificate of compliance to SANDAG.

11.6 The SANDAG requirements for consultant labor compliance shall be guided by the California Labor Code and the “Labor Compliance” section of the California Department of Transportation's Construction Manual.

11.7 Consultants shall comply with the EEO requirements set forth by Title VI of the 1964 Civil Rights Act on any project where federal funds are included, and any other requirements established by the Federal Transit Administration.

11.8 Consultants shall comply with Sections 1431 and 1735 of the Labor Code and Sections 300 and 317 through 323 of Title 8 of the California Administrative Code, which prohibits labor discrimination and requires the consultant to submit an Equal Opportunity Program and certification fee to the Fair Employment Practice Commission for contracts over $200,000.

12. Amendments to Service Contracts

12.1 All contracts may be amended by a suitable amendment processed in accordance with SANDAG's procurements manual and policies.

12.2 The Executive Committee or Transportation Committee or, if not practical, the Chairperson of the Board or either Vice Chairperson in the absence of the Chairperson, are hereby authorized to approve amendments that will cause the project budget to be changed in an amount exceeding $100,000 when waiting for Board approval could potentially delay a project or increase the cost of the change. Approval of such items by the Chairperson or a Vice Chairperson is not the preferred practice and should only be used if a regular or special meeting of an authorized legislative body is infeasible or impractical. In such an instance, the Executive Director shall notify the Board of the Committee's action or Chairperson/Vice Chairperson’s action at the next regular Board meeting.
12.3 All amendments that impact or potentially impact Board-adopted policies shall be brought before the Board for decision.

12.4 All amendments which utilize federal funds shall conform to the Code of Federal Regulations, Volume 49, Part 18 and Federal Transit Administration Circular 4220.1 E and any successors thereof that are applicable by law.

Adopted October 2003
Amended November 2004
Amended December 2006
Amended December 2007
PROCUREMENT AND CONTRACTING – EQUIPMENT & SUPPLIES

Purpose

To establish procedures for acquiring supplies, equipment, and materials.

Background

When purchasing equipment, supplies, and materials, SANDAG staff is required to use a competitive procurement process. Pursuant to Public Utilities Code section 132352.4(5), SANDAG is required to select the lowest responsible bidder meeting specifications for awards of $50,000 or more, not including sales tax. This section also states two exceptions to this requirement. First, if an article of a specified brand or trade name is the only article that will properly meet the needs of SANDAG, competitive procurement is not required. Second, the Board may approve a purchase of equipment, supplies, or materials that exceeds $50,000 without utilizing competitive procurement methods if it is in the best interest of SANDAG to do so. All references to the Executive Director in this policy also apply to the Executive Director’s designee.

Policy

1. Supplies, equipment, and materials not otherwise provided for in a contract for construction or services, and estimated to cost more than $50,000, shall be listed separately in the budget or otherwise provided for by Board action or Executive Director approval before suppliers are asked to submit any binding offers.

2. For purchases involving no federal funds and not exceeding $50,000, a purchase order may be used. For purchases in excess of $2,500 involving federal funds, all applicable federal requirements and certifications must be attached to the purchase order or contract. For purchases that exceed $50,000, a purchase order or a contract must be used in order to ensure provisions are included to protect SANDAG’s interests.

3. Sole source acquisition shall only be permitted when the conditions below are met.

3.1 When the acquisition will be paid for in whole or in part by federal funds one of the following conditions must be met:

3.1.1 There is an urgent need for the articles due to an emergency or some other exigency that will not permit a delay resulting from competitive solicitation. Examples of such need include a danger to the public or loss of use of a transportation facility used by the public.

3.1.2 Staff solicited competitive bids and was unable to obtain a responsive bid from a responsible bidder.
3.1.3 The grantor agency providing funds for the project has approved sole source acquisition.

3.1.4 The item is only available from a single source.

3.1.5 The item is an associated capital maintenance item as defined in 49 U.S.C. § 5307 (a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced. Written certification must first be provided to the federal funding agency stating that such manufacturer or supplier is the only source for such item, and that the price of such item is no higher than the price paid for such item by like customers. A cost analysis verifying the proposed cost data, the projections of the data, and evaluation of the specific elements of costs and profit, is required.

3.2 When there are no federal funds involved the following additional factors may make sole source acquisition within the best interest of SANDAG. Therefore, a sole source for these types of procurements may be permitted when one of the conditions in this section (3.2) or section 3.1 is met:

3.2.1 There is only one vendor capable of providing the item because the item is unique or highly specialized.

3.2.2 The item should be purchased from a particular vendor in the interest of economy or efficiency as a logical follow-on to an order already issued under a competitively awarded contract.

3.2.3 The cost to prepare for a competitive procurement exceeds the cost of the item.

3.2.4 The item is an integral repair part or accessory compatible with existing equipment.

3.2.5 The item is essential in maintaining research or operational continuity.

3.2.6 The item is one with which staff members who will use the item have specialized training and/or expertise and retraining would incur substantial cost in time and/or money.

3.2.7 The procurement is of the type that may be made as a sole source procurement pursuant to the Public Contracts Code.

4. For purchases below $2,500 a micro purchase procurement method may be used. A micro purchase is a non-competitive purchase technique, however, the price of the item must still be fair and reasonable. There should be equitable distribution among qualified suppliers in the local area and no splitting of procurements to avoid competition. A bid is only required from the vendor of choice and no contract is required.

5. For purchases between $2,500 and $50,000, a simplified competitive procurement method may be used:
5.1. Staff shall obtain written bids or document oral bids from at least three suppliers in a manner that permits prices and other terms to be compared.

5.2 Staff shall recommend the supplier that will provide the best value to SANDAG, taking into account the possible range of competing product and materials available, fitness of purpose, manufacturer's warranty, and other similar factors in addition to price.

5.3 Staff shall obtain approval as required in the administrative delegation of authority policy and the small procurement procedures for use of the recommended supplier. From a division or department director if the purchase will be under $10,000 and from the Executive Director if it is between $10,000 and $49,999.

6. For purchases of $50,000 or more, an invitation for bids (IFB) shall be issued and the award will be made to lowest responsible bidder submitting a responsive bid:

6.1 The IFB will be posted on the SANDAG Web site. In addition, notice of the IFB will be sent to suppliers previously known to be interested in providing the needed article(s).

6.2 Notice of the IFB will be published in at least one newspaper of general circulation in San Diego County. The IFB may also be published in one or more Disadvantaged Business Enterprise (DBE)/Small business directed newspapers and in such other minority or community newspapers and business trade publications as appropriate at least two weeks before the bid opening date. The notice shall state that SANDAG is interested in receiving bids from qualified firms, and indicate how additional information can be obtained, the date, location and time for receiving and opening the sealed bids. For federally funded projects, the IFB must also be published in one or more Disadvantaged Business Enterprise-certified publications.

7. For purchases of $50,000 or more that are better suited for a Request for Proposals (RFP) (negotiated purchase) or purchase on the open market, instead of an IFB (low bidder), approval may be sought from the Contracts Compliance Specialist to utilize a different procurement process. An alternate procurement process to the IFB may be in the SANDAG's best interest if the SANDAG's best interest of SANDAG in the following example situations:

7.1 The purchase may be made at a lower price on the open market.

7.2 Competitive bidding is an inadequate method of procurement because it is necessary to purchase prototype equipment or modifications in order to conduct and evaluate operational testing.

7.3 The article(s) to be procured is undergoing rapid technological changes and it is in the public's interest to issue an RFP so that the broadest possible range of competing product and materials available, fitness of purpose, manufacturer's warranty, and other similar factors in addition to price, can be taken into consideration.
8. If staff seeks authorization to utilize an alternate procurement process under section 7, documentation setting forth the reasons a deviation from the typical competitive bidding process is warranted, and a technical evaluation of the articles, prices, and suppliers shall be placed in the contract folder submitted in the requisition packet.

9. **Conflicts of Interest**

9.1 SANDAG shall not contract with, and will reject any bid or proposal submitted by, the following persons or entities, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

9.1.1 Persons employed by SANDAG;

9.2.9.1.2 Profit-making firms or businesses in which SANDAG employees serve as officers, principals, partners or major shareholders;

9.3.9.1.3 Persons who, within the immediately preceding twelve (12) months, were employed by SANDAG and (1) were employed in positions of substantial responsibility in the area of service to be performed by the contract, or (2) participated in any way in developing the contract or its service specifications; or

9.4.9.1.4 Profit-making firms or businesses in which the former employees described in subsection 9.1.3 serve as officers, principals, partners or major shareholders.

9.2 SANDAG staff and third parties with whom SANDAG does business shall comply with SANDAG’s administrative policies concerning Standard of Conduct and all relevant Board Policies.

9.3 A Notice of Potential for Conflict of Interest shall be included when relevant in any procurement issued by SANDAG. The Notice shall be the policy of the Board as listed herein. Any agreement issued in accordance with this policy shall include or make reference to the policy listed herein.

9.4 A “firm” shall be defined as any company or family of companies where there is a single parent board of directors or staff of officers who can influence the policies and actions of the design company, construction management company, and the construction company.

9.5 “Ineligible” firms shall include the prime consultant for the services, subcontractors for portions of the services, and affiliates of either. An affiliate is a firm that is subject to the control of the same persons through joint ownership or otherwise.

9.6 If there is any doubt by a firm regarding a potential conflict of interest for a specific project or function, the appropriate member of management staff, depending on type of project, will, upon written request, provide a written ruling. This procedure is encouraged prior to submittal of proposals or bids. In the event a conflict of interest is determined to exist, a written appeal may be made by the affected firm to the Executive Director within five calendar days of notice from SANDAG the
conflict. The Executive Director shall determine the adequacy of the appeal and make a subsequent final decision. No further appeal shall be considered.

Adopted November 2003
Amended December 2006
Amended December 2007
PROCUREMENT AND CONTRACTING – CONSTRUCTION

Purpose

To establish a method for administering SANDAG construction contracts.

Background

Public Utilities Code section 132352.4 states that if the estimated total cost of any construction project or public works project will exceed fifty thousand dollars ($50,000), SANDAG must solicit bids in writing and award the work to the lowest responsible bidder or reject all bids. Section 132352.4 further mandates that SANDAG establish rules for procurement of construction of public works projects. Additionally, Government Code section 14085 et seq. requires that any public entity receiving state funds for a guideway project adopt policies and procedures for contract administration. Code of Federal Regulations, Volume 49, Part 18, and Federal Transit Administration Circular 4220.1E also establish procedures which SANDAG must follow when administering contracts using federal funds. 

Policy

1. Bidding Process

A competitive bidding process shall be utilized to the greatest extent possible for all construction contracts.

1.1. Bid Procedure for Small Contracts

1.1.1 For construction contracts estimated to cost $2,500 or less, the work may be awarded without competition so long as the price is determined to be fair and reasonable. Otherwise, staff shall seek a minimum of three bids which may be either written or oral to permit prices and other terms to be compared.

1.1.2 For construction contracts estimated to cost more than $2,500 but not more than $50,000, the following procedures shall be followed:

1.1.2.1 Written Notices Inviting Bids (NIBs) will be sent to a minimum of three qualified bidders by mail or facsimile on the same date. The bid period will be a minimum of three calendar days. When possible, NIBs should be sent to at least two certified
Disadvantaged Business Enterprise (DBE) firms. The NIB will contain the time and location for receiving and opening bids.

1.1.2.2 The contract will be awarded to the lowest responsive and responsible bidder after a Notice of Intent to Award has been issued to all bidders and a protest period of five working days has expired.

1.1.2.3 Bid bonds will only be required on bids that are $50,000 or less when requested by the Director of Mobility Management & Project Implementation or his or her designee.

1.2. Bid Procedure for Contracts in Excess of $50,000

1.2.1 Public notice of a construction contract estimated to cost more than $50,000 shall be given by publication once a week for at least two consecutive weeks, at least three weeks before the day set for receiving bids, as follows:

1.2.1.1 In a newspaper of general circulation, published in San Diego County;

1.2.1.2 In a trade paper of general circulation published in Southern California devoted primarily to the dissemination of contract and building news among contractors and building materials supply firms (optional for projects estimated to cost less than $100,000); and

1.2.1.3 In at least one DBE/Small business directed newspaper -certified newspaper or trade publication and in such other minority or community newspapers as appropriate.

1.2.2 Advertisements may also be placed in other minority and community newspapers, as appropriate. Appropriate DBEs listed in the current SANDAG DBE Directory/vendor database will be notified of any work advertised under this policy.

1.2.3 The notice shall state the time and place for receiving and opening sealed bids and shall describe, in general terms, the work to be done.

1.3. Contractor's Qualifications

1.3.1 SANDAG may, for prospective contractors whose bid could exceed $500,000, adopt and apply a uniform prequalification system for rating bidders, on the basis of a standard experience questionnaire and financial statement verified under oath in respect to the contracts upon which each bidder is qualified to bid. A contractor may request to be prequalified for a predetermined contract amount prior to bidding.
1.3.2 In no event shall any bidder be awarded a contract if such contract award would result in the bidder having under contract(s), work cumulatively in excess of that authorized by its qualification rating.

1.4. Form of Bids

1.4.1 SANDAG shall furnish each bidder with a standard proposal form, to be filled out, executed, and submitted as its bid.

1.4.2 All bids shall be submitted in a sealed envelope accompanied by one of the following forms of bidder's security: cash, a cashier's check, certified check, or a bidder's bond executed by an admitted surety insurer and made payable to SANDAG. A bid shall not be considered unless accompanied by one of the forms of bidder's security. Bidder's security shall be at least 10 percent of the amount bid. Bidder’s bonds must be issued by bonding companies registered in the State of California.

1.4.3 Late bids shall not be accepted after the time and date designated in the notice.

1.4.4 Any bid may be withdrawn any time prior to the time fixed in the notice for bid opening only by written request to the SANDAG’s Executive Director. The request shall be executed by the bidder or its designated representative. Bids shall not be withdrawn after the time fixed for public opening.

1.4.5 On the day specified in the notice, staff shall publicly open sealed bids and announce the apparent lowest bidder(s).

1.5. Review of Bids

1.5.1 After the bids are publicly opened, the Director of Mobility Management & Project Implementation or his or her designee (hereinafter "Director"), shall review all bids in order to determine which bidder is the lowest responsive and responsible bidder. The term "lowest responsive and responsible bidder" shall mean the lowest monetary bidder (excluding taxes) whose bid is responsive and who is responsible to perform the work required by the solicitation and contract documents.

1.5.2 SANDAG may investigate the responsibility and qualifications of all bidders to whom the award is contemplated for a period not to exceed 90 days after the bid opening. The 90 day review period may be extended upon the written request by the Director and written approval by the affected bidders.
1.5.3 SANDAG reserves the right to reject any or all bids and to waive any immaterial irregularity. No bid shall be binding upon SANDAG until after the contract is signed by both the contractor and SANDAG.

1.5.4 The lowest monetary bidder's bid will be evaluated by the Director in order to determine whether or not that bid is responsive. The term "responsive" is not defined by California law, but generally means that the bid has been prepared and submitted in accordance with the requirements of the solicitation and bid documents. These requirements shall generally include, but will not be limited to, the following:

1.5.4.1 Proposal and Cost Proposal - with bid amounts filled in.
1.5.4.2 Designation of Subcontractors - including dollar amounts.
1.5.4.2 Designation of DBE Suppliers and DBE Subcontractors - including dollar amounts.
1.5.4.3 Acknowledgment of Addenda.
1.5.4.4 Contractor's License Requirements.
1.5.4.5 Ability to Meet Minimum Insurance Requirements.
1.5.4.6 Public Contract Code 10162 Questionnaire.
1.5.4.7 Bidder's Bond.
1.5.4.8 Noncollusion Affidavit.
1.5.4.9 Certification of Restrictions on Lobbying.
1.5.4.10 Disclosure of Lobbying Activities.
1.5.4.11 Certification Regarding Debarment

1.5.5 If the lowest monetary bidder's bid is responsive, then the bidder's qualifications will be evaluated by the Director to determine whether or not the bidder is responsible to perform the work required by the contract documents. The term "responsible" is defined by California law, but generally means that the bidder is able to demonstrate that it possess: (1) the capacity to perform the work required by the contract documents with respect to financial strength, resources available, and experience; and (2) the integrity and trustworthiness to complete performance of the work in accordance with the contract documents. The Director shall review "responsibility" of bidders based upon factors set forth below.

1.5.6 For all contracts in excess of $500,000, the following uniform system of determining whether or not a bidder is "responsible" shall be applied. The Director will consider the following non-exclusive list of factors in relation to the work to be performed for this project:

1.5.6.1 Financial Requirements:

1.5.6.1.1 Contractors shall have evidence of the availability of working capital that, times a factor of ten, must exceed the contract bid price;
1.5.6.2 Experience Requirements:

1.5.6.2.1 The contractor must demonstrate organization experience on work similar to the SANDAG contract by submitting a list, covering at least the previous five years, of all projects of any type that have been completed or are under construction. The list shall contain a name, title, address, and phone number for staff to contact to verify the contract details;

1.5.6.2.2 The contractor shall demonstrate individual experience by submitting a list of all officers, superintendents, and engineers who will be involved in the SANDAG contract. These key personnel shall have at least three years experience on contracts where the work is similar to the SANDAG contract. The individuals listed shall have been involved at the same level of responsibility on successfully completed contracts during the previous five years that together exceeds the value of the SANDAG contract. A resume for each individual listed shall include the name, title, address, and phone number of an individual or organization who can verify the individual's experience;

1.5.6.2.3 The contractor shall submit a summary of all claims made in the last five years arising out of previous contracts listed (this summary shall include all claims by owner against bidder or bidder against owner, and the final status of each claim);

1.5.6.2.4 The contractor shall state whether or not it has defaulted on a construction project within the last two years;
1.5.6.2.5 The contractor shall list any violation of the Apprenticeship Requirements under a State Business and Professions Code of Labor Code found by an appropriate authority within the last two years;

1.5.6.2.6 The contractor shall state whether they have been found guilty of failure to pay required prevailing wages on a public contract within the last two years;

1.5.6.2.7 The contractor shall state whether they have been formally found to be a nonresponsible bidder, for reason other than being nonresponsive, by a public agency within the last two years;

1.5.6.2.8 The contractor shall list how many construction projects the bidder will be working on concurrently with the SANDAG project;

1.5.6.2.9 The contractor shall state whether they have ever been terminated by an owner or client, or rejected from bidding in a public works project in the last five years;

1.5.6.2.10 The contractor shall state whether a surety ever completed any portion of the work of the bidder's project within the last five years;

1.5.6.2.11 The contractor shall state whether the bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of a law or safety regulation, and if so, explain the circumstances; and

1.5.6.2.12 For all items identified under 1.5.6.2.1 through 1.5.6.2.11 above, the contractor shall provide name of owner, title of project, contract amount, location of project, date of contract, and name of bonding company.

1.5.6.3 Reporting Forms: In order to demonstrate that the SANDAG financial and experience requirements are met, the contractor shall submit, when requested by SANDAG, a standard experience questionnaire and financial statement verified under oath that shall meet the requirements adopted herein.
1.5.6.4 Failure to provide accurate information relative to its financial status or experience may result in the debarment of the contractor from future SANDAG work.

1.5.6.5 Questionnaires and financial statements shall not be considered public records nor open for public inspection.

1.5.7 SANDAG will make its determination of responsibility based upon information submitted by bidders, and, if necessary, interviews with previous owners, clients, design professionals, or subcontractors with whom the bidder has worked. If a nonresponsible bidder submits additional evidence, then that additional evidence shall be considered by the Director in making the recommendation to the Executive Director regarding determination of the lowest responsive and responsible bidder and award of the contract.

1.6 Award or Rejection of Bids

1.6.1 If the Director finds that the lowest monetary bidder submitted a responsive bid and that the bidder is responsible, then that bidder shall be deemed the apparent lowest responsive and responsible bidder, and the Director shall report the findings as recommendation to the Executive Director.

1.6.2 If the Director finds that the lowest monetary bidder's bid is not responsive or that the lowest monetary bidder is not responsible, then the Director may review the responsiveness and responsibility of the next low monetary bidder. If the Director finds that the next low monetary bidder is responsive and responsible, then that next low bidder shall be deemed the apparent lowest responsive and responsible bidder, and the Director shall report the findings as recommendations to the Executive Director. The Director may continue to review the responsiveness and responsibility of the next low monetary bidders until he/she finds the lowest monetary bidder that is also responsive and responsible, and deemed lowest responsive and responsible bidder. In the event that one or more low monetary bidders are found by the Director to be nonresponsive or nonresponsible, those bidders will be given notice and a reasonable opportunity to present additional evidence to the Director within five working days after the bidder receives the notice.

1.6.3 The Executive Director may authorize a Limited Notice to Proceed (LNTP) to the apparent lowest responsive and responsible bidder for an amount not to exceed $250,000 prior to the award of the construction contract if the Executive Director determines that the award of an LNTP is justified.

1.6.4 If it is for the best interest of SANDAG, the Executive Director may, on refusal or failure of the successful bidder to execute the contract, award it to the second-lowest responsive and responsible bidder.
1.6.5 If the second-lowest responsive and responsible bidder fails to execute the contract, the Executive Director may likewise award it to the third-lowest responsible bidder.

1.6.6 On the failure or refusal of any bidder to execute the contract, its bidder's security shall be forfeited to SANDAG.

1.6.7 For all contract awards in excess of $25,000.00, the successful bidder must furnish a performance bond equal to at least one-half of the contract price and a payment bond equal to at least one hundred percent of the contract price. Notwithstanding the foregoing, depending upon authorization from the funding source(s), the performance and payment bond requirements may be modified within the Invitation for Bids with prior approval of the Director.

1.6.8 Failure to furnish the required bonds shall constitute failure to execute the contract.

1.7 Return of Bidder's Security

1.7.1 SANDAG may withhold the bidder's security of the second- and third-lowest responsive and responsible bidders until the contract has been finally executed. SANDAG shall, upon request, return cash, cashier's checks, and certified checks submitted by all other unsuccessful bidders within 30 days after the bid opening, and the bidder's bonds shall be of no further effect.

1.8 Protests to Solicitation, Bid, or Award

1.8.1 SANDAG shall include in all contracts a procedure to be followed by interested parties who wish to protest a specification or procedure. The procedure shall include the following:

1.8.1.1 A requirement that protest submittals shall be in writing, be specific to the specification or procedure being protested, state the grounds for protest, and include all documentation needed to enable SANDAG to reach a decision.

1.8.1.2 A statement that the protest shall be submitted within clearly defined time limits prior to receiving proposals or opening bids or prior to award of contracts.

1.8.1.3 A statement specifying the review and determination process by SANDAG, including time limits for response.

1.8.1.4 Requirements for submittal of a protest reconsideration.
1.8.1.5 A statement that the initial protest will be reviewed by a protest review committee and that protest reconsiderations will be reviewed by the Executive Director.

1.8.1.6 A statement that protests will be rejected if they are not complete.

1.9 Procedure for Subcontractor Substitution Protest

1.9.1 Subcontractor substitutions shall be made only pursuant to the provisions of the Subletting and Subcontracting Fair Practices Act, Public Contract Code section 4100 et seq., as it may be amended from time to time. Notwithstanding the foregoing, nothing in this policy is intended to require SANDAG to strictly comply with the Subcontracting Fair Practices Act. The Executive Director is hereby designated to carry out the functions of the awarding authority under Section 4100 et seq., including the authority to conduct a hearing in the event of a protest to the substitution. The Executive Director shall make a written recommendation to the Board, the Board may adopt the recommendation without further notice or hearing, or may set the matter for a de novo hearing before the Board.

1.10 Procedure for Contractors with Claims Against SANDAG on Construction Contracts

1.10.1 On all SANDAG construction contracts estimated to cost more than $25,000, a section shall be included in the contract provisions that specifies how a contractor should file a "Notice of Potential Claim" and the procedures for review and disposition thereof.

1.10.2 Federal Transit Administration review and concurrence is required for claim settlements that exceed $1 million if FTA funds are involved.

1.10.3 A list of all outstanding claims exceeding $100,000 which involve the use of federal funds shall be included in the federal grants quarterly report.

1.11 Debarment Procedures for Procurement and Construction Contracts

1.11.1 In addition to all other remedies permitted by law, SANDAG may, upon advice of the Executive Director and Office of General Counsel, by resolution declare a bidder or contractor ineligible to bid on SANDAG procurement and construction contracts for a period not to exceed three years for any of the following grounds:

1.11.1.1 two or more claims of computational, clerical, or other error in bid submission within a two year period;

1.11.1.2 unjustified failure or refusal to timely provide or properly execute contract documents;
1.11.1.3. unsatisfactory performance of contract;

1.11.1.4. false, excessive and/or unreasonable claims while performing work for SANDAG;

1.11.1.5. two or more occasions within a two year period of failure to submit bond or insurance documents acceptable to SANDAG in the time periods required;

1.11.1.6. unjustified refusal to properly perform or complete contract work or warranty performance;

1.11.1.7. unjustified failure to honor or observe contractual obligations or legal requirements pertaining to the contract;

1.11.1.8. conviction under a state or federal statute or municipal ordinance for fraud, bribery, theft, falsification or destruction of records, receiving stolen property or of any other similar crime;

1.11.1.9. any offense or action which indicates a lack of business integrity and which could directly affect the reliability and credibility of performance of the contractor on future contracts with SANDAG; and

1.11.1.10. any debarment of the contractor by another governmental agency; and

1.11.1.11 false statements or certifications in documents submitted as part of a bid or any supplementary documentation thereto.

1.11.2 SANDAG may permanently debar such bidder or contractor for a conviction under federal or state antitrust statutes involving public contracts or the submission of bid proposals, for any corrupt practices involving the administration or award of a contract with SANDAG, or permanent debarment of the bidder or contractor by another governmental agency.

1.11.3 The bidder or contractor shall be provided notice and an opportunity to present evidence and show cause before the Board why such ineligibility shall not be declared after the Director has established a factual basis for debarment.

1.11.4 A contractor’s debarment shall be effective amongst SANDAG and any subsidiary entity. Debarment prohibits SANDAG and any subsidiary entity from executing contracts with the debarred contractor.

1.11.5 Debarment constitutes debarment of all divisions or other organizational elements of the contractor, unless the debarment decision is limited by its terms to specific divisions, organizational elements, or commodities. The
debarment decision may be extended to include any affiliate of the contractor if the affiliate is (1) specifically named, and (2) given written notice of the proposed debarment and an opportunity to respond.

1.11.6 Notwithstanding the debarment of the contractor, the Board may continue contracts in existence at the time the contractor is debarred, unless the Board directs otherwise, after receiving advice from the Executive Director or his or her designee as to the effects of termination of an existing agreement.

2. Contract Administration and Contractor Assurances

2.1 SANDAG contractors must meet all applicable laws concerning labor law, labor rates, EEO and licenses. SANDAG shall ensure that the following requirements are carried out:

2.1.1 All bidders and contractors shall be licensed in accordance with the laws of California. Additionally, contractor requirements shall be guided by the provisions of Chapter 9 of Division 3 of the Business and Professions Code concerning the licensing of contractors.

2.1.2 The contractor may not, in any case, pay workers less than the stipulated prevailing rates paid for such work or craft in the San Diego area by the contractor or any of its subcontractors, unless it is otherwise authorized by law.

2.1.3 The contractor will be responsible for complying with the provisions of the Fair Labor Standards Act of 1938 as amended.

2.1.4 SANDAG contractors shall be required to provide Workers' Compensation Insurance to their employees in accordance with the provisions of Section 3700 of the Labor Code. Prior to commencement of work, the contractor shall sign and file with SANDAG a certification of compliance.

2.1.5 Contractors must comply with the SANDAG contractor labor compliance program, which is based on the California Labor Code and the “Labor Compliance” section of the California Department of Transportation's Construction Manual.

2.1.6 The contractor shall comply with the EEO requirements set forth by Title VI of the 1964 Civil Rights Act on any project where Federal funds are included.

2.1.7 The contractor shall also comply with Sections 1431 and 1735 of the Labor Code and Sections 300 and 317 through 323 of Title 8 of the California Administrative Code, which prohibits labor discrimination and requires the contractor to submit an Equal Opportunity Program and certification fee to the Fair Employment Practice Commission for contracts over $200,000.
3. **Construction Contract Change Orders**

3.1 All construction and procurement contracts may be amended by a suitable change order. The contract change orders shall be processed in accordance with SANDAG's procurement and construction manual(s).

3.2 Construction contract change orders shall be approved by the Executive Director or his/her designee in accordance with SANDAG Board policies, administrative policies, and procedural manuals.

3.3 Except in an emergency, or in the case of a justifiable sole source procurement, a change order shall not be awarded without competitive bidding where the amount of such change order exceeds 25 percent of the price of the original or altered contract, or the change order is out of the original contract scope.

3.3.1 For purposes of this section, an emergency is defined as a sudden or unforeseen situation in which, in the Executive Director’s or his/her designee’s opinion, injury to persons, or significant injury to property or interruption of a public service will occur if immediate action is not taken.

3.4 All change orders that conflict or potentially conflict with Board-adopted policies shall be brought before the Board for decision.

3.5 All change orders which utilize federal funds shall conform to the Code of Federal Regulations, Volume 49, Part 18 and Federal Transit Administration Circular 4220.1E and any successors thereof, that are applicable by law.

4. **Non-Competitive Procurements - Sole Source**

Non-competitive procurement is known as a sole source acquisition. Non-competitive procurements shall only be permitted when the conditions below are met.

4.1 When the project will be paid for in whole or in part by federal funds one of the following conditions must be met:

4.1.1 There is an urgent need for the work due to an emergency or some other exigency that will not permit a delay resulting from competitive solicitation. Examples of such need include a danger to the public or loss of use of a transportation facility used by the public.

4.1.2 Staff solicited competitive bids and was unable to obtain a responsive bid from a responsible bidder.

4.1.3 The grantor agency providing funds for the project has approved sole source acquisition.

4.1.4 The work is only available from a single source.
4.1.5 The item is a capital maintenance item directly procured from the original manufacturer and that supplier is the only source for such item.

4.2 When there are no federal funds involved, additional factors may be used to justify a sole source acquisition as being within the best interest of SANDAG. For these types of procurements one of the conditions in this section (4.2) or section 4.1 must be met:

4.2.1 There is only one contractor capable of providing the work because the work is unique or highly specialized.

4.2.2 The work should be carried out by a particular contractor in the interest of economy or efficiency as a logical follow-on to work already in progress under a competitively awarded contract.

4.2.3 The cost to prepare for a competitive procurement exceeds the cost of the work.

5. Relief from Maintenance and Responsibility and Acceptance of Work

5.1 SANDAG will, upon written application by the contractor, consider granting relief from maintenance and responsibility on major elements of each major construction project as permitted in the contract specifications. The Executive Director is hereby delegated authority to grant said relief in writing to the contractor and shall report actions on contracts over $25,000 to the Board.

5.2 SANDAG will, upon written application by the contractor, accept the entire work on major construction contracts, provided that the work has been completed, in all respects, in accordance with the contract plans and specifications. The Executive Directors is hereby delegated the authority to accept contracts on behalf of the Board and shall report to the Board all contract acceptances over $25,000.

5.2.1 In determining whether to accept the entire work on major construction projects, these procedures should be followed:

5.2.1.1 The contractor shall request acceptance in writing.

5.2.1.2 Concurrence with the request by the SANDAG Resident Engineer shall be in writing to the Executive Director and include these findings: (1) that the contract has been completed in accordance with the plans and specifications, (2) a statement as to the financial condition of the contract, and (3) a statement as to whether the contract was completed on time or with an apparent overrun.

5.2.1.3 The Executive Director shall accept the action and report the findings to the Board.
6. **Conflict of Interest**

6.1 A contractor is eligible for award of service contracts by SANDAG so long as the contract in question does not create an actual, potential, or apparent conflict of interest. A prohibited conflict of interest exists when a firm is or may be unable to render impartial, objective assistance or advice to SANDAG or where a firm would receive an unfair competitive advantage. Prohibited conflicts of interest include, but are not limited to, the following situations:

6.1.1 Any firm that provides design services to SANDAG for a design-bid-build project will be ineligible for award of a construction contract to construct the improvements which are the subject of the design services.

6.1.2 Any firm, except for General design/Engineering Consultants, for a design-bid-build project that provides design services to SANDAG will be ineligible for award of any contract to provide construction management services resulting from the specific project for which design services were provided.

6.1.3 Any General design/Engineering Consultant for a project is eligible for award of a contract to provide the following general construction management services for that project so long as a SANDAG employee will oversee the project and make all final decisions and approvals: Office Engineer, Assistant Resident Engineer, Inspector, and Administrative/Clerical Assistant. General design/engineering consultants for a project are not eligible for award of a contract to provide the following construction management services for that project: Project Manager and Resident Engineer.

6.1.4 Any firm that provides construction management services to SANDAG for a design-bid-build project will be ineligible for award of a construction contract for which construction management services were or will be provided.

6.2 SANDAG shall not contract with, and will reject any bid or proposal submitted by, the following persons or entities, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

6.2.1 Persons employed by SANDAG;

6.2.2 Profit-making firms or businesses in which SANDAG employees serve as officers, principals, partners or major shareholders;

6.2.3 Persons who, within the immediately preceding twelve (12) months, were employed by SANDAG and (1) were employed in positions of substantial responsibility in the area of service to be performed by the contract, or (2) participated in any way in developing the contract or its service specifications;
6.2.4 Profit-making firms or businesses in which the former employees described in subsection 6.2.3 serve as officers, principals, partners or major shareholders.

6.3 SANDAG staff and third parties with whom SANDAG does business shall comply with SANDAG’s administrative policies concerning Standard of Conduct and all relevant Board Policies.

6.4 A Notice of Potential for Conflict of Interest shall be included when relevant in any procurement issued by SANDAG. The Notice shall be the policy of the Board as listed herein. Any agreement issued in accordance with this policy shall include or make reference to the policy listed herein.

6.5 A “firm” shall be defined as any company or family of companies where there is a single parent board of directors or staff of officers who can influence the policies and actions of the design company, construction management company, and the construction company.

6.6 “Ineligible” firms shall include the prime consultant for the services, subcontractors for portions of the services, and affiliates of either. An affiliate is a firm that is subject to the control of the same persons through joint ownership or otherwise.

6.7 If there is any doubt by a firm regarding a potential conflict of interest for a specific project or function, the appropriate member of management staff, depending on type of project, will, upon written request, provide a written ruling. This procedure is encouraged prior to submittal of proposals or bids. In the event a conflict of interest is determined to exist, a written appeal may be made by the affected firm to the Executive Director within five calendar days of notice from SANDAG the conflict. The Executive Director shall determine the adequacy of the appeal and make a subsequent final decision. No further appeal shall be considered.

7. Job Order Contracting

A Job Order Contract (JOC) is a competitively bid, firm fixed price, indefinite quantity contract that is based upon specific unit pricing contained in a unit price book (prepared by the public agency or by independent commercial sources) setting forth detailed repair and construction items of work, including descriptions, specifications, units of measurement and individual unit prices for each item of work. The JOC includes unit pricing for work at time of award, but not the specified quantity and location of the work to be performed. At the time a Job Order (JO) is issued, the scope of work will identify the quantity and specific location of the work to be performed. JOC may be used when it will result in a cost savings through economies of scale or expedite the delivery of work.

7.1 General Requirements

7.1.1 Job Order Contracts shall be awarded under written agreement subject to the following limitations.
7.1.1.1 The specifications were advertised in accordance with Board Policy No. 024, Section 1, “Bidding Process” based on the maximum potential value of the Job Order Contract.

7.1.1.2 The specifications provided for sealed competitive bidding on unit-cost terms for all labor, material, and equipment necessary to perform all work contemplated for individual Job Orders.

7.1.1.3 The Job Order Contract does not exceed a term of three years in duration.

7.1.1.4 The Job Order Contract shall only be used for the performance of minor routine or recurring construction, or for the renovation, alteration, or repair of existing public facilities.

7.1.2 A Job Order Contract may not contain any provision which would guarantee the contractor cumulative Job Orders in excess of $50,000.

7.2 Issuance of Job Orders

7.2.1 Following award of a JOC, JOs may be issued by the Executive Director in accordance with SANDAG Board Policies, administrative policies, and procedural manuals upon certification by that individual that it is not in conflict with other Board Policies and it is in SANDAG's the best interest of SANDAG to use the JOC procurement process because one or more of the following criteria have been met:

7.2.1.1 Use of the JOC process will result in a cost savings through economies of scale or expedite the delivery of work; or

7.2.1.2 Compliance with the traditional competitive bidding requirements will not produce an advantage to SANDAG; or

7.2.1.3 Advertising for bids is undesirable because it will be practically impossible to obtain what is needed or required by an unforeseen deadline if the traditional competitive bidding method is used; or

7.2.1.4 The entity or entities providing funds for the project have authorized use of the JOC process.

7.2.2 An individual Job Order may not exceed the sum of $2,000,000, except in the case of an emergency as defined in Section 3.3.1 of this Policy, or as specifically authorized by the Executive Director, whose which authorization shall not be delegated.

7.2.3 No public work that logically should be performed as a single contractual transaction requiring the expenditure of more than $2,000,000 shall be separated into separate Job Orders for purposes of avoiding this limitation.

7.2.4 Non-prepriced items of work may be included in JOs provided that the non-prepriced items are within the scope and intent of the JOC and are priced reasonably and in conformity all applicable laws, regulations and policies.
7.3 Job Order Contract Intergovernmental Agreements

7.3.1 The SANDAG Executive Director may permit, subject to requirements of this section and subject to such terms and conditions that the Executive Director may prescribe, any public entity, including the California Department of Transportation, or any municipal corporation, school or other special district within San Diego County, to participate via the Service Bureau in JOCs entered into by SANDAG, and may enter into any agreements necessary to do so.

Adopted November 2003
Amended December 2006
Amended December 2007
Purpose

This policy establishes a process for obtaining input from and providing information to the public concerning agency programs, projects, and program funding in order to ensure the public is informed and has the opportunity to provide SANDAG with input so plans can reflect the public's desire. SANDAG will review and update this plan every three years. Various federal and state laws and regulations require that an agency such as SANDAG conduct public participation programs to ensure that the public is involved and that community concerns are addressed. For example, planning of mass transit capital projects, development of short range service policies and plans, and fare policy and structure changes to public transportation require public participation. The California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) also have public information components that require an agency such as SANDAG to conduct public participation programs to ensure that the public is involved and that community concerns are addressed. A significant component of the SANDAG's mission is a strong commitment to public participation and involvement to include all residents and stakeholders in the regional planning process.

The public participation policy is consistent with the requirements of Public Utility Code Section 132360.1 established with the passage of Assembly Bill 361 which reads as follows:

(c) The agency shall engage in a public collaborative planning process; recommendations from that process shall be made available and considered for integration into the plan. A procedure to carry out this process including a method of addressing and responding to recommendations from the public shall be adopted.

Social Equity and Environmental Justice

Ensuring the meaningful involvement of low income, minority, disabled, senior, and other traditionally underrepresented communities is a key component of SANDAG's public participation activities. SANDAG's policies, procedures, and programs are consistent with federal and state environmental justice laws, regulations, and requirements, Title VI, related nondiscrimination requirements, and reflect the principles of social equity and environmental justice. Social equity means ensuring that all communities are treated fairly and are given equal opportunity to participate in the planning and decision-making process, with an emphasis on ensuring that traditionally disadvantaged groups are not left behind. Environmental justice means ensuring that plans, policies, and actions do not disproportionately affect low income and minority communities.

Scope

The policy addresses public participation policies and public information efforts in the following areas:
A. **Overall Public Participation Process**

B. **Short Range Program – Regional Transportation Improvement Program**

C. Development Planning

D. Design and Construction

E. Short Range Transit Service Planning and Fare Changes

F. Native American Consultation

A. **Overall Public Participation Process** – Unless otherwise noted or required, these are SANDAG's general policies for public participation for major planning initiatives such as the Regional Transportation Plan, Regional Comprehensive Plan, Regional Short Range Transit Plan, and other planning and programming projects.

1. The SANDAG's Public Participation/Involvement Program is designed to inform and involve the region’s residents in the decision-making process on issues such as growth, transportation, environmental management, housing, open space, air quality, energy, fiscal management, economic development, and public safety.

2. The Public Participation/Involvement Program seeks to involve all citizens, including but not limited to low income households, limited English proficient individuals, Hispanic, African American, Asian, Native American Indian, senior, and other communities, persons with disabilities, as well as community and civic organizations, public agencies, business groups and associations, environmental organizations, and other stakeholders.

3. SANDAG’s Board meetings provide the public forum and decision point for significant regional issues. SANDAG Directors usually hold one or two Board meetings each month: a Board Policy Meeting the second Friday of each month and a Board Business Meeting the fourth Friday of each month. Meetings held at the SANDAG office are accessible by public transit. During these meetings, Directors adopt plans, allocate transportation funds, approve transit construction plans, approve transit fare changes, and establish policies and develop programs that are used by local governments as well as other public and private organizations.

4. The SANDAG's Public Participation/Involvement Program shall comply with the Americans with Disabilities Act (ADA). SANDAG shall hold public meetings in buildings, rooms, or locations that are accessible to persons with disabilities. SANDAG shall provide public meeting information in alternate formats and shall provide special accommodations at public meetings with three business days notice.

5. The SANDAG's Public Participation/Involvement Program is carried out as an integrated work element of the agency’s Overall Work Program and Budget and as part of other programming, development, and implementation processes such as the Regional Transportation Plan, the Regional Comprehensive Plan, Regional Short Range Transit Plan, Regional Transportation Improvement Program, Environmental Impact Reports, transit capital project development, project construction, transit fare changes, corridor studies, and other projects.
6. SANDAG shall proactively seek and promote public participation in SANDAG's workshops and public hearings, as well as participation and attendance at committees, working groups, and task forces. SANDAG shall follow local, state, and federal guidelines for posting public meeting and hearing notices. Depending upon the specific project, SANDAG shall endeavor to hold meetings at times that can attract as many participants as possible, including evenings and weekends and at locations in communities throughout the region. SANDAG shall endeavor to hold these meetings in locations that are accessible by public transit.

7. SANDAG shall inform the public in a timely manner about regional issues, actions, and pending decisions through a number of efforts. As needed or required, SANDAG shall post public notices in newspapers of general circulation for publication of legal notices. Other publication and distribution efforts can include mail distribution to residents, agencies, and city/county governments, the SANDAG Web site, e-mail lists, and rEgion - the SANDAG's monthly electronic newsletter. As needed, SANDAG also shall distribute press releases and media alerts to local, regional, and Mexico border area print and broadcast media.


9. SANDAG shall use its Web site to provide the public with useful and timely information including meeting schedules and agendas; plans and environmental documents; reports and other publications; demographic profiles and data downloads; and interactive database and mapping applications.

10. As appropriate and depending on the specific project as required by local, state, and federal guidelines, SANDAG shall translate into Spanish, and other languages, publications, announcements, and Web content. In addition, numerous staff members are bilingual Spanish-English speakers and participate in public outreach and conduct presentations in Spanish. Translators shall be hired as needed and as required by local, state, and federal guidelines to provide services in Spanish and other languages as appropriate.

11. SANDAG conducts periodic public opinion surveys as part of the outreach and citizen participation component of the SANDAG's work program. These surveys shall be designed to include the San Diego region's residents in the regional planning process and to keep SANDAG officials aware of issues that are of concern to the people who live here.

12. SANDAG will endeavor to respond to general comments received by phone, fax, letter, or e-mail within five (5) business days of receipt. Comments shall be routed to
the SANDAG staff person who is responsible for that issue. Comments may be responded to in writing (e-mail or letter) or may be resolved with the initial phone call. Some comments may need to be resolved by another agency or jurisdiction so the customer is referred to the appropriate entity. When a comment is submitted as part of a public review process (e.g., a plan or environmental report) the comment and response is logged into a database. Comments, concerns, and responses received as part of a public review process shall be included in the final plan or report.

B. Short Range Program – Regional Transportation Improvement Program (RTIP) – document updated every two years outlining major transportation projects to be implemented during a five-year period.

1. **SANDAG shall follow the latest federal and state regulations regarding participation by interested parties.**

2. **As the document that implements the long range plan, the RTIP shall be incorporated as part of the Board adopted public involvement process established for the Regional Transportation Plan (October 27, 2006) including participating in public outreach efforts, providing adequate public notice (legal notice publications), employing visualization techniques, holding public meetings at convenient and accessible locations.**

3. **SANDAG shall respond to any significant public input or comment received during the development of the biennial update and/or during the amendment cycle as part of its report to the Board or Transportation Committee (as appropriate).**

4. **The biennial RTIP update will be noticed in newspapers of general circulation including in alternate languages and a public hearing shall be held prior to final adoption by the Board of Directors.**

5. **During the amendment cycle, SANDAG will provide a draft of the amendment to all interested parties for a 15-day comment period.**

C.B. Development Planning – Planning, environmental, preliminary engineering activities on major capital projects.

1. **SANDAG shall follow current federal and state regulations regarding public involvement processes and procedures. SANDAG shall develop public involvement programs tailored to meet specific project needs which address the unique challenges presented by each project. Programs shall be developed using the joint Federal Highway Administration and Federal Transit Administration (FHWA/FTA) guidelines titled “Public Involvement Techniques for Transportation Decision-Making.”**

2. **The public involvement program shall set objectives, identify people to be reached, develop public involvement strategy, and define specific outreach techniques.**

3. **The public involvement program shall be developed so that critical community concerns and technical issues are identified in the study. The issues need to address the engineering, environmental, economic, and financial analyses that respond**
effectively to community needs and preferences and satisfy local, state, and federal environmental clearance requirements.

4. To facilitate community participation, lists of individuals, agencies, and organizations shall be developed for distribution of agency materials. These lists will include persons who have indicated an interest in transportation planning projects during previous public information efforts and/or focused on the specific project. Project information would be distributed to the persons on this list in conjunction with public meetings and workshops, to solicit comments and recommendations.

5. Environmental documents shall be prepared in accordance with California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), as appropriate, and in coordination and consultation with various federal, state, and local agencies, and with elected officials, community leaders, organizations, and other individuals from the neighborhoods and communities potentially affected by the proposed action. Coordination and public involvement shall be achieved through a variety of means, such as formal public hearings and meetings, circulation of draft documents, mailings, focus group meetings, workshops, and individual/group contacts.

6. Formal scoping meetings, public hearings, and/or other meetings during the comment period and environmental document certification shall be held in accordance with the requisite environmental document. As required, meetings shall be announced in the Federal Register, local publications, and on the SANDAG's Web site. Persons and organizations on the project mailing list also will be notified. SANDAG shall endeavor to hold public meetings in locations accessible by public transit.

7. SANDAG shall prepare and distribute appropriate notices and communications to comply with CEQA and NEPA requirements.

8. A public information program shall be developed to inform the community of factors related to the project. The information program may include briefings for the news media, informational meetings, presentations to include community and professional associations and educational institutions, business groups and associations, environmental organizations, and other public forums.

9. A project working group may be organized to review and comment on the project to build understanding and identify support for feasible alternatives. This group may consist of various elected officials/staff, community and neighborhood organizations, business organizations, property owners, and other stakeholders and interested parties. This group would be formed to provide comment and guidance regarding technical issues, review study alternatives and evaluation results, and provide community input regarding the alternatives. This iterative process would allow for identified issues and concerns to receive follow-up responses. Meeting summaries of project working group activities shall be produced. Meeting notices, agendas, and/or other information shall be posted to the SANDAG's Web site.
10. Other public input opportunities include SANDAG Board of Directors meetings and meetings of SANDAG’s five policy committees: Executive, Transportation, Regional Planning, Borders, and Public Safety. Other opportunities for public participation are at working group meetings, general public meetings, and presentations to planning and community groups.

DC. Design and Construction - Design and construction of capital projects.

1. For all capital improvement projects with significant community impacts, SANDAG shall provide opportunities for members of the public to provide input and express concerns. SANDAG also shall implement a program designed to inform the public of progress, as well as safety and community impacts in the event of construction.

2. SANDAG shall hold publicly noticed meetings at key stages of project development and implementation in the area(s) being impacted. The location of the meetings shall depend upon the geographic location of the project. Meetings concerning projects exclusively within the North San Diego County Transit Development-District (NCTD) Board’s (NSDCTDB’s) service area shall be held in North County locations, and if appropriate, at SANDAG’s offices. Meetings concerning projects exclusively within the Metropolitan Transit System (MTS) service area shall be held in MTS service areas affected, and if appropriate, at SANDAG’s offices. Meetings concerning all other projects shall be held at SANDAG’s offices or other locations specified in SANDAG’s agendas. SANDAG, MTS, and NCTD offices are accessible by public transit. SANDAG shall endeavor to hold off-site public meetings at locations accessible by public transit.

3. SANDAG shall solicit input from the representatives of interest groups of the local population, such as community groups, planning groups, business groups and associations, business improvement districts, environmental organizations, neighborhood associations, and senior and disabled riders. These stakeholders will be consulted during the design and construction of capital projects.

4. SANDAG shall work to advise the public regarding actual and perceived disruption during construction of capital projects by distributing informational, educational, and public information materials, and by using other traditional community relations tools.

5. SANDAG shall endeavor to meet citizen concerns as they arise and attempt to resolve those concerns.

6. For all projects requiring environmental review under CEQA and NEPA, such as major capital improvement projects, SANDAG shall provide opportunities for members of the public to provide input and comply with all related legal requirements.

6.1 SANDAG shall solicit input from the representatives of interest groups of the local population, such as community groups, planning groups, business groups and associations, and neighborhood associations.
6.2 SANDAG shall incorporate public input into project planning and development where practical and feasible.

6.3 SANDAG shall hold a public hearing to seek public comment whenever required under CEQA and/or NEPA.

6.3.1 Published notifications for such hearings shall be published in newspapers of general circulation for publication of legal notices. Notices also may be published in regional, community, or Spanish-language newspapers to reach the affected area.

6.3.2 Any item subject to a public hearing will be listed and described in the Board’s published agenda, which shall be posted at least 72 hours in advance of the meeting at the Board’s meeting place and on the SANDAG’s Web site.

6.3.3 Public hearings shall be conducted by SANDAG at the published date, time, and place. The public hearing will allow for interested parties to be heard. The Board also will consider any written comments that were forwarded to the Board prior to the hearing.

**ED. Short Range Transit Service Planning and Fare Changes**

1. SANDAG has adopted Transit Service Planning and Fare Setting policies to provide policy guidance for transit service and fare changes. This section of the policy is designed to inform and involve public transit riders, stakeholders, and the general public about proposed changes in transit fares. Public information and involvement programs for service changes would fall under adopted policies of the Metropolitan Transit System (MTS) and North San Diego County Transit Development Board District (NSDCTDBNCTD).

1.1. A public hearing will be held by SANDAG for transit fare changes. The public hearings will be held at the SANDAG offices during a regularly scheduled meeting of the SANDAG Transportation Committee and/or Board of Directors and/or in the general geographic area of the affected public at a special or relocated meeting of the SANDAG Transportation Committee or Board of Directors, as determined by the SANDAG Transportation Committee or Board. Public meetings shall be held at a time and location that is accessible by users of public transit. Public hearings for fare changes affecting North County and/or NCTD service area residents shall be held by SANDAG in the North County area. Public hearings for fare changes affecting MTS service area residents shall be held by SANDAG in the affected area.

1.2. Take One, Rider Alerts, or other public notices in both English and Spanish will be posted on all affected public transit vehicles within the affected area at least 15 calendar days prior to the public hearing and will include a
The notices will be posted to the SANDAG and Transit Agency Web site(s).

1.3. Print notice of public hearings will be provided at least 15 calendar days prior to the public hearing meeting date in newspapers of general circulation in the affected area(s), including appropriate minority and community publications. Public notices will be printed in Spanish in Spanish-language newspapers. The public hearing notice will include a description of proposed fare changes, the date, time, intent, and location of the public hearing, and the deadline for written, e-mail, and phone comments from the public.

1.4. An open phone line will be made available to take public comments at least 15 calendar days prior to public hearing.

1.5. A SANDAG Policy Committee and/or Board report (as appropriate) will be completed and available for public review at least 72 hours prior to the public hearing and posted to the SANDAG Web site(s).

2. After a fare change is approved by SANDAG:

2.1. The public will be notified via news release(s)

2.2. Take One, Rider Alerts, or other public notices in both English and Spanish will be posted on all affected transit vehicles at least 15 calendar days prior to changes going into effect and posted to the SANDAG and Transit Agency Web site(s).

3. SANDAG shall follow federal Title VI and environmental justice requirements when implementing transit fare changes.

3.1. Residential, employment, and transportation patterns of low-income and minority populations shall be identified so that their needs can be identified and addressed, and the benefits and burdens of transportation investments can be fairly distributed. SANDAG shall endeavor to involve the affected communities in evaluating the benefits and burdens of transportation investments.

3.2. SANDAG shall evaluate and - where necessary - improve the public involvement processes to eliminate participation barriers and engage minority and low-income populations in transportation decision making.
E. Native American Consultation

1. SANDAG shall establish and adhere to government-to-government relationships when interacting with Tribal Governments, acknowledging these tribes as unique and separate governments within the United States.

2. SANDAG shall recognize and respect important California Native American rights, sites, traditions, and practices.

3. SANDAG engages in “consultation” with Tribal Governments prior to making decisions, taking actions, or implementing programs that may impact their communities.

4. To facilitate effective consultation with Tribal Governments, SANDAG has established a Tribal Government Liaison. The Liaison shall serve as an initial contact for Tribal Governments and communicates with tribal governments regarding SANDAG’s activities.

   4.1. “Consultation” is the active, affirmative process of: (1) identifying and seeking input from appropriate American Indian government bodies, community groups, and individuals; and (2) considering their interests as a necessary and integral part of the decision-making process.

Adopted March 2005
Amended January 2006
Amended December 2007
TRANSPORTATION DEVELOPMENT ACT

The Transportation Development Act (TDA) Statutes\(^1\) and the California Code of Regulations (CCR) require the San Diego Association of Governments (SANDAG), as the Regional Transportation Planning Agency (RTPA), to adopt rules and regulations supplemental to and consistent with those of the California Department of Transportation (Caltrans) to establish procedures for the administration of TDA funds. These procedures provide for the local implementation of the Transportation Development Act of 1971, as amended, in the San Diego region.

Background

The TDA became effective on July 1, 1972, and was enacted to assist local jurisdictions at the county level to improve public transportation and encourage regional public transportation coordination. To this end, the TDA created a Local Transportation Fund (LTF) in each county into which is deposited \(\frac{1}{4}\) percent out of the 7\% percent state sales taxes collected in the county. The TDA was amended in 1979 (Senate Bill [SB] 620) to create the State Transit Assistance (STA) program.

As the RTPA for the San Diego region, SANDAG is responsible for the annual allocation of monies from the LTF. There are various eligibility requirements for the receipt of TDA funds. This policy outlines those requirements while the TDA Manual provides further details for the different Articles of the TDA and the STA.

Procedures

1. Priorities for the Use of TDA Funds

The TDA sets priorities on the distribution of funds. The following priorities apply to the San Diego region:

   a. **Administrative Costs (Section 99233.1):** Funds are allocated to the County Auditor and SANDAG for administrative expenses as necessary.

   b. **Planning by Statutorily Created Agencies (Section 99233.2):** Up to 3 percent of annual revenues may be allocated to SANDAG for the conduct of the transportation planning process.

   c. **Bicycle and Pedestrian Facilities (Section 99233.3):** Two percent of the money remaining in the fund may be available to counties and cities for development of bicycle and pedestrian facilities. These funds are allocated by SANDAG based on a regionwide priority list of projects.

   d. **Rail Passenger Service (Section 99233.4):** Any county, city, county transportation commission, or operator within the San Diego region, only Metropolitan Transit System...
(MTS), North County Transit District (NCTD), or SANDAG may file a claim under this provision for rail passenger service operating or capital improvement expenditures.

e. **Metropolitan Transit System (MTS) 10 Percent Funding (Section 99233.5)**: Up to 10 percent of the remaining money in the fund in the MTS service area shall be shared between SANDAG and MTS to carry out administrative duties and functions for services and projects in the MTS service area.

f.e. **Community Transit Services (Section 99233.7)**: Up to 5% within the San Diego region, five percent of the remaining money in the fund shall be available to MTS, NCTD cities, counties, operators, and Consolidated Transportation Service Agencies (CTSA) to provide community transit services. Community transit service means transportation services that link intracommunity origins and destinations including services for those such as the disabled who cannot use conventional transit services.

g.f. **Transit Operator Claims (Section 99233.8)**: The remaining money in the fund may be allocated to support public transit systems within the San Diego region by eligible claimants MTS, NCTD and SANDAG.

h. **Miscellaneous Transportation Claims (Section 99233.9)**: In San Diego County, jurisdictions that are classified as operators are not eligible for these funds, nor are jurisdictions that contract with an operator (Section 99232).

i. **Multimodal Transportation Terminals (Section 99400.5)**: Local jurisdictions are eligible to file a claim to finance the construction and maintenance of multimodal transportation terminals located anywhere in the city or county, as the case may be.

h.g. **Express Bus Services and Vanpool Services (Section 99400.6)**: Eligible operators within the San Diego region, MTS and NCTD may file a claim for express bus services or vanpool services, subject to specified conditions.

i.h. **Commuter Ferry Services (Section 99400.7)**: Eligible operators within the San Diego region, MTS and NCTD may file a claim to provide commuter ferry service on San Diego Bay for purposes of serving peak-period commute trips for pedestrians and bicycles.

2. **County Auditor's Responsibilities**

The County Auditor in each county in the state is the designated trustee for that county's TDA funds. Prior to February 1 of each year, the San Diego County Auditor is required (CCR 6620) to furnish SANDAG with an estimate of monies anticipated to be deposited in the LTF during the ensuing fiscal year. The County Auditor must also provide an estimate of the TDA fund balance after all allocation instructions and payment schedules have been honored for the current fiscal year. Estimates include interest income for the ensuing fiscal year as well as sales tax revenues. In addition, the County Auditor is also responsible for maintaining accounting records for the LTF and for disbursing TDA monies in accordance with allocation instructions from SANDAG.
3. **Apportionment Schedule**

It is the responsibility of SANDAG to apportion TDA monies for the ensuing fiscal year based on estimates received from the County Auditor. In the San Diego region, the development of the annual apportionment schedule reflects the existence of two transit development board boundaries: (1) the San Diego MTS area and (2) the North County Transit District (NCTD) area. The MTS and NCTD service areas encompass the entire county. Prior to March 1 of each year, SANDAG shall provide its apportionment estimates to NCTD and MTS.

4. **Operator Claims**

There are four separate articles of the TDA. Each article provides funding for specific purposes with differing eligibility requirements and restrictions.

As the consolidated agency, SANDAG shall act as the single claimant for all eligible transit operators in the MTS area that receive TDA. Pursuant to SB 521 (effective 2003), the use of TDA funds are prioritized as follows: (1) services provided pursuant to the Americans with Disabilities Act (ADA), (2) local match requirements for federal and state transit capital grants, (3) guaranteed levels of local and regional services based on prior-year level of service, and (4) any additional planning and operation of transit services approved by the SANDAG Transportation Committee (with recommendation from the MTS Board). NCTD can continue to submit a separate claim based on NCTD's annual operating budget. For Article 3 funds, eligible local agencies submit requests for funds through the Bicycle Pedestrian Working Group (BPWG). This policy discusses the general requirements, while detailed instructions will be included in the TDA Manual.

4.1 **Claim Process**: Consistent with the Guidelines for Development of Transit Operating Budgets (approved by the Transportation Committee at its February 6, 2004, meeting), the transit operators shall provide budget information to SANDAG in sufficient detail to submit all required forms and data supporting their TDA claims are due by April 30 of each year. These forms are included in the TDA Manual and available on the TDA web page. For Article 3, claims are due by April/March 1 to the BPWG, which prioritizes the projects. An information item that provides a summary of the draft preliminary budget and TDA allocations based on preliminary review of the claims shall be presented to the Transportation Committee at its April/May meeting with the final TDA allocation to be approved by the SANDAG Board of Directors at its meeting in June of each year. Transit claims must be consistent with the Guidelines for Development of Transit Operating Budgets approved annually by the Board.

4.2 **Project Eligibility**: Article 3 funds are designated for bicycle and pedestrian projects. Article 4 funds are used to provide general public transit services. Article 4.5 funds are designated for community transit services and, by SANDAG Board policy, are allocated within the San Diego region to support paratransit services required by the ADA. Article 8 provides special provisions to support express bus service, multimodal transit centers, and ferry service. Finally, the STA fund is a state program, administered locally, that provides additional support for public transit.
4.3 **Farebox Recovery Ratio:** Except for Article 3 projects and the commuter ferry service, and services provided by the Consolidated Transportation Service Agency (CTSA), all transit operators must maintain a certain ratio of fare revenue to operating cost (farebox recovery ratio as set forth in Section 6.2.1 of this policy).

4.4 **Reporting Requirements:** Each recipient of TDA funds is required to submit the annual State Controller’s Report within 90 days after the end of the fiscal year (CCR 6665). In addition, an annual certified fiscal audit is due within 180 days after the end of the fiscal year (Section 99245). As the TDA administrator, SANDAG procures an independent auditor for the annual fiscal audit and submits to Caltrans on behalf of the recipients.

4.5 **Claim Revisions:** Where changes in circumstances warrant, a claimant may request a revision to an approved allocation. A request for an allocation revision or amendment shall include detailed information and the reason for the request. The SANDAG Transportation Committee approval is required for an amendment. For Article 3 funds, the BPWG will review the request for revisions and forward a recommendation(s) to the Transportation Committee.

5. **Article 3 - Bicycle and Pedestrian Claims**

Two percent of TDA funds are apportioned each year for facilities provided for the exclusive use of pedestrians and bicyclists. In addition to the TDA funds, the TransNet program (local sales tax approved by voters in 1987) provides $1 million for bicycle facilities on an annual basis. The $1 million set-aside expires with the 1987 Ordinance. Beginning in FY 2009 the 2004 TransNet extension provides two percent of total annual revenues for this purpose. This policy applies to the allocation and administration of both TransNet and TDA Article 3 funds.

5.1 **Project Eligibility:** Public Utilities Code (PUC) Sections 99233.33 and 99234 describe the project eligibility. SANDAG, as the RTPA, has the authority to establish criteria applicable to evaluating claims for bicycle and pedestrian funds (Section 99401). The claims are due by April 1 of each year. Each claim must include required claim forms and supplemental information. Additional SANDAG requirements are outlined in the TDA Manual. The evaluations of the claims are delegated to the BPWG. The BPWG includes a representative from each member agency, Caltrans, the transit districts, the San Diego Port District, and four members from the community at large. The projects selected by the BPWG receive TDA Article 3 and TransNet bicycle funds.

5.2 **Payment of Funds:** Payment of funds for bicycle and pedestrian projects will be made based on payment requests submitted to SANDAG, in at least two installments. When project development begins, the agency may request, in writing, the design portion of the allocation. The balance may be paid once the construction costs are known through the awarding of a construction contract or other means. Larger projects with construction schedules longer than one year shall request payment of funds in annual increments.
5.3 **Project Completion**: Prior to the consideration of projects for the next fiscal year, the BPWG will review the status of each previously approved project that remains uncompleted. If a capital project has not maintained the schedule for project development provided in the claim documents, the BPWG will recommend that the Transportation Committee rescind the allocation for all unexpended funds. Projects for which funding has been rescinded may be resubmitted for future funding in a subsequent year. The BPWG may use its discretion to consider special circumstances that would warrant a recommendation to retain funding for projects that would otherwise be rescinded due to lack of progress. It will be the responsibility of the sponsoring agency to demonstrate that an exception is warranted. Funds from a rescinded allocation will be available for allocation to any eligible project under the normal review and allocation process. *If a project that has had no activity for the past two years and the sponsoring agency cannot provide sufficient documentation of project continuation, the agency will be requested to return any remaining funds. All returned funds will be reallocated to other eligible projects.*

5.4 **Project Maintenance**: The claim for either TDA funds or for TransNet bicycle funds requires the applicant to identify how the facility will be maintained. Beyond routine maintenance, agencies that construct bikeways or pedestrian improvements with these funds assume the responsibility to maintain those improvements so long as the right-of-way in which the improvements are provided remains open to the public.

6. **Article 4 – General Purpose Claims**

This article provides for the following purposes: (1) support of public transportation system, (2) aid to public transportation research and demonstration projects, and (3) contribution for the construction of grade separation projects (Section 99260).

6.1 **Eligible Expense**: Public transit operators can use Article 4 funds for all purposes necessary for the development and operation of a public transportation system including the following (Section 99262):

- a. Planning and contributions to the transportation planning process
- b. Acquisition of real property
- c. Construction of facilities and buildings
- d. Purchase and replacement of vehicles
- e. Systems operation
- f. Maintenance and repair
- g. Debt service

6.2 **Eligibility Requirements**:  

6.2.1 **Farebox Recovery Ratio**: In order to qualify for TDA funds, an operator must maintain a certain ratio of fare revenue to operating cost (farebox recovery ratio). Under the provisions of Section 99269, all operators within the MTS service area are considered a single operator for meeting the farebox recovery ratio requirement. To be eligible for Article 4 funds, the farebox recovery ratio must equal or exceed the required ratio (see table below).
If an operator fails to maintain the required ratio, certain penalties apply (Section 99268.9). Should an operator’s service expand by more than 25 percent, the ratio requirement is waived for two years after the end of the fiscal year in which the expansion was implemented (Section 99268.8).

### Farebox Recovery Ratio Requirements

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<thead>
<tr>
<th>Operator</th>
<th>Required Ratio</th>
<th>PUC Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS Area Operators*</td>
<td>31.9%</td>
<td>99269</td>
</tr>
<tr>
<td>NCTD</td>
<td>18.8%</td>
<td>99270.1</td>
</tr>
<tr>
<td>MTS Rural</td>
<td>10.0%</td>
<td>99268.4</td>
</tr>
<tr>
<td>MTS Express</td>
<td>20.0%</td>
<td>99268.3</td>
</tr>
</tbody>
</table>

*MTS Operators = San Diego Transit, San Diego Trolley, Chula Vista Transit, MTS Contract Services, National City Transit.

6.2.2 Staffing of Vehicles: Transit vehicles routinely staffed by more than two or more persons are prohibited (Section 99262).

6.2.3 Retirement System: The current cost of the transit operator’s retirement system must be fully funded with respect to the officers and employees of its public transportation system (Section 99271). An operator with a private pension plan can be eligible for Article 4 funds only if it meets all the requirements of Sections 99272 and 99273.

6.2.4 Maximum Fund Eligibility: Each operator shall determine the maximum amount of LTF and STA funds using the Fund Eligibility Worksheet (CCR 66234).

6.2.5 Fund Use: All operators shall expend funds from the LTF only in accordance with the terms and conditions of the allocations.

6.2.6 Charter Service: Any operator providing charter service must meet the requirements of Section 99250 – all charter bus service must contribute financially to the reduction of deficits incurred in the operation of scheduled bus service.

6.2.7 Pull Notices: Each operator must include a certification completed within the last 13 months from the Department of the California Highway Patrol indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code (maintaining current driver records).

7. **Article 4.5 - Community Service Claims**

The State Legislature provides up to 5 percent of the annual TDA funds for community transit services, which include services for those such as the disabled who cannot otherwise use conventional transit services. Eligible applicants are cities, counties, public transit operators, and consolidated transportation service agencies. Only public agencies are eligible; however,
private operators (e.g., taxicab companies) can provide community transit services under contract with a public agency on a competitive bidding basis.

The total funds apportioned are divided between the MTS and the NCTD service areas based on the ratio of the total population in each area to the total population in the county.

In order to include the CTSA in the fund distribution process, a maximum of 2 percent of the total available will be set aside to support the CTSA.

7.1 **Board Adopted Priorities**: Due to the limited funds available under the Article 4.5 program, the SANDAG Board adopted the following priorities for the allocation of article 4.5 funds:

1. The Article 4.5 program is intended to serve those population groups that cannot use conventional, fixed-route transit services, primarily persons with disabilities as defined by the ADA. Service to persons such as the nondisabled elderly should be provided only when capacity is available.

2. Priority shall be given to providing accessible curb-to-curb services to all communities within the urbanized area. Currently service is limited to a ¾-mile radius of an existing fixed-route service area. Based on fund availability, service shall expand beyond the ¾-mile radius.

3. Additional services proposed within areas currently served by another operator will be considered only on the basis of fund availability and a clear demonstration of unmet need.

7.2 **Eligibility Requirements**: Applicants must meet the following requirements:

1. That the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant.

2. That the service shall be integrated with existing transit services, if appropriate.

3. That the applicant is in compliance with the applicable farebox recovery ratio requirements (Sections 99268.3, 99268.4, 99268.5 or 99268.9). For exclusive elderly and handicapped services, 10 percent of the claimant’s operating costs must be recovered through fare revenues. However, local support may be included toward meeting the 10 percent requirement. A CTSA performing coordination activities is exempt from this requirement.

4. That the applicant is in conformance with the requirements of Section 99155 and Section 99155.5 relating to the honoring of specified identification cards by operators offering reduced fares for seniors and the disabled and other eligibility requirements.
8. **Article 8 – Special Provisions**

Special provision claims generally refer to Article 8 claims for local street and road improvements; multimodal terminals; and express, vanpool, and commuter ferry services. Article 8 allows for the construction and maintenance of multimodal transportation terminals anywhere in the County of San Diego or any city, as the case may be (Section 99400.5). The transit operators may also file for express bus services (Section 99400.6).

8.1 **Multimodal Transportation Terminals:** Eligible uses include planning or feasibility studies undertaken to develop new transit centers. The applicant(s) must include a work program describing the objectives and tasks of the study, and projected time frame of the study. The funding request should cover work scheduled to begin, construction costs, and if the project is to be implemented in phases, including in the project description the estimated implementation dates and related costs for each phase (i.e., preliminary engineering, right-of-way acquisition, construction, etc.).

8.2 **Express Bus:** Operators may file for express bus service oriented toward serving work commute trips and providing accessibility between residential areas and major activity centers.

8.3 **Commuter Ferry Service:** Cities within the County of San Diego may file for commuter ferry service on San Diego Bay for the purpose of serving peak-period commute trips for pedestrian and bicycles. The commuter ferry service may be located anywhere on San Diego Bay, but shall be consistent with the RTP, shall serve employment centers and high-volume activity centers, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations. Pursuant to SB 1433, the ferry service is exempt from the farebox recovery ratio requirement.

9. **State Transit Assistance (STA) Funds**

The State Transit Assistance program (SB 620) as amended, provides for a second source of operating and capital funding for transit operators. Pursuant to SB 45, funds transferred into the Public Transportation Account each year may be appropriated by the Legislature only for transportation planning and mass transportation purposes. The appropriated funds are divided equally between the state programs, including planning and administration and the STA program. Twenty-five percent is allocated to regional entities such as SANDAG according to a population formula, and 25 percent to regional entities to be allocated in turn to individual operators proportionately based on a revenue formula. Section 99312.7 requires the State Controller to issue estimates of funds to be allocated to each regional entity by January 10 of each year.

9.1 **Funding Priorities:** The intent of the Legislature, and thereby SANDAG, is to give priority consideration to claims for the following purposes (Section 99314.5(D)):

1. To offset reductions in federal operating assistance.

2. To offset unanticipated increases in the cost of fuel.
3. To enhance existing public transportation services.

4. To meet high-priority regional, countywide, or areawide public transportation needs.

9.2 Required Findings: Each regional entity is required to make all of the findings listed below before it can allocate funds to a claimant (CCR 6754). It is the responsibility of the operator to provide the regional entity with sufficient information upon which to make these findings. These required findings in this section do not apply to MTS. By state statute, MTS is designated as a regional entity for STA purposes. As a result, MTS is a direct recipient of these funds and SANDAG is not required to make findings. In order to allocate STA monies, SANDAG must find that:

1. The operator’s proposed expenditures are in conformance with the RTP.

2. The level of fare revenues proposed is sufficient to enable the operator to meet the fare revenue requirements of Sections 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as applicable.

3. The operator is making full use of federal funds available under the Federal Transit Act, as amended.

4. The sum of the operator’s allocations from the STA fund and from the LTF does not exceed the amount the operator is eligible to receive during the fiscal year (see CCR 6634). Such finding, however, shall not relieve the operator of its responsibility pursuant to CCR 6735.

5. Priority consideration has been given to offset reductions in federal operating assistance and unanticipated increases in the cost of fuel; to enhance existing public transportation services; and to meet high-priority regional, countywide, or areawide public transportation needs.

6. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them.

7. The operator is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers of persons operating under a franchise or license (Section 99314.5(c)). However, no person who was a full-time employee of an operator on June 28, 1979, shall have his or her employment terminated or his or her regular hours of employment, excluding overtime, reduced by the operator as a result of it employing part-time drivers or contracting with those common carriers.

8. The operator has been certified within the last 13 months by the California Highway Patrol to be in compliance with Section 1808.1 of the Vehicle Code.
9. The operator is in compliance with the eligibility requirements of Section 99314.6 (STA Operator Qualifying Criteria).

This requirement is enforceable by SANDAG for NCTD only. By state statute, MTS is designated as a regional entity for STA purposes. As a result, MTS is a direct recipient of these funds and does not require SANDAG approval.

10. Transit Productivity Improvement Recommendations

Pursuant to the provisions of Section 99244, SANDAG is responsible for identifying and recommending potential productivity improvements that can lower the operating costs of transit operators. The recommendations for improvements and productivity shall include, but not be limited to, those recommendations related to productivity made in the triennial performance audit pursuant to Section 99246. SANDAG has implemented the Productivity Improvement Program (PIP) to measure operator performance and to monitor productivity.

Section 99244 further requires SANDAG to review and evaluate the efforts made by the transit operator to implement the recommended improvements during the current fiscal year prior to determining the allocations of TDA funds for the next fiscal year. Should SANDAG determine that an operator has not made a reasonable effort to implement the recommended improvements, the allocation of TDA funds to an operator shall be no more than the amount allocated in the prior fiscal year. Performance improvement is best measured over a multi-year timeframe that focuses on longer term trends. In order to measure multi-year improvements, performance recommendations for fixed-route and demand response operators are divided into two categories: (1) performance improvement recommendations and (2) performance audit recommendations. The TDA Manual describes the requirements and forms to be submitted as part of the annual claim process.

11. Additional Regulations

Sections 99261, 99275.5, and 99401 provide for SANDAG to further delineate procedures for the administration of TDA funds.

1. Interest Earned on TDA Monies in the County Treasury: Interest earned on TDA monies in the County Treasury accrue to the LTF and will be apportioned as part of the total funds estimated as determined by the County Auditor and Controller.

2. Interest Earned on TDA Monies Allocated to Operators: Recipients of TDA funds shall maintain separate accountability for such funds and interest earned on such funds. In addition, operators should invest TDA funds received in a prudent manner and any interest earned on such funds shall be expended only for the purposes for which the TDA funds were allocated.

3. Operator Performance Audits: A performance audit guide shall be maintained and the performance audits of operators who claim TDA funds shall be conducted as required by law.

4. Apportionment Schedule Population Estimates: In determining the annual apportionment of TDA funds to member jurisdictions, SANDAG shall utilize the most
recent California Department of Finance population figures.

5. **TDA Payment Schedules**: The SANDAG Executive Director determines the cash flow needs of individual TDA claimants and is directed to issue allocation instructions and payment schedules to the County Auditor that will meet said cash flow needs within the limits of available TDA monies and within the limits of individual claim amounts approved by the Board. Capital claims for fixed facilities shall be treated as reserves and paid on a progress-payment basis.

6. **Article 4.5 Claimants - Farebox Recovery Requirements**: Claimants of funds under Article 4.5 shall be in compliance with the applicable farebox recovery requirements as contained in Sections 99268.3, 99268.4, 99268.5, and 99268.9. However, for the purpose of meeting the farebox recovery requirement, an operator may include local support, as defined by CCR 6611.3, in the calculation. A CTSA performing coordination activities is exempt from any farebox recovery requirement.

7. **Technical Changes to Adopted Resolutions**: When a minor technical revision to an adopted resolution approving a TDA claim is necessary, and where the revision does not amend the allocated amount of funds, the SANDAG Board has authorized the SANDAG Executive Director to make said revisions subject to approval of SANDAG Counsel.

8. **Farebox Recovery Requirement for Operators in Urbanized and Nonurbanized Areas**: For the purposes of Section 99270.1, an operator serving both urbanized and nonurbanized areas shall be required to meet a fare revenue to operating cost ratio of between 10 percent and 20 percent as determined by the proportion of revenue miles operated within the urbanized area to total revenue miles operated. (Example: If 50 percent of an operator’s revenue miles are within the urbanized area, then the required ratio is 15 percent.) However, if the operator’s actual FY 1979 fare revenue to operating cost ratio and fare revenue plus local support to operating cost ratio exceed the ratio as determined above, then the operator shall be required to at least maintain the FY 1979 ratios to remain eligible for funding.

8. **Use of TDA Funds for Local Street and Road Improvements**: PUC Section 99232 restricts the use of TDA funds in urbanized counties, including San Diego County, for transit purposes. TDA funds shall be allocated for local street and road improvements only when such improvements are directly related to a major transit facility, such as a multimodal terminal or transit center. The local street and road improvements must be an integral part of the transit facility and the transit facility must be identified in the regional Short-Range Transit Plan (SRTP) and in the RTP.

Adopted February 2004

Amended December 2007
TRANSNET ORDINANCE AND EXPENDITURE PLAN RULES

The following rules have been adopted and amended by the SANDAG Board of Directors in its role as the San Diego County Regional Transportation Commission (RTC). The purpose of these rules is to implement the provisions of the original TransNet Ordinance (87-1) and the TransNet Extension Ordinance (04-01).

Rule #1: Procedure for Distribution of Revenues for Transportation Services for Seniors and the Disabled

Adoption Date: February 26, 1988 (Resolution RC88-2)

Amendment: Repealed at November 18, 2005, Board Meeting. This rule was superseded by Rule No. 11.

Rule #2: Loan of Funds for Privately Funded Projects

Adoption Date: April 22, 1988 (Resolution RC88-5)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: The Commission may approve a loan of sales tax funds to a city or county from its formula-based share of Local Street and Road funds to finance a project which is prohibited from receiving funding under Section 9 of Commission Ordinance 87-1 or Section 8 of Ordinance 04-01 if the following terms and conditions are met.

1. A finding is made by the Commission that absent private sector funding, the project would be an eligible street and road project.

2. The City or County agrees to enter into an agreement to repay the loan plus interest (at a rate determined by the Commission) prior to the termination of the sales tax in accordance with Section 3 of Commission Ordinance 87-1 or Section 3 of Ordinance 04-01.

3. That the City or County agrees to guarantee repayment of the loan if private developer funding is determined to be inadequate to repay the loan prior to termination of the sales tax.

Rule #3: Reimbursement of Local Funds to Advance Approved Projects

Adoption Date: May 27, 1988 (Resolution RC88-6)

Amendment: Amended at November 18, 2005, Board Meeting.
A city or county may advance improvements on a project(s) which is included in the approved transportation sales tax Program of Projects with local agency funds (other than private developer funds as set forth in Section 9 of Ordinance 87-1 or Section 8 of Ordinance 04-01) prior to sales tax funds being available and receive reimbursement including interest from sales tax funds if it is determined by the Commission that the following terms and conditions are met.

1. The project(s) is included in the approved transportation sales tax Program of Projects, and no other financing technique is found to be more desirable or cost effective to utilize in order to advance the improvement.

2. The city or county shall be reimbursed for the local funds expended as soon as sales tax funds become available, or on a schedule agreed to between the local agency and the Commission.

3. That no more than 30 percent of the funds will be used for maintenance projects if the funds are borrowed from TransNet revenues pursuant to Section 2(C)(1) of Ordinance 04-01.

Rule #4: SR 78 Corridor Reserve Fund Allocation Policies

Adoption Date: Originally Adopted May 26, 1989 (Resolution R-89-82)

Wording changed December 14, 1990 (Resolution RC91-10)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: For purposes of allocating funds under Section 2(a)(3) in Ordinance 87-1:

1. Only those projects designated as "funded" on the SR 78 Corridor project list approved on December 13, 1990 by the SR 78 Corridor Policy Committee are eligible to receive SR 78 Corridor Reserve Funds.

2. The list of SR 78 Corridor projects and their priority and funding eligibility may be revised by a majority vote of the SR 78 Corridor Policy Committee and the approval of the Board of Directors.

3. The basic contribution for a non-Caltrans project on the SR 78 Corridor Reserve funded list is 50 percent of the estimated right-of-way, engineering, and construction costs. However, the total amount of Corridor Reserve Funds designated for projects within one jurisdiction may be allocated to vary from the basic 50 percent for any given project as long as the cumulative total for programmed projects at any point in time does not exceed 50 percent.

4. The basic contribution for a Caltrans project on the SR 78 Corridor Reserve funded list is 100 percent of the estimated right-of-way, engineering, and construction costs.

5. Contributions from the SR 78 Corridor Reserve Fund to any one jurisdiction cannot exceed 50 percent (100 percent for Caltrans) of the
project cost estimates shown on the approved funded list of December 13, 1990. If actual project costs are less than estimated, a maximum contribution of 50 percent (100 percent for Caltrans) of the new costs shall be in effect.

6. A project that for any reason is removed from the funded list can only be replaced by the next highest ranked unfunded project (or projects), regardless of jurisdiction and only if the funded list of projects does not exceed the total Corridor Reserve dollars available. As with other funded projects, Corridor Reserve funds can only be used to improve the replacement project(s) to minimal four-lane standards (six lanes at freeway interchanges).

Added June 22, 1990 (Resolution RC90-40):

7. SR 78 Corridor Reserve funds for right-of-way will not be encumbered until a project has environmental clearance and the first 25 percent of the total value of the right-of-way is acquired. When a total of 75 percent of the right-of-way has been acquired, the construction funds will be encumbered at the request of the agency.

Added December 14, 1990 (Resolution RC91-10):

8. All agencies submitting projects from the SR 78 Corridor Funded Project List for programming are encouraged to pursue matching funds from the State’s SB 300 program.

Added February 22, 1991 (Resolution RC91-13):

9. Any new source of state highway funds for the San Diego region should be considered for allocation to the TransNet SR 78 Corridor Reserve to offset local funds which were used for projects which are normally the responsibility of the State, such as freeway-freeway interchange improvements and ramp metering systems.

Rule #5: Use of Local Street and Road TransNet Funds for the Development of Transportation Demand Management Programs

Adoption Date: August 25, 1989 (Resolution RC90-23)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: The development and implementation of a Transportation Demand Management Program shall be an eligible use of Local Street and Road funds pursuant to Section 19(E) of Ordinance 87-1 and Section 21(c) of Ordinance 04-01. Transportation Demand Management shall mean a comprehensive set of strategies designed to influence travel behavior with respect to mode, time, frequency, route, or distance in order to improve the efficiency and effectiveness of local streets and roads. Principal strategy measures involve, but are not limited to, ridesharing, alternative work hours, and parking management.
Rule #6: Fund Accounting and Interest Allocation

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: For the purposes of determining compliance with Section 12 of Ordinance 87-1 and Section 13 of Ordinance 04-01, each agency shall maintain a separate fund (fund accounting) for TransNet revenues, if possible. Where the creation of a separate fund is not possible due to accounting methodology used by the agency, an alternative approach to maintaining separate accountability for TransNet revenue and expenditures must be developed and submitted to the Commission staff for concurrence. Interest earned on TransNet revenues received by the agency must be allocated to the TransNet fund and used only for projects approved by the Commission in the Program of Projects. For accounting purposes, the interest earnings shall be considered to be expended first. Further, the Ordinances allow the agencies to retain any unused TransNet funds. Interest accrued should be applied to each active project that carries an outstanding balance. The agency can determine the method of the interest distribution to be validated by the audit.

Rule #7: Program of Projects Approval Process and Amendments

Adoption Date: March 23, 1990 (Resolution RC90-35)


Text: Each local agency shall develop a five-year list of projects to be funded with TransNet revenues under Section 2D of Ordinance 87-1 and Section 4D of Ordinance 04-01 in accordance with the Regional Transportation Improvement Program (RTIP) update schedule. All projects a local agency wishes to include in its Program of Projects must be consistent with the Regional Transportation Plan and approved by the Commission for inclusion in the RTIP. A local agency’s projects shall not receive Commission approval until the Commission receives a resolution from the local agency that documents that the local agency held a clearly noticed public hearing regarding the proposed list of projects prior to approval by the local agency’s legislative body of the projects. The language that must be included in the resolution and the deadlines for submission shall be prescribed by the Commission. The resolution shall contain the provisions set forth in Rule #15.

A Program of Projects amendment shall be initiated when a local agency desires to add a new project to the approved Program of Projects, to delete an approved project in its entirety, or to change the TransNet funds programmed for a project by $2 million or 10-20 percent of total project, whichever is less. Projects proposed in the amendment must have been approved by the governing body of the local agency within the preceding 12 months. The local agency shall initiate the amendment process by holding a clearly noticed public hearing and submitting a resolution using the language and deadlines
prescribed by the Commission as documentation of governing body approval. The amendment must be approved by the Commission prior to the expenditure of funds on the new or amended projects.

**Rule #8: Determination of New Transit Services**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Amendment:** Amended at November 18, 2005, Board Meeting.

**Text:** For the purpose of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the level of service provided in FY 1988 shall be considered at the base level of service in existence prior to the availability of TransNet revenues which must be maintained through other funding sources. Compliance with the “new” service requirement shall be determined using the following procedure:

1. Determine the number of vehicle service miles operated during the fiscal year using TransNet revenues for any given operator by dividing the TransNet revenues for operations by the total systemwide operating cost for that operator and multiplying the total vehicle service miles operated by the quotient.
2. Subtract the number of miles determined in Step 1 from the total system vehicle service miles operated during the year.
3. If the adjusted number of miles from Step 2 is greater than or equal to the FY 1988 base level, then the compliance test is met.
4. The attached table of base statistics from FY 1988 (Attachment 1) will be used to determine compliance. These figures reflect all publicly funded operators within the MTDB (MTS) and North County Transit District (NCTD) service areas (Articles 4, 4.5, and 8) because TransNet revenues could potentially be used by the operators to fund service improvements on any of these systems.

**Rule #9: Use of TransNet Revenue for Bus Purchases**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Amendment:** Amended at November 18, 2005, Board Meeting.

**Text:** TransNet revenues may be used to support the purchase of buses required to operate new services funded with TransNet revenues. The number of buses which can be purchased with TransNet revenues shall be determined using the following procedures.

1. Determine the number of annual new vehicle service miles service being operated in accordance with Rule Number 8 – Determination of New Transit Services.
2. Divide the number of new miles of service by the systemwide average annual vehicle services miles per bus for a given operator to determine
the equivalent number of buses required to operate the new service. Round up to the nearest whole number of bus equivalents.

The TransNet revenues used for bus purchases shall come out of the revenues available under Section 4(B)(2)(c) of Ordinance 87-1. The use of TransNet revenues for bus purchases shall be used to the maximum extent possible as matching funds for available state and federal capital funds. If, at some point in the future, the number of buses purchased with TransNet revenues cannot be justified based on the number of new miles being operated with TransNet revenues, then a pro-rated reimbursement to the TransNet fund will be required based on the remaining useful life of the vehicles. TransNet revenues may not be used to support the purchase of replacement buses for the “existing” (FY 1988) level of service. Any buses purchased with TransNet revenues will remain under the ownership of MTDB (MTS) or NCTD and be made available to the operator chosen to operate the new services.

Rule #10: Use of TransNet Revenues to Replace Reduced State and Federal Operating Support

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: For purposes of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the maximum amount of TransNet funds that MTDB (MTS) or NCTD are eligible to use to replace federal funds in a given year is equal to the FY 1987 base year levels of federal and state operating support ($6,113,307 for MTS and $2,511,816 for NCTD) less the amount of state and federal operating support available in that year. The priority on the use of funds under this section is to provide new service improvements. MTS and NCTD are encouraged to use other available revenues, such as Transportation Development Act (TDA) funds, to offset reductions in state and federal funds, if possible, and to use TransNet funds under these sections for new service improvements.

Rule #11: Use of TransNet Revenues for Transportation Services for Seniors and the Disabled

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at the November 18, 2005, and December 21, 2007, Board Meetings.

Text: The funds made available under Section 4(B)(1) of Ordinance 87-1 or Section 4(c)(1) of Ordinance 04-01 for improved transportation services for seniors and the disabled shall be used to augment the revenues made available under the Transportation Development Act (TDA) Article 4.5 program for the same purposes. These TransNet funds shall be allocated to eligible service providers using the fund distribution formula approved by the SANDAG Board of Directors for use in distributing the TDA Article 4.5 funds. For accounting purposes, following the expenditure of fare revenues and other local and
other local operating revenues, the interest earnings on the TransNet and TDA funds shall be considered to be spent first, followed by the TDA funds, then the TransNet funds, then the TDA funds.

Rule #12: Use of TransNet Revenues for Accessibility Improvements

Adoption Date: March 23, 1990 (Resolution RC90-35)

Text: In the development of TransNet-funded local street and road projects, local jurisdictions may include, within the street right-of-way, improvements to enhance accessibility to the transportation system, including, but not limited to, accessibility improvements to bus stop areas.

Rule #13: Investments

Adoption Date: July 27, 1990 (Resolution RC91-2)

Amendment: Repealed at November 18, 2005, Board Meeting. This rule has been superseded by the Annual Investment Policy Update (see Resolution No. 2006-06 approved at the September 23, 2005, SANDAG Board of Directors meeting).

Rule #14: Capital Equipment Acquisition Loans to SANDAG

Adoption Date: November 16, 1990 (Resolution RC91-6)

Text: The loan of unused administrative allocations from TransNet funds to SANDAG for the purpose of acquiring office and computer equipment is authorized when lower cost financing is not available. The repayment schedule shall be based upon funding authorized in the SANDAG-approved budget and will include interest at a rate equal to the interest earning rate of the San Diego County Pooled Money Fund.

Rule #15: Local Agency Hold Harmless Agreements

Adoption Date: October 25, 1992 (Resolution RC92-7)

Text: Each local agency shall be required to hold harmless and defend the Commission against challenges related to local TransNet projects. This rule is to be implemented by requiring that each local agency agree in its resolution approving its projects for TransNet funding to hold the Commission harmless.

Rule #16: Repayment of Commercial Paper Program Proceeds

Adoption Date: September 23, 2005

Amendment: Amended at November 18, 2005, Board Meeting.

Text: Each agency receiving proceeds from the TransNet Commercial Paper Program shall be responsible for its proportionate share of the ongoing interest and related administrative costs from the date the proceeds are received until the principal amount of the loan is fully
Repaid. Repayment of the principal amount shall commence within three years of the agency's receipt of the proceeds and shall be completed within five years of the agency's receipt of the proceeds. Repayment of the proceeds may be accomplished by rolling the outstanding amount into a long-term bond issue during the five-year repayment period. In such cases, the agency would then be responsible for its proportionate share of the bond issuance costs and annual debt service costs. The repayment of debt, in all cases, is the first priority on the use of the agency's share of annual TransNet revenues.

Rule #17: Fiscal and Compliance Audits

Adoption Date: November 18, 2005

Text: I. Fiscal and Compliance Audit Procedures

The fiscal and compliance audit is an essential tool to determine that TransNet funds are being used for the intended purposes. The Commission has the fiduciary responsibility to ensure that the public funds are used in accordance with the TransNet Ordinance and Expenditure Plan. In order to complete the audits in a timely manner, SANDAG proposes the following:

A. July/August: SANDAG meets with the auditors to review the audits required for the year and provide all necessary documentation/information for the auditors to begin work.

B. September to November: Auditors schedule site visits. Recipient agencies must be ready and available to meet with the auditors and provide requested financial schedules and other information necessary for the completion of the audit.

C. November/December: Auditors issue draft reports to both SANDAG and the agencies. The agencies must be available to review and comment on the draft report in a timely manner. All outstanding issues should be resolved within four weeks.

D. December/January: Auditors issue the final reports. If there are outstanding issues, those should be resolved so that the audit is completed no later than March.

SANDAG Responsibility: SANDAG will provide all information necessary to complete the audit.

Agency Responsibility: All agencies must be ready for the site visit, provide requested information, and review and comment on the draft reports in a timely manner.

If the auditor is unable to complete the audit because an agency was not ready or did not provide the required information or reviews in a timely manner, then the agency will be deemed in noncompliance of the Ordinance. SANDAG will withhold future TransNet payments (except for required debt service payments) until the audit is completed.

The Ordinance states that the Commission:

[S]hall not allocate any revenues...to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for street and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the Maintenance of Effort requirements were met. Any local agency which does not meet its Maintenance of Effort requirement in any given year shall have its funding reduced in the following year by the amount by which the agency did not meet its
required Maintenance of Effort level. Any local street and road revenues not allocated pursuant to the Maintenance of Effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in [the Ordinance].

Although there are no specific MOE requirements for the highway, transit, or other discretionary programs, the verification of fund usage is essential. Therefore, the withholding of TransNet fund payments applies to all agencies that do not have a completed audit.

II. Exceptions

SANDAG acknowledges the existence of unforeseen circumstances which may prevent an audit from completion. Should situations warrant an extension, the agencies must submit a request for an extension to be considered by the SANDAG Transportation Committee, including an explanation of the situation and specific timelines for completion of the audit.

III. Audit Adjustments

Specific Project Funding/Discretionary Programs

This section applies to funding allocated for the specified projects under the Highway and Transit Programs under Ordinance 87-1, including funding allocated for bicycle facility improvements. Under the TransNet Extension (Ordinance 04-01), this section applies to the Major Corridor funding – Section 4(A) and (B) and the four discretionary programs: (1) Transit Senior program – Section 4(C)(2); (2) Local Environmental Mitigation program – Section 4(D)(2); (3) Local Smart Growth Incentive program – Section 4(D)(3); and (4) Bicycle, Pedestrian, and Neighborhood Safety Program – Section 2(E).

After the projects are completed and there are funds remaining, the agency is required to return the money to the program. After the fiscal audit determines that the project has been completed, SANDAG will transmit a letter to the agency to return the funds to SANDAG. The agency must remit the balance within 60 days of the letter. Should an agency fail to respond in a timely manner, all future TransNet payments (including funds from the other programs) to that agency will be suspended until the funds are returned.

Local Street and Road Formula Program (Section 4(C) of Ordinance 87-1 and Section 4(D)(1) of Ordinance 04-01) and Transit Funding (Section 4(B) of Ordinance 87-1 and Sections 4(C)(1), 4(C)(3), and 4(C)(4) of Ordinance 04-01).

The audit identifies the status of each project funded with TransNet funds – i.e., completed projects, projects that have negative balances, inactive projects, and ongoing projects. The agencies are responsible to work with the auditors to make proper adjustments as follows:

Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, the agency is required to transfer the balance to another TransNet-eligible project (any project included in the approved Program of Projects). The audit should make note to which project the funds will be transferred. Completed projects should no longer show in the following year’s audit.

Projects with negative balances: an ongoing project or a completed project may have expended all the TransNet funds but the agency decided to augment with other funds. In this case, the project should show zero balance for the amount of TransNet expended rather than showing a negative balance. If the project is completed, then it should no longer show in the following year’s audit. If the project is ongoing and the agency intends to backfill the project
with the following year’s TransNet funds, then it should be noted in the audit. However, this practice is discouraged as it will throw off the MOE calculation.

Inactive projects: if a project has had no activity over a period of two audits, the agency must either close out the project or note when the project will be completed. These projects should no longer show in the following year’s audit. Any remaining TransNet funds must be transferred to another TransNet-eligible project.

IV. Local Agency Balance Limitations

Based on the audit, an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the unused balances fall below the 30 percent threshold.

**Rule #18:**

*Adoption Date: June 23, 2006*

*Amended: December 21, 2007*

**Text:** As specified in Section 2(C)(1) of the Ordinance 04-01, at least 70 percent of the revenues provided for local street and road purposes should be used for congestion relief purposes and no more than 30 percent for maintenance purposes. Grade separation projects are identified in Section 2(C)(1) of Ordinance 04-01 as projects that qualify as congestion relief projects. Attachment 2 provides a set of guidelines to be used in the implementation of this 30 percent maintenance limitation requirement beginning with the 2006 Regional Transportation Improvement Program (RTIP) update. These guidelines apply to the programming of all available local TransNet funding (annual formula funds and prior year carry-over balances) beginning with July 1, 2008 (Fiscal Year 2008-09).

**Rule #19: Conflict of Interest for ITOC Representatives**

*Adoption Date: December 15, 2006*

**Policy Text:** The Board intends to make every effort to ensure the representatives selected to serve on the Independent Taxpayers Oversight Committee (ITOC) are free from any bias that would interfere with objective decision making by the ITOC. The Conflict of Interest section of the “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is part of the TransNet Extension Ordinance, states in part: “ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives TransNet sales tax funds authorized by this Ordinance.” The Board interprets this language to impose the same level of restrictions on the ITOC representatives as those that apply to SANDAG Board members pursuant to California state law found at Government Code sections 87100 et seq. and 1090 et seq.

**Rule #20: Selection Procedures for ITOC Representatives**

*Adoption Date: December 21, 2007*
**Policy Text:** The “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is part of the TransNet Extension Ordinance, Section 3 under the heading “Membership and Selection Process” of that document states that a Selection Committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The Selection Committee is to consist of two members of the County of San Diego Board of Supervisors; the Mayor of the City of San Diego; and a mayor from each of the four subregions. It is the mayors from each of the subregions that are to select from among themselves to sit on the Selection Committee, not the representatives who sit on the Board who may or may not be a mayor. The members of the Selection Committee who are mayors from the subregions shall serve for a period of two years or until the designee no longer holds the office of mayor. At the end of this term, the mayors from the affected subregion(s) shall either inform the Clerk of the SANDAG Board that the same representative is being redesignated or identify the new mayor that they have selected to represent their subregion on the Selection Committee.

Attachments: 1. FY 1988 Base Year Statistics
2. SANDAG Board Item No. 12, June 23, 2006

Adopted: February, April, and May 1988; August 1989; March, July, and November 1990; October 1992; September and November 2005

Amended June and December 1990; February 1991; November 2005; December 2007
## Attachment 1
FY 1988 Base Year Statistics
(for use in TransNet Ordinance Rule #8)
Metropolitan Transit Development Board (MTS) Area

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Operator/Service</th>
<th>Vehicle Service Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chula Vista Transit</td>
<td>559,734</td>
</tr>
<tr>
<td></td>
<td>National City Transit</td>
<td>276,303</td>
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<tr>
<td></td>
<td>County Transit System:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Suburban Service</td>
<td>646,904</td>
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<tr>
<td></td>
<td>- Rural Bus</td>
<td>170,953</td>
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<tr>
<td></td>
<td>- Poway Fixed Route</td>
<td>313,425</td>
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<tr>
<td></td>
<td>San Diego Transit</td>
<td>10,473,323</td>
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<tr>
<td></td>
<td>San Diego Trolley</td>
<td>1,033,084</td>
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<tr>
<td></td>
<td>Strand Express Agency</td>
<td>400,738</td>
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<td>Total</td>
<td>13,874,464</td>
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<tr>
<td>Article 8</td>
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<tr>
<td></td>
<td>- Express Bus</td>
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<tr>
<td></td>
<td>Total</td>
<td>189,276</td>
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<tr>
<td>Article 4.0 Dial-A-Ride</td>
<td>El Cajon Express</td>
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<td></td>
<td>La Mesa Dial-A-Ride</td>
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<tr>
<td></td>
<td>Lemon Grove Dial-A-Ride</td>
<td>62,090</td>
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<td></td>
<td>County Transit System:</td>
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</tr>
<tr>
<td></td>
<td>- Poway Dial-A-Ride</td>
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<td></td>
<td>- Poway Airporter</td>
<td>103,925</td>
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<td>- Spring Valley Dial-A-Ride</td>
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<td></td>
<td>San Diego Transit DART</td>
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<td></td>
<td>Total</td>
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<td>Article 4.5</td>
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<tr>
<td></td>
<td>Chula Vista Handytrans</td>
<td>128,807</td>
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<td></td>
<td>County Transit System - WHEELS</td>
<td>219,906</td>
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<td></td>
<td>National City Wheels</td>
<td>15,159</td>
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<td></td>
<td>Poway Call-A-Ride</td>
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<tr>
<td></td>
<td>San Diego Dial-A-Ride</td>
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<tr>
<td></td>
<td>Total</td>
<td>1,573,623</td>
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<tr>
<td>MTDB (MTS) Area Total</td>
<td></td>
<td>16,768,923</td>
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## North County Transit District

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Operator/Service</th>
<th>Service Miles</th>
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<tbody>
<tr>
<td>Article 4.0</td>
<td>NCTD Fixed Route</td>
<td>7,651,408</td>
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<td></td>
<td>NCTD FAST</td>
<td>126,744</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7,778,152</td>
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<tr>
<td>Article 4.5</td>
<td>NCTD Lifeline</td>
<td>386,680</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>386,680</td>
</tr>
<tr>
<td></td>
<td><strong>NSDCTDB (NCTD) Area Total</strong></td>
<td>8,164,832</td>
</tr>
<tr>
<td></td>
<td><strong>REGIONAL TOTAL</strong></td>
<td>24,933,755</td>
</tr>
</tbody>
</table>
TransNet Local Street and Road Program
TransNet Ordinance and Expenditure Plan Implementation Guidelines
June 23, 2006

The TransNet Ordinance requires that at least 70 percent of the revenues provided for local street and road purposes should be used to fund direct expenditures for facilities contributing to congestion relief. No more than 30 percent of these funds should be used for local street and road maintenance purposes. The required multi-year Regional Transportation Improvement Program (RTIP) project lists submitted by local agencies that are found to be out of compliance with this requirement will not be approved. Local agencies may request an exception to this requirement and must provide justification for such a request as part of its project list submittal.

The following table categorizes and lists the more typical types of facilities that are considered to contribute to congestion relief. For other facilities not listed, it must be demonstrated that congestion relief can be obtained before the project can be considered part of the 70 percent Congestion Relief category. Maintenance costs of items listed in the 70 percent Congestion Relief category are eligible under the 30 percent category. Facilities that are not considered to contribute to congestion relief (Items 28-30) are eligible under the 30 percent category.

<table>
<thead>
<tr>
<th>Congestion Relief (At least 70%)</th>
<th>Maintenance and Non-Congestion Relief (No more than 30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New or Expanded Facilities</strong></td>
<td></td>
</tr>
<tr>
<td>1. New roadways and bridges</td>
<td>- Lane removal for bike lanes</td>
</tr>
<tr>
<td>2. Roadway and bridge widening</td>
<td>- Pavement overlay (less than 1 inch)</td>
</tr>
<tr>
<td>3. Roadway widening for bike lanes</td>
<td>- Pot hole repair, chip seal, fog seal, crack seal (except when part of roadway rehabilitation project)</td>
</tr>
<tr>
<td>Major Rehabilitation and Reconstruction</td>
<td>- Roadway realignment that does not increase roadway capacity</td>
</tr>
<tr>
<td>4. Roadway rehabilitation (grinding and overlay, or new structural pavement, or new overlay 1-inch thick or greater)</td>
<td>- Bridge replacement for aesthetic purposes</td>
</tr>
<tr>
<td>5. Roadway realignment</td>
<td>- Minor drainage improvements not part of a congestion relief project</td>
</tr>
<tr>
<td>6. Bridge retrofit or replacement</td>
<td>- Stand alone landscaping project of an existing median</td>
</tr>
<tr>
<td>7. Roadway drainage improvements for the purpose of improving capacity-impeding conditions such as significant and frequent roadway flooding</td>
<td>- Traffic signal replacement, bulb replacement, hardware, software, inductive loop repair</td>
</tr>
<tr>
<td>8. New sidewalk or sidewalk widening</td>
<td></td>
</tr>
<tr>
<td>Traffic Operations</td>
<td></td>
</tr>
<tr>
<td>9. Median installation for safety improvement or left-turn movement</td>
<td></td>
</tr>
<tr>
<td>10. New traffic signal, passive permissive left turn (PPLT) installation, signal removal for congestion relief reasons, traffic signal upgrades, intersection lighting</td>
<td></td>
</tr>
<tr>
<td>11. Traffic signal coordination</td>
<td></td>
</tr>
<tr>
<td>12. Traffic signal interconnection</td>
<td></td>
</tr>
<tr>
<td>13. Centrally controlled traffic signal optimization system</td>
<td></td>
</tr>
<tr>
<td>14. Traffic surveillance or detection system (video)</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief (At least 70%)</td>
<td>Maintenance and Non-Congestion Relief (No more than 30%)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>15. Traffic data collection system for performance monitoring purposes (in pavement detection, radar)</td>
<td></td>
</tr>
<tr>
<td>Smart Growth-Related Infrastructure*</td>
<td></td>
</tr>
<tr>
<td>16. Traffic calming measures</td>
<td></td>
</tr>
<tr>
<td>17. Pedestrian ramps</td>
<td></td>
</tr>
<tr>
<td>18. Pedestrian traffic signal activation</td>
<td></td>
</tr>
<tr>
<td>19. Pedestrian crossings/overcrossings</td>
<td></td>
</tr>
<tr>
<td>20. Buffer area between sidewalk and street</td>
<td></td>
</tr>
<tr>
<td>21. Pedestrian roadway lighting</td>
<td></td>
</tr>
<tr>
<td>Transit Facilities</td>
<td></td>
</tr>
<tr>
<td>22. New bus stops</td>
<td></td>
</tr>
<tr>
<td>23. Bus stop enhancements</td>
<td></td>
</tr>
<tr>
<td>24. Bus-only lanes</td>
<td></td>
</tr>
<tr>
<td>25. Queue jumper lanes for buses</td>
<td></td>
</tr>
<tr>
<td>26. Traffic signal priority measures for buses</td>
<td></td>
</tr>
<tr>
<td>27. Transit operational costs for shuttle and circulator routes</td>
<td></td>
</tr>
<tr>
<td>-Light bulb replacement</td>
<td></td>
</tr>
<tr>
<td>-Bus-only lanes that do not provide congestion relief</td>
<td></td>
</tr>
<tr>
<td>Non-Congestion Relief</td>
<td></td>
</tr>
<tr>
<td>28. Erosion control (unless required as part of a congestion relief project)</td>
<td></td>
</tr>
<tr>
<td>29. Landscaping (unless required as part of a congestion relief project)</td>
<td></td>
</tr>
<tr>
<td>30. Roadway signing and delineation (unless it is a congestion relief project)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Staff costs for congestion relief project development (environmental, preliminary engineering, design, right-of-way acquisition, and construction management) are eligible expenditures under the 70 percent category. Staff costs for transportation infrastructure maintenance or traffic operations efforts are eligible under the 30 percent category. Costs for general TransNet fund administration and transportation planning are eligible up to 1 percent of annual revenues.

*To receive credit for providing congestion relief under the 70 percent category, smart growth-related infrastructure must be provided in one of the existing or planned (not potential) seven Regional Comprehensive Plan smart growth land use type characteristic areas: Metropolitan Center, Urban Center, Town Center, Community Center, Transit Corridor, Special Use Center, or Rural Community. Smart growth-related infrastructure built outside of one of the seven types of characteristic areas is eligible under the 30 percent category.
FY 2008 BUDGET AMENDMENTS: CALIFORNIA TRANSPORTATION PLANNING GRANTS

Introduction

In September 2007, Caltrans announced transportation planning grant awards to SANDAG totaling more than $380,000 to fund four projects. The proposed amendment to the FY 2008 Budget and Overall Work Program (OWP) will allocate funds to three existing work elements (Attachments 1 through 3) and add one new work element (Attachment 4).

Discussion

As a result of the transportation planning grant awards, a new work element and budget has been prepared, and modifications of three existing elements are recommended as amendments to the FY 2008 Budget and OWP.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Amount Awarded</th>
<th>FY 2008 Work Element #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Results of Market-Based Planning for the Comprehensive Operational Analysis</td>
<td>$97,205</td>
<td>3002303</td>
</tr>
<tr>
<td>2. City Heights Walks to School!</td>
<td>$129,319</td>
<td>3000208</td>
</tr>
<tr>
<td>3. San Diego-Riverside Interregional Transit, Vanpool, and Buspool Study</td>
<td>$110,662</td>
<td>3005101</td>
</tr>
<tr>
<td>4. San Diego Transit Planning Internship Program</td>
<td>$50,000</td>
<td>4000103</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$387,186</strong></td>
<td></td>
</tr>
</tbody>
</table>

The four grant awards described here were among seven grant applications submitted. All four were included in the FY 2008 OWP in Chapter 5 – Pending Discretionary Grants, and were awarded 100 percent of the requested amounts. These projects are all multi-year efforts which must be completed before the end of FY 2010. While this request commits SANDAG to the total amounts of each grant, the impact on this fiscal year is much less because only a portion of the work will be conducted this fiscal year.

Also indicated in Chapter 5 of the approved FY 2008 Budget and OWP are the required local match amounts necessary to fully fund these projects. These grants require either a 10 percent or 11.47 percent local match in order to obtain the release of the remaining grant funds. The local funding typically comes from SANDAG Transportation Development Act (TDA) Planning and
Administrative funds, but is not authorized or allocated until the grants are awarded. SANDAG will be shifting hours from other work elements to cover the required matching funds for one of the new grants. The remainder of the local match requirement (approximately $20,000) will be incorporated into the FY 2009 budget process.

Amended and New Work Elements

Results of Market-Based Planning for the Comprehensive Operational Analysis (Attachment 1)

The recent implementation of the Comprehensive Operational Analysis (COA), by the Metropolitan Transit System (MTS), made significant structural changes to transit services within the metropolitan San Diego area. As part of the COA, a new service concept was established for the MTS services based, in part, upon a first-of-its-kind market segmentation analysis (TransitWorks) conducted in 2000. As a result, the regional service concept consists of three distinct tiers of service, each aimed at serving specific market segments with the greatest ridership potential. The Urban Network envisions high frequency services throughout the day in areas that demonstrate the market characteristics and land uses necessary to support robust transit service for spontaneous use for any trip purpose. Commuter services are geared toward origins that demonstrate a high propensity to use transit, as well as destinations that demonstrate the critical mass of demand from transit friendly origins to justify high frequency and competitive service. Finally, the Community Based services area designed in conjunction with community groups and local jurisdictions with the expectation that community members will focus their trip making on specific times, days, and locations.

This grant evaluates the effectiveness of the COA based on the market research principles to answer a variety of questions, including:

- Is it providing better or worse service overall?
- Are people responding to the tradeoffs of more frequent and direct routing at the expense of more transferring?
- What are people’s thresholds for frequent service?
- Can the community based services be refined by working with local groups?
- How successful are commuter services?

This new effort will be amended into existing work element #80023 (Short Range Transit Service Planning) as a sub-project for grant tracking purposes. Matching funds are provided by MTS through an in-kind contribution.

City Heights Walks to School! (Attachment 2)

The objective of this grant is to provide outreach to parents, children, officials, community stakeholders, and residents to plan for safe routes to school (SR2S) in City Heights revolving around National Walk to School Day events in October. It will educate students on traffic safety, create and/or update SR2S maps for each school identified, and provide a needs assessment that identifies deficiencies, solutions, and costs of implementing pedestrian safety improvements around the
schools. The City Heights Community Development Corporation will implement the grant tasks with administrative oversight provided by SANDAG staff.

Funds for SANDAG staff time will come from the grant as well as the City Heights Community Development Corporation. SANDAG staff hours will be shifted from work element #70003 (Regional Intergovernmental Review) for work to be completed on this grant in FY 2008. (See Attachment 5.) This new effort will be amended into existing work element #30002 (Regional Comprehensive Plan Implementation) as a sub-project for grant tracking purposes.

San Diego-Riverside Interregional Transit, Vanpool, and Buspool Study (Attachment 3)

This project aims at improving interregional transportation alternatives and increasing transit ridership. This study funds research into determining origins and destinations of interregional commutes between Riverside and San Diego counties, analyzing the data, and designing effective alternatives to single occupant vehicle (SOV) driving patterns by recommending vanpool, buspool, bus rapid transit (BRT), or other rideshare options.

In addition, the study will identify how best to serve activity centers, such as military installations or business parks, with vanpools and buspools since those markets would not be well served by the proposed Interstate 15 (I-15) BRT service because of different destinations and/or lower volume of demand.

Matching funds required for this grant will come from SANDAG TDA Planning and Administrative funds. SANDAG staff hours will be shifted from work element #70003 (Regional Intergovernmental Review) for work to be completed in FY 2008. (See Attachment 5.)

This new grant will be placed in work element #30051 (I-15 Interregional Partnership) for this next phase of continuing interregional coordination efforts with Riverside County.

San Diego Transit Planning Internship Program (Attachment 4)

This grant provides for a collaborative project between San Diego State University (SDSU) and SANDAG to staff and train two interns in transit planning in a joint agency context. This grant builds upon existing grants received from Caltrans that hired and trained two interns annually in similar planning studies.

Two or more Master of City Planning (MCP) graduate students at SDSU would receive internships to work on transit planning and implementation activities at SANDAG, MTS, and North County Transit District (NCTD). The interns would be selected on a competitive basis. Each intern would work approximately 26 hours per week for one year on a variety of transit planning and operational tasks, with daily supervision by Senior Regional Planners at SANDAG, MTS, and NCTD.

Work on this grant will not begin until July 2008; therefore, staff time will be included in the SANDAG FY 2009 Budget and OWP. These funds will come from SANDAG TDA Planning and Administrative funds.
This new effort will be amended into existing work element #40001 (Transit Planning Administration and Coordination) as a subproject for grant tracking purposes.

RENÉE WASMUND
Director of Finance

Attachments:  1. 3002303 – Results of Market-Based Planning for the Comprehensive Operational Analysis
              2. 3000208 – City Heights Walks to School! Outreach Program
              3. 3005101 – San Diego-Riverside Interregional Transit, Vanpool, and Buspool Study
              4. 4000103 – San Diego Transit Planning Internship Program-FY 2009
              5. 7000300 – Intergovernmental Review Processing

Key Staff Contacts: Tim Watson, (619) 699-1966, twa@sandag.org
                  Shelby Tucker, (619) 699-1944, stu@sandag.org
MANDATED/COMMITTED: ALL  
DEDICATED FUNDING: PARTIAL  

PROGRAM WORK ELEMENT: 30023, 3002301, 3002303  
TITLE: REGIONAL SHORT-RANGE TRANSIT SERVICE PLANNING  

FY 2008 BUDGET: $705,225, $737,625  
STRATEGIC GOAL: IMPROVE MOBILITY

MULTI-YEAR BUDGET: 3002303

SUB-PROJECT TITLE: RESULTS OF MARKET-BASED PLANNING FOR THE MTS COMPREHENSIVE OPERATIONAL ANALYSIS

The budget table below shows the new multi-year project budget that will become a sub-project under the Short Range Transit Planning project group.

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
<th>FY 08</th>
<th>FY 09-12</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA Transit Planning (5307)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Federal Other</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Federal Other*</td>
<td></td>
<td></td>
<td>$97,205</td>
<td>$97,205</td>
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<tr>
<td>State Other</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>TDA Planning/Administration</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>TransNet Program</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Member Assessment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Local Other**</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$0</td>
<td>$97,205</td>
<td>$0</td>
<td>$97,205</td>
</tr>
</tbody>
</table>

* Statewide Transit Planning Studies Planning Grant (Caltrans)
** In-kind contribution of $12,595 will be provided by pass through agency – San Diego Metropolitan Transit Systems

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>Prior</th>
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<th>FY 09-12</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
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<td>Salaries, Benefits, Indirect</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Direct Costs</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
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OBJECTIVE

The objectives of the Short Range Service Planning work element are to: (1) prepare the combined Regional Short-Range Transit Plan (RSRTP) and Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)-mandated coordinated plan; (2) manage the competitive process for Job Access and Reverse Commute (JARC) and New Freedom projects; (3) provide transit planning assistance and support for North County Transit District (NCTD) and Metropolitan Transit System (MTS); (4) develop and
administer the regional transit fare structure, levels, and policy; (5) manage and deliver SANDAG’s program for transportation for seniors and persons with disabilities; (6) develop a short-term strategy for increasing the available parking at Coaster and Trolley stations and monitor transit system performance in compliance with TDA requirements; (7) conduct sub-area transit analysis as required; (8) prepare the “after” component of the FTA-required before and after study of the SPRINT; (9) prepare the program management plan for JARC and New Freedom and monitor the performance of the grantees; (10) provide transit operations planning for major capital projects being developed by SANDAG; (11) monitor transit system performance; and (12) pass through Caltrans Transportation Planning Grant funds to MTS for the implementation of a study of “Results of Market-Based Planning for the MTS Comprehensive Operational Analysis.”

PREVIOUS AND ONGOING WORK

Previous and ongoing work includes annual preparation of the RSRTP and coordination of transit operator planning initiatives. The annual RSRTP process incorporates mandated Transportation Development Act (TDA) requirements, including establishment of cost recovery goals for the transit operators and the Performance Improvement Program (PIP). In FY 2006 work included completion of the combined FY 2006-2010 RSRTP and Coordinated Plan and the establishment of an ongoing Short-Range Transit Planning Working Group.

Committee(s): Transportation Committee
Working Group(s): Social Services Transportation Advisory Council
Project Manager: Dan Levy

PRODUCTS, TASKS, AND SCHEDULES

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**FUTURE ACTIVITIES**

This is an ongoing work element to plan, monitor, coordinate, and improve the operation of regional transit services and to manage specific activities related to TDA and SAFETEA-LU funding programs.
MANDATED/COMMITTED: ALL
DEDICATED FUNDING: PARTIAL

PROGRAM WORK ELEMENT: 30002, 3000206, 3000207, AND 3000208
TITLE: RCP PLANNING AND IMPLEMENTATION

FY 2008 BUDGET: $1,889,974, $1,899,154
STRATEGIC GOAL: ENHANCE QUALITY OF LIFE

MULTI-YEAR BUDGETS: 3000208.

SUB-PROJECT TITLE: CITY HEIGHTS WALKS TO SCHOOL! OUTREACH PROGRAM

The budget table below shows the new multi-year project budget that will become a sub-project under the RCP project group.

<table>
<thead>
<tr>
<th>Funds Source</th>
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<th>FY 08</th>
<th>FY 09-12</th>
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*Environmental Justice: Context Sensitive Planning Grant (Caltrans)

**Local match of $14,369 will be provided by the pass through agency with $282 provided to SANDAG as their local share of the grant’s administrative costs – City Heights Community Development Corporation.

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*** SANDAG staff will provide support for the administration and oversight of this grant only.

OBJECTIVE

The objective of this work element is to implement key strategic initiatives of the Regional Comprehensive Plan (RCP) for the San Diego region. The RCP strengthens the integration of the local and regional plans for land use, transportation systems, infrastructure needs, and public investments within a regional framework of smart growth and sustainability. Emphasis in FY 2008 will be to provide cutting-edge planning tools to assist local jurisdictions in implementing smart growth and sustainable development in the smart growth areas identified on the "Smart Growth Concept Map" developed last fiscal year. Major work activities include the development of a new "Smart Growth Planning Toolbox," the preparation of the Smart Growth Urban Design Guidelines, the production of the annual RCP Monitoring Report, and the implementation of the
California Regional Blueprint Planning Grant, which focuses on funding strategies for the RCP’s Integrated Regional Infrastructure Strategy (IRIS). This work element builds upon the principles of smart growth and sustainability included in the RCP. In this regard, the new Smart Growth Planning Toolbox includes researching planning practices that promote these concepts and integrate the newly evolving concepts of public health and new technologies into this framework. The Smart Growth Toolbox also includes a community education program, as called for in the RCP. This work element will be coordinated with numerous other work elements within the Overall Work Program (OWP).

PREVIOUS AND ONGOING WORK

As required by Senate Bill 1703, SANDAG initiated the preparation of the RCP in early 2002. The RCP was developed over a two-year period, working with member agencies, stakeholders, and the public. In July 2004 the SANDAG Board of Directors adopted the RCP for the San Diego region.

During FY 2007 SANDAG accomplished the following RCP implementation activities: completed the Smart Growth Concept Map; initiated the preparation of the urban design guidelines; obtained and integrated input from the Regional Planning Stakeholders Working Group (SWG) into RCP implementation activities and the update of the comprehensive 2007 Regional Transportation Plan (RTP); released the baseline RCP performance monitoring report; completed a status report on the implementation of RCP Strategic Initiatives; and produced social equity and environmental justice guidelines for use by the agency. Through other related work elements, SANDAG also received recommendations from the Independent Transit Planning Review Panel, updated the Transportation Project Evaluation Criteria, and monitored projects that received funding during FY 2006 as part of the Pilot Smart Growth Incentive Program.

This FY 2008 work element coordinates the continuing implementation of the RCP with a variety of other work elements in the OWP. The Regional Planning Technical Working Group (TWG) (the region’s planning and community development directors) and the Regional Planning Stakeholders Working Group (SWG) (stakeholders from throughout the region) make recommendations to the Regional Planning Committee, the Transportation Committee, and the Board of Directors on this work. A new SPRINTER Stakeholders Working Group was recently formed this year to coordinate on subregional land use and transportation issues in North County along the SPRINTER.

Committee(s): Regional Planning Committee
Working Group(s): Regional Planning Technical Working Group; Regional Planning Stakeholders Working Group; SPRINTER Smart Growth Working Group
Project Manager: Carolina Gregor

PRODUCTS, TASKS, AND SCHEDULES

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<td>Task Description: Develop Smart Growth Planning Toolbox to facilitate transition of potential SGOAs on the Smart Growth Concept Map to Existing/Planned (E/P) SGOAs and to refine plans in E/P areas. Product: I-PLACE®, visual tools, educational program, updated Smart Growth Concept Map Completion Date: 06/30/2008</td>
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### LEVEL OF MANDATE

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<td><strong>Task Description:</strong> Continue implementation and dissemination of social equity and environmental justice guidelines to be used in SANDAG plans and programs, including Triennial Title VI Compliance. <strong>Product:</strong> Updated Guidelines/Implementation Program; Title VI Compliance <strong>Completion Date:</strong> 06/30/2008</td>
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<td><strong>Task Description:</strong> Provide support to policy committees and working groups; receive internal training; and provide administrative support to the Land Use section. <strong>Product:</strong> Meetings, agendas, evaluations, quarterly reports <strong>Completion Date:</strong> 06/30/2008</td>
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<td><strong>Task Description:</strong> Prepare smart growth trip generation rates and parking study for use in updating the SANDAG traffic generator manual and as an input to the Urban Design Guidelines. <strong>Product:</strong> Consultant contract, meetings, study <strong>Completion Date:</strong> 06/30/2008</td>
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<td><strong>Task Description:</strong> Implement Caltrans Blueprint Planning Grant focused on urban design and financing the Integrated Regional Infrastructure Strategy (IRIS). <strong>Grant-funded</strong> <strong>Product:</strong> IRIS funding strategy, quarterly status reports <strong>Completion Date:</strong> 04/30/2008</td>
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<td></td>
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<td><strong>Task Description:</strong> Prepare Caltrans grant applications and oversee the Caltrans “Access to Community Medical Transportation Services Planning Project” grant. <strong>Grant-funded</strong> <strong>Product:</strong> Grant applications, outreach materials, and reports <strong>Completion Date:</strong> 06/30/2008</td>
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<td>3000210 – CITY HEIGHTS WALKS TO SCHOOL OUTREACH PROGRAM</td>
<td>PM – SHELBY TUCKER/ANDREA GROVES</td>
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<td><strong>Task Description:</strong> Provide outreach activities to parents, children, officials, community stakeholders, and residents to plan for safe routes to schools (SR2S) in City Heights revolving around National Walk to School Day events. <strong>Grant-funded</strong> <strong>Product:</strong> Updated SR2S maps and outreach materials <strong>Completion Date:</strong> 06/30/2008</td>
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### FUTURE ACTIVITIES

Future activities include continued implementation of RCP Strategic Initiatives focused on smart growth and sustainability. This includes coordinating activities of local jurisdictions, the private sector, infrastructure providers, environmental groups, academic institutions, and others to implement the various RCP initiatives. This also includes evaluation of the need to update the RCP.
## PROGRAM WORK ELEMENT: 3005101
### TITLE: SAN DIEGO – RIVERSIDE INTERREGIONAL TRANSIT, VANPOOL, AND BUSPOOL STUDY

### FY 2008 BUDGET: $125,000
### STRATEGIC GOAL: IMPROVE MOBILITY

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* Matching funds for FY 2008 total $1,054.21. The remainder of the matching funds will be provided in FY 2009 and beyond.

### OBJECTIVE

This project intends to improve interregional transportation alternatives and to increase transit ridership. This study would fund research into determining origins and destinations of interregional commutes between Riverside and San Diego counties, analyze the data, and design effective alternatives to single occupancy driving patterns by recommending vanpool, buspool, bus rapid transit, or other rideshare options. The study also will identify how best to serve major activity centers in this corridor.
PREVIOUS AND ONGOING WORK

This project represents one element of Phase III of the I-15 Interregional Partnership (I-15 IRP). In FY 2005 SANDAG received a $240,000 grant from Caltrans for Phase II of the I-15 IRP. The Phase II work program was focused on the implementation of specific economic development, transportation, and housing strategies identified in Phase I and performance monitoring efforts. During FY 2006 and FY 2007 studies were conducted for the following: (1) employment cluster study; (2) county line transportation study; and (3) a study on affordable housing incentive programs applicable to the SPRINTER corridor in northern San Diego County.

Committee(s): Borders Committee
Working Group(s): None
Project Manager: Barrow Emerson

PRODUCTS, TASKS, AND SCHEDULES

<table>
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<tr>
<th>LEVEL OF MANDATE</th>
<th>TASK #</th>
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| RTPA | SGC | RCP | 1 | 25 | **Task Description:** Provide management, administration, and oversight for the study and identify roles and responsibilities.  
**Product:** Execute agreements/memorandums of understanding |
| RTPA | SGC | RCP | 2 | 10 | **Task Description:** Document existing conditions and review existing data, including origin and destination information.  
**Product:** Existing conditions and data inventory reports |
| RTPA | SGC | RCP | 3 | 10 | **Task Description:** Data collection - data to include commuter surveys and origins and destination data.  
**Product:** Data summary report |
| RTPA | SGC | Goods Movement | 4 | 10 | **Task Description:** Determine service approach for various commute markets, including vanpools, buspools, and bus rapid transit (BRT)  
**Product:** Service proposals for vanpools, buspools, and BRT |
| RTPA | SGC | Goods Movement | 5 | 10 | **Task Description:** Develop preliminary stop location and service level proposals.  
**Product:** Preliminary stop and transit service level proposals |
| RTPA | SGC | Goods Movement | 6 | 15 | **Task Description:** Develop transit alternatives - develop transit service proposals, including level and frequency of service based upon budgetary constraints.  
**Product:** Service proposals |
| RTPA | SGC | Goods Movement | 7 | 10 | **Task Description:** Select preferred transit service proposal to serve current and future ridership.  
**Product:** Preferred transit service proposal |
| RTPA | SGC | Goods Movement | 8 | 10 | **Task Description:** Promote transit services, vanpool, and buspool programs.  
**Product:** Prepare and distribute promotional material |
PROGRAM WORK ELEMENT: 40001, 4000101, AND 4000103  
TITLE: TRANSIT PLANNING ADMINISTRATION AND COORDINATION  
FY 2008 BUDGET: $357,910  
STRATEGIC GOAL: IMPROVE ORGANIZATIONAL EFFECTIVENESS

MULTI-YEAR BUDGET FOR 4000103

SUB-PROJECT TITLE: SAN DIEGO TRANSIT PLANNING INTERNSHIP PROGRAM – FY 2009

The budget table below shows the new multi-year project budget that will become a sub-project under the Short Range Transit Planning project group.

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<th>FY 09-12</th>
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<tr>
<td><strong>Federal Other</strong></td>
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<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
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<td><strong>State Other</strong></td>
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<td><strong>TDA Planning/Administration</strong></td>
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<td>$6,478</td>
<td>$0</td>
<td>$6,478</td>
</tr>
<tr>
<td><strong>TransNet Program</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Member Assessment</strong></td>
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<tr>
<td><strong>Local Other</strong></td>
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<td>0</td>
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<td><strong>TOTAL</strong></td>
<td>$26,183</td>
<td>$56,478</td>
<td>$0</td>
<td>$56,478</td>
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* Transit Professional Development Planning Grant (Caltrans)

<table>
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<tr>
<th>Funds Application</th>
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<th>FY 08</th>
<th>FY 09-12</th>
<th>TOTAL</th>
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<tr>
<td><strong>Salaries, Benefits, Indirect</strong></td>
<td>$0</td>
<td>$0</td>
<td>$36,478</td>
<td>$36,478</td>
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<tr>
<td><strong>Other Direct Costs</strong></td>
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<td>$0</td>
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<tr>
<td><strong>Temporary Employees</strong></td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
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<tr>
<td><strong>Contract Employees</strong></td>
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<td><strong>Contracted Services</strong></td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Materials &amp; Equipment</strong></td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
</tr>
<tr>
<td><strong>Pass through/In-kind Services</strong></td>
<td>$0</td>
<td>$0</td>
<td>$20,000</td>
<td>$20,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$0</td>
<td>$0</td>
<td>$56,478</td>
<td>$56,478</td>
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</tbody>
</table>
OBJECTIVE

The objectives of this work element are to: (1) provide administrative, coordination, and supervisory support for the Transit Planning Division; (2) act as liaison with member agencies, various federal, Tribal, and state agencies, transit operators, and other interested groups to advance transit projects and programs; (3) coordinate Intercity Rail/High-Speed Rail, including high-speed passenger rail planning, participation in work by the Riverside County Transportation Commission (RCTC) to evaluate future commuter rail service along the I-15 corridor; (4) coordinate planning and project development activities along the LOSSAN rail corridor; and (5) manage the Transit Planning Internship program that provides professional development opportunities for two interns in the Masters in City Planning graduate program at San Diego State University (SDSU). SANDAG was awarded another Caltrans Transportation Planning Grant to continue this program through FY 2009.

PREVIOUS AND ONGOING WORK

Previous and ongoing work includes coordination, management, administrative, and supervisory responsibilities to assist in the delivery of regional transit projects and plans through the Transportation Committee structure.

Committee(s): Transportation Committee
Working Group(s): None
Project Manager: Dave Schumacher

PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>LEVEL OF MANDATE</th>
<th>TASK #</th>
<th>% OF EFFORT</th>
<th>TASK DESCRIPTION / PRODUCT / COMPLETION DATE</th>
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<tbody>
<tr>
<td>MANDATED</td>
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<td>PRIORITY</td>
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<tr>
<td>Accountability</td>
<td>1</td>
<td>40</td>
<td>Task Description: Provide administrative support to the Transit Planning Section and receive training.</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Product: Performance evaluations, meetings</td>
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<td></td>
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<td>Completion Date: 06/30/2008</td>
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<td>OWP</td>
<td>Accountability</td>
<td>2</td>
<td>30</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Product: Joint meetings, planning documents; document Tribal government-to-government relations</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Completion Date: 06/30/2008</td>
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<tr>
<td>Accountability</td>
<td>3</td>
<td>10</td>
<td>Task Description: Staff LOSSAN Technical Advisory Committee and Joint Powers Board.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Product: Agenda, reports, and other materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Completion Date: 06/30/2008</td>
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<tr>
<td>MOUT</td>
<td>Deliver Projects</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Product: Project request, priority lists</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Completion Date: 02/15/2008</td>
</tr>
</tbody>
</table>

4000101 - SAN DIEGO TRANSIT PLANNING INTERNSHIP PROGRAM - FY 2008 - PM - LINDA CULP

| MOUT | Accountability | 5 | 5 | Task Description: Manage San Diego Transit Internship program. |
| | | | | Grant-funded |
| | | | | Product: Intern assistance |
| | | | | Completion Date: 06/30/2008 |
## FUTURE ACTIVITIES

The coordination and advancement of transit planning activities is an ongoing effort.
PROGRAM WORK ELEMENT: 70003
TITLE: INTERGOVERNMENTAL REVIEW PROCESSING

FY 2008 BUDGET: $408,307 403,936
STRATEGIC GOAL: IMPROVE ORGANIZATIONAL EFFECTIVENESS

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Funds Application</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA MPO Planning (5303)</td>
<td>$0  Salaries, Benefits, Indirect</td>
<td>$408,307* 403,936</td>
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<tr>
<td>FTA Transit Planning (5307)</td>
<td>$0  Other Direct Costs</td>
<td>$0</td>
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<td>FHWA Metropolitan Planning</td>
<td>$0  Temporary Employees</td>
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<td>TDA Planning/Administration</td>
<td>408,307 Pass-through/In-kind Services</td>
<td>$0</td>
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<tr>
<td>TransNet Program</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$408,307 403,936</td>
<td>$408,307 403,936</td>
</tr>
</tbody>
</table>

* Project hours and related salaries and funding transferred to 3005101.

OBJECTIVE

The objective of this work element is to manage SANDAG's intergovernmental review (IGR) processing, local development review functions, and a portion of the Congestion Management Plan (CMP), all systems that require coordination with local jurisdictions, along with Caltrans, the County Air Pollution Control District, Metropolitan Transit System (MTS), North County Transit District (NCTD), and other agencies, in the review of plans and development projects affecting the implementation of the Regional Transportation Plan (RTP) and the Regional Comprehensive Plan (RCP). During FY 2008 the IGR and local development review process will move toward greater use of automated project screening criteria, tracking and clearinghouse functions, and regional policy guidance, as well as focusing on local contributions toward regional impacts.

PREVIOUS AND ONGOING WORK

Previous and ongoing work includes maintaining the Areawide Clearinghouse and coordinating the region's IGR process pursuant to the requirements of the federal government and the State of California – (note: actual review of plans and projects occurs primarily through OWP work element 30039, Subregional Transportation Planning and Coordination).

Committee(s): Transportation Committee; Regional Planning Committee
Working Group(s): Regional Planning Technical Working Group
Project Manager: Coleen Clementson
### PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>LEVEL OF MANDATE</th>
<th>TASK #</th>
<th>% OF EFFORT</th>
<th>TASK DESCRIPTION / PRODUCT / COMPLETION DATE</th>
</tr>
</thead>
</table>
| CEQA             | 1      | 30          | **Task Description:** Coordinate areawide clearinghouse and IGR processing.  
**Product:** Updated project tracking log and checklists  
**Completion Date:** 06/30/2008 |
| MPO              | 2      | 30          | **Task Description:** Conduct local development review in coordination with transit providers, Metropolitan Transit System (MTS) and North County Transit District (NCTD).  
**Product:** MTS and NCTD comment letters, annual reports  
**Completion Date:** 06/30/2008 |
| RTP              | 3      | 20          | **Task Description:** Coordinate CMP comments on development projects and plans.  
**Product:** Updated tracking log, CMP comment letters  
**Completion Date:** 06/30/2008 |
| MPO              | 4      | 20          | **Task Description:** Coordinate with subregional teams and provide comments to other agencies on regionally significant projects and plans.  
**Product:** IGR comment letters and meetings  
**Completion Date:** 06/30/2008 |

### FUTURE ACTIVITIES

This work is ongoing. Refine and update the IGR processes and support as required.
RESOLUTION NO. 2008-11

ADOPTION OF FY 2008 STATE PLANNING GRANTS
AND AUTHORIZATION FOR OTHER ACTIONS NECESSARY AND PERTINENT THERETO

WHEREAS, the FY 2008 Final Overall Work Program (OWP) was reviewed and approved by the SANDAG Board of Directors as the basis, through its budget, for carrying forward the OWP for FY 2008; and

WHEREAS, in addition to the grants and work elements contained in the adopted OWP, SANDAG has been awarded four new grants; and

WHEREAS, the required local share match for these grants is identified and will be available from Transportation Development Act funds, member agency assessments, local assistance, other local funds and in-kind services; and

WHEREAS, the Executive Director must be authorized to execute all documents, including contracts, subcontracts, agreements, extensions, renewals, and/or amendments which may be necessary to execute the grant agreements and carry out and administer all obligations, responsibilities and duties under these grants; and

WHEREAS, the SANDAG Board has delegated the authority for OWP amendments, including acceptance of grants up to $500,000 each, to the Executive Committee;

NOW THEREFORE

BE IT RESOLVED by the Executive Committee that:

a. The following grants and related expenditure budgets be amended into the FY 2008 Program Budget and OWP, hereby incorporated by reference:

<table>
<thead>
<tr>
<th>Project Title</th>
<th>FY 2008 Work Element #</th>
<th>Project Total</th>
<th>Amount Awarded</th>
<th>Local Share</th>
<th>Source of Local Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Results of Market-Based Planning for the Comprehensive Operational Analysis</td>
<td>3002303</td>
<td>$109,800</td>
<td>$97,205</td>
<td>$12,595</td>
<td>In-kind from Metropolitan Transit System</td>
</tr>
<tr>
<td>2. City Heights Walks to School!</td>
<td>3000208</td>
<td>$143,688</td>
<td>$129,319</td>
<td>$14,369</td>
<td>Cash and in-kind from City Heights Community Development Corporation</td>
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<tr>
<td>3. San Diego - Riverside Interregional Transit, Vanpool, and Buspool Study</td>
<td>3005101</td>
<td>$125,000</td>
<td>$110,662</td>
<td>$14,338</td>
<td>SANDAG TDA Administrative Funds</td>
</tr>
<tr>
<td>4. San Diego Transit Planning Internship Program</td>
<td>4000103</td>
<td>$56,478</td>
<td>$50,000</td>
<td>$6,478</td>
<td>SANDAG TDA Administrative Funds</td>
</tr>
</tbody>
</table>
b. The SANDAG Executive Director, or his/her designee, is hereby authorized to execute grant agreements and all necessary documents and covenants required by granting agency laws, rules, and administrative regulations to accept the grant funds; and

c. The use of the required non-federal local share matching funds in the amounts shown in the table above is hereby authorized, subject to SANDAG Director of Finance certification of funds availability; and

d. The SANDAG Executive Director, or his/her designee is hereby authorized to enter into agreements for goods and services up to the amended budget amount as may be necessary to carryout the projects funded by the grants.

PASSED AND ADOPTED this 7th day of December, 2007.
San Diego Association of Governments

EXECUTIVE COMMITTEE

December 7, 2007

AGENDA ITEM NO.: 7

Action Requested: APPROVE

REVIEW OF DECEMBER 21, 2007, DRAFT BOARD AGENDA

+1. APPROVAL OF NOVEMBER 30, 2007, MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Speakers are limited to three minutes. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

This item summarizes the actions taken by the Borders Committee on November 30, the Executive and Regional Planning Committees on December 7, and the Transportation Committee on December 14, 2007.

CONSENT ITEMS (4 through X)

+4. SANDAG FY 2008 DISADVANTAGED BUSINESS ENTERPRISE PROGRAM AMENDED GOALS (Elaine Richardson)

The Board of Directors is asked to approve the amended SANDAG FY 2008 Annual Anticipated Disadvantaged Business Enterprise Participation Level for U.S. Department of Transportation Federal Highway Administration-assisted projects effective October 1, 2007.

+5. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR* (Renée Wasmund)

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy), 017 (Delegation of Authority), and 024 (Procurement and Contracting-Construction), this report summarizes certain delegated actions taken by the Executive Director since the last Board meeting.
+6. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG

Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

7.

8.

CHAIR’S REPORT (9 through XX)

9. ELECTION OF 2008 SANDAG BOARD OFFICERS

The Nominating Committee recommends the attached slate of candidates for SANDAG Chair, First Vice Chair, and Second Vice Chair for calendar year 2008. Additional nominations for any officer may be made by Board members at the December meeting. The Board is asked to elect SANDAG Board Officers for the upcoming year.

10.

11.

REPORTS (12 through XX)

+12. FY 2007 JOB ACCESS AND REVERSE COMMUTE AND NEW FREEDOM PROJECTS (San Diego Councilmember Jim Madaffer, Transportation Committee Chair; Dan Levy)

Pending action at its December 14, 2007, meeting, the Transportation Committee recommends that the Board of Directors approve the Job Access and Reverse Commute and New Freedom projects described in the report and direct staff to forward the projects to the Federal Transit Administration for FY 2007 funding.
13. FY 2008 BUDGET AND OVERALL WORK PROGRAM AMENDMENT: SMART PARKING PILOT PROJECT (San Diego Councilmember Jim Madaffer, Transportation Committee Chair; Alex Estrella)

SANDAG, Caltrans, and North County Transit District are working on a joint pilot project in coordination with University of California, Berkeley, Partners for Advance Transit and Highways to assess the application of smart parking technology to collect parking management data, provide real-time parking information, and examine innovative parking pricing methods. Pending action at its December 14, 2007, meeting, the Transportation Committee recommends that the Board of Directors approve an amendment to the FY 2008 Budget and Overall Work Program (OWP) to accept $1,299,300 in state and federal funding and to add a new work element for the Smart Parking Pilot Project.

14. PROPOSED AMENDMENTS TO BOARD POLICIES* (Escondido Mayor Lori Pfeiler, SANDAG First Vice Chair; Julie Wiley)

The proposed amendments to SANDAG Board Policies were reviewed by the Executive Committee at its November and December meetings. The amendments were proposed by staff over the past year and include modifications requested by Executive Committee members. The Executive Committee recommends that the Board of Directors approve the proposed amendments to the Board Policies.

15. FINAL 2008 LEGISLATIVE PROGRAM (Genevieve Morelos)

Consistent with past programs, the proposed legislative program for calendar year 2008 includes policies and proposals for possible federal and state legislation and local activities. The Executive Committee recommends that the Board of Directors approve the 2008 SANDAG Legislative Program.

16. REGIONAL COMPREHENSIVE PLAN: 2007 ANNUAL PERFORMANCE MONITORING REPORT (Lemon Grove Councilmember Jerry Jones, Regional Planning Committee Chair; Christine Eary)

Monitoring progress in implementing the RCP occurs on an annual basis. In 2006, SANDAG released The Regional Comprehensive Plan: Establishing a Baseline for Performance Monitoring (Baseline Report). The 2007 Annual Performance Monitoring Report represents the first annual RCP monitoring report since the Baseline Report was accepted by SANDAG in October 2006. The Regional Planning Committee recommends that the Board of Directors accept the RCP 2007 annual performance monitoring report.

17. UPCOMING MEETINGS

The next Board Policy meeting is scheduled for Friday, January 11, 2008, at 10 a.m. The next Board Business meeting of the SANDAG Board of Directors is scheduled for Friday, January 25, 2008, at 9 a.m.
18. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego Regional Transportation Commission item