EXECUTIVE COMMITTEE AGENDA

Friday, October 14, 2011
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• FY 2012 BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS

• ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS

• SERVICE BUREAU FY 2011 YEAR-END REPORT

PLEASE TURN OFF CELL PHONES DURING THE MEETING

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.

San Diego Association of Governments  •  401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900  •  Fax (619) 699-1905  •  www.sandag.org
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This agenda and related staff reports can be accessed at www.sandag.org under Meetings. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form available on the Web site. E-mail comments should be received no later than 12 noon, two working days prior to the Executive Committee meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Clerk of the Committee no later than 12 noon, two working days prior to the meeting.

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请在会议前至少72小时打电话(619) 699-1900提出请求。
<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>+1.</td>
<td>APPROVE</td>
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<td>+4.</td>
<td>DISCUSSION/POSSIBLE ACTION</td>
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<td>INFORMATION</td>
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**EXECUTIVE COMMITTEE**  
Friday, October 14, 2011

**ITEM #** | **RECOMMENDATION**
---|---
+1. APPROVAL OF SEPTEMBER 16, 2011, MEETING MINUTES | APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

**REPORTS (3 through 7)**

+3. FY 2012 BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS (Danny Veeh)

The Executive Committee is asked to approve the FY 2012 Budget amendments to accept three Caltrans transportation planning grants totaling $560,000, and use of the required matching funds totaling $78,868, as shown in Attachments 1 through 4.

+4. ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS (John Kirk)

The Executive Committee is asked to discuss the proposed amendments to the Board Policies (Attachments 1 through 8), and to either recommend that the Board of Directors approve the proposed amendments and renew the annual delegation of authority to the Executive Director pursuant to Board Policy No. 003, Investment Policy, or direct staff to return to the Executive Committee for further discussion or review.

+5. SERVICE BUREAU FY 2011 YEAR-END REPORT (Cheryl Mason)

SANDAG Board Policy No. 012 requires that the Executive Committee, which governs the SANDAG Service Bureau, receive periodic progress reports on the project activities and financial status of the Service Bureau. This report summarizes Service Bureau activities during FY 2011, the financial performance of the Service Bureau, and plans for FY 2012.
+6. LEGISLATIVE STATUS REPORT (Genevieve Morelos) INFORMATION

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on the FY 2012 federal budget and state legislation pending before the Governor, including Senate Bill 468 and Assembly Bills 615, 631, and 892. Staff will provide an oral update on the status of these measures at the October 14, 2011, Executive Committee meeting.

+7. REVIEW OF OCTOBER 28, 2011, DRAFT BOARD AGENDA APPROVE
(Renée Wasmund)

8. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

9. UPCOMING MEETINGS INFORMATION

The next meeting of the Executive Committee is scheduled for Friday, November 4, 2011 (first Friday due to the Thanksgiving holiday).

10. ADJOURNMENT

+ next to an agenda item indicates an attachment
Chair Jerome Stocks (North County Coastal) called the Executive Committee meeting to order at 9:03 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Supervisor Bill Horn (County of San Diego) and a second by Mayor Jim Desmond (North County Inland), the minutes of the July 8, 2011, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments.

3. PROPOSED FUNDING OPPORTUNITY: HOUSING AND URBANIZED DEVELOPMENT SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT (APPROVE)

Coleen Clementson, Principal Planner, provided the staff report. The U.S. Department of Housing and Urbanized Development announced its 2011 Sustainable Communities Regional Planning Grant Program with $67 million of funding available. The Program focuses on providing funding for improving regional planning efforts to integrate housing, transportation, economic development, and environmental infrastructure investment decisions, and increase state, regional, and local capacity to incorporate livability, sustainability, and social equity into land use plans and zoning. The pre-application was due on August 25. Those entities that meet the requirements will be asked to submit a full application, due on September 26. The Executive Committee was asked to approve the SANDAG submittal of a grant application for the U.S. Department of Housing and Urban Development Sustainable Communities Regional Planning Grant Program. The Executive Committee was asked to authorize the use of the funding to update the Regional Comprehensive Plan, the establishment of a consortium of partner agencies, and the implementation and execution of a Partnership Agreement, in substantially the same form as attached to the agenda report.

Action: Upon a motion by Council President Tony Young (City of San Diego), and a second by Mayor Desmond, the Executive Committee voted to: (1) approve the SANDAG submittal of a grant application for the U.S. Department of Housing and Urban Development
Sustainable Communities Regional Planning Grant Program; and (2) authorize the use of the funding to update the Regional Comprehensive Plan, the establishment of a consortium of partner agencies, and the implementation and execution of a Partnership Agreement, in substantially the same form as attached to the agenda report.

4. 2012 ANNUAL SANDAG BOARD SUMMIT/RETREAT (RECOMMEND)

David Hicks, Acting Director of Communications, provided the staff report. The Executive Committee was asked to discuss the proposed topics and format to help the Board of Directors and SANDAG staff develop the Summit/Retreat agenda. The Committee also was asked to provide a recommendation to the Board of Directors as to the topics of discussion and format for the Summit/Retreat.

Action: The Executive Committee discussed the 2012 Summit/Retreat and forwarded the topics listed under the Discussion section of the report to the Board of Directors.

5. MATTERS TO BE COMMUNICATED IN ACCORDANCE WITH AUDITING STANDARDS (INFORMATION)

Lauren Warrem, Director of Finance, introduced the item. Jennifer Farr, with the independent certified public accounting audit firm of Mayer Hoffman McCann P.C., provided the report regarding the performance of the annual audit of SANDAG for the fiscal year ended June 30, 2011. Professional auditing standards require that, as part of an audit, the auditor inquire of those in governance to ascertain whether those in governance have knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAGs financial statements.

The Committee requested that staff be provided advanced notice of audits.

Action: This item was presented for information only.

6. LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Periodic status reports on legislative activities are provided to the Executive Committee during the year. Victoria Stackwick, Federal Legislative Analyst, provided an update on recent federal legislation pertaining to the Budget Control Act, Transportation Investment Generating Economic Recovery III Discretionary Grant Program, federal surface transportation authorization, the Transportation and Regional Infrastructure Project bonds, and the Breaking Down Barriers Act. Staff recommended that the Committee take a support position on the Breaking Down Barriers Act.

Action: Upon a motion by Chair Stocks, and a second by Mayor Ron Morrison (South County), the Executive Committee took a support position on the Breaking Down Barriers Act.

Genevieve Morelos, Senior Legislative Analyst, provided an update on pending state legislation.
7. REVIEW OF SEPTEMBER 23, 2011, DRAFT BOARD AGENDA (APPROVE)

Renée Wasmund, Chief Deputy Executive Director, reviewed the draft agenda for the September 23, 2011, Board of Directors meeting and noted any changes since the mailout.

Action: Upon a motion by Council President Young, and a second by Supervisor Horn, the Executive Committee voted to approve the agenda for the September 23, 2011, Board of Directors meeting as amended.

8. CONTINUED PUBLIC COMMENTS

There were no public comments.

9. UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, October 14, 2011, at 9 a.m.

10. ADJOURNMENT

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

Attachment: Attendance Sheet
### CONFIRMED ATTENDANCE
#### SANDAG EXECUTIVE COMMITTEE MEETING
#### SEPTEMBER 16, 2011

<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>City of Poway</td>
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<td></td>
<td>----</td>
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<td>David Alvarez</td>
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<td></td>
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<td></td>
<td>----</td>
<td>Greg Cox</td>
<td>2nd Alternate</td>
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FY 2012 BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS

Introduction

In August 2011, Caltrans announced transportation planning grant awards to SANDAG totaling $560,000 to fund three new projects. The proposed amendments to the FY 2012 Program Budget will allocate funds to new or modified work elements (Attachments 1 through 4). The Executive Committee has authority to approve budget amendments of up to $500,000 for each work element.

Discussion

As a result of the Caltrans transportation planning grant awards, three new proposed work elements have been prepared to capture these efforts, as shown in Table 1, and are recommended as amendments to the FY 2012 Program Budget, including the associated transfer of existing resources from an existing project, as shown in Attachments 1 through 4.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Amount Awarded</th>
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<td>1.</td>
<td>Organizing Truck Flows: Assessment of Trucks on Managed Lanes</td>
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<td>2.</td>
<td>San Ysidro Intermodal Transportation Center Financial Analysis, Implementation Phasing Strategy</td>
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<td>3.</td>
<td>El Camino Real/Encinitas Boulevard Transit Shuttle Analysis</td>
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<td><strong>Total</strong></td>
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Recommendation

The Executive Committee is asked to approve the FY 2012 Budget amendments to accept three Caltrans transportation planning grants totaling $560,000, and use of the required matching funds totaling $78,868, as shown in Attachments 1 through 4.
The three grant awards described in this report were among 11 grant applications submitted. All three pending grant awards and the required local match amounts were included for information purposes in the FY 2012 Program Budget in Chapter 5 – Pending Discretionary Grants, and were awarded 100 percent of the requested amounts. These projects are all multiyear efforts, which must be completed before the end of FY 2014. While this request commits SANDAG to the total amount of each grant, the impact on the current fiscal year would be much less, because the majority of the work would be conducted in FY 2013 and FY 2014.

The required local match amounts necessary to fully fund these projects are shown in Attachments 1 through 4. These grants require either an 11.47 percent or 20 percent local match in order to qualify for the reimbursement of grant funds. In FY 2012, SANDAG will be shifting staff resources from other work elements to initiate the work and cover the required FY 2012 portion of local matching funds for two of the new grants (outlined below). The third grant is a pass-through grant only, and requires no match from SANDAG. The remaining local match required of $73,591 would be incorporated into the FY 2013 and FY 2014 budget processes.

**New and Amended Work Elements**

**Optimizing Truck Flows: Assessment of Trucks on Managed Lanes – Work Element #31019.00 (Attachment 1)**

This study would assess opportunities and feasibility for improved operations, safety, and efficiency on freeways in the San Diego region by exploring options for trucks on managed lanes (TMLs). Based on the evaluation of TML strategies, the study would identify two test corridors to determine the most effective and feasible set of alternatives for TMLs on regional freeways.

Staff resources of $12,707 and the initial scope for this effort are proposed to be transferred out of Work Element #31007.00 (Goods Movement Planning – Attachment 4), which also would provide the local match required to fund the FY 2012 portion of the newly established project. The majority of effort on this grant would not begin until July 2012. Therefore, most of the scope of work would be included in the FY 2013 SANDAG Budget. This new effort would be amended as new Work Element #31019.00.

**San Ysidro Intermodal Transportation Center Financial Analysis and Phasing Strategy – Work Element #33305.00 (Attachment 2)**

This project would prepare an implementation plan and funding strategy for the preferred San Ysidro Intermodal Transportation Center (ITC) alternative identified in the upcoming City of San Diego ITC study. It would identify potential public/private partnerships and roles, and develop an implementation funding strategy for the ITC.

Work on this grant would be anticipated to begin in February 2012. Local Transportation Development Act (TDA) funds transferred from Work Element #31007.00 (Goods Movement Planning – Attachment 4) are proposed to provide matching funds for this project for FY 2012, with staff resources of $22,353 transferred from the capital program.
El Camino Real/Encinitas Boulevard Transit Shuttle Analysis - Work Element #33120.00 (Attachment 3)

The City of Encinitas will lead a project that considers a local shuttle service operation as a means to increase multimodal options and ridership. In addition to evaluating service viability, this study seeks to develop ridership projections and cost estimates for various operating plans. The project includes four phases: (1) Community Assessment; (2) Service Alternatives, Viability, and Evaluation; (3) Development of Financially Sustainable Services and Cost Analysis; and (4) Influence on Joint Land Use and Sustainable Mobility Planning.

This grant would be performed as a pass-through agreement with the City of Encinitas. Encinitas will be providing the required $15,000 in-kind local match and SANDAG only will have an administrative role.

Goods Movement Planning - Work Element #31007.00 (Attachment 4)

This existing project includes the monitoring of goods movement trends and analysis as needed to recommend increased efficiencies in goods movement operations. The staff resources of $12,707 for the initial effort to scope the procurement for optimizing truck flows will be transferred out of this work element to establish the separate TML grant-funded project. As proposed above, the associated local TDA funding from this project will be used to provide the FY 2012 local match requirements for Optimizing Truck Flows: Assessment of Trucks on Managed Lanes and San Ysidro Intermodal Transportation Center Financial Analysis and Phasing Strategy.

CHARLES “MUGGS” STOLL
Director of Land Use and Transportation Planning

Attachments: 1. 31019.00 – Assessment of Trucks on Managed Lanes
               2. 33305.00 – San Ysidro ITC Financial Phasing & Strategy
               3. 33120.00 – El Camino Real/Encinitas Boulevard Transit Shuttle Analysis
               4. 31007.00 – Goods Movement Planning

Key Staff Contacts: Danny Veeh, (619) 699-7317, dve@sandag.org
                   Tim Watson, (619) 699-1966, twa@sandag.org
                   Elisa Arias, (619) 699-1936, ear@sandag.org
                   Christina Casgar, (619) 619-1982, cca@sandag.org
**WORK ELEMENT:** 31019.00  Assessment of Trucks on Managed Lanes

**FY 2012 BUDGET:** $0 $12,707

**AREA OF EMPHASIS:** Planning and Forecasts

### Funds Source

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Note: New grant funding awarded by Caltrans. FY 2012 local match (TDA) transferred from WE #31007.

### Funds Application

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### OBJECTIVE

This study will assess opportunities and feasibility for improved operations, safety, and efficiency on freeways in the San Diego region by exploring options for trucks on managed lanes (TMLs). Based on the evaluation of TML strategies, the study will identify two test corridors to determine the most effective and feasible set of alternatives for TMLs on regional freeways. Activities in FY 2012 will consist mainly of consultant selection and major work to begin in FY 2013.

### PREVIOUS ACCOMPLISHMENTS

As part of the Goods Movement Planning work program, an initial scope of work was developed and grant application submitted to Caltrans for funding.
Project Manager: Hoff, Andrea
Committee(s): Transportation Committee
Working Group(s): None

PRODUCTS, TASKS, AND SCHEDULES

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<td>Product: Statement of work for consultant services and consultant selection.</td>
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FUTURE ACTIVITIES

Major work on this project will begin in FY 2013, when a consultant will begin the study effort. Tasks will include identification of operation, safety, and efficiency issues; development and evaluation of potential strategies; data collection and assessment; and production of draft and final reports.
**WORK ELEMENT:** 33305.00  San Ysidro ITC Financial Phasing & Strategy  
**FY 2012 BUDGET:** $0 $23,853  
**AREA OF EMPHASIS:** Smart Mobility Programs

### Funds Source

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Note: TDA funds to provide local match are being transferred from project savings in work element #31007.

### Funds Application

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### OBJECTIVE

The objective of this project is to prepare an implementation plan and funding strategy for the preferred San Ysidro Intermodal Transportation Center (ITC) alternative identified in the upcoming City of San Diego's San Ysidro ITC Study. This project will identify potential public/private partnerships and roles, and develop an implementation funding strategy to enable the realization of the ITC and off-street parking resources. The area adjacent to the San Ysidro Port of Entry is dynamic and congested, and currently houses local Metropolitan Transit System (MTS) bus and Trolley operations, multiple long-haul private bus companies, taxis, and jitneys. There is currently no permitted area for kiss-and-ride, pick-up, and drop-off, which results in passenger pick-up and drop-off taking place in red zones. Existing transit services are dispersed on different properties throughout the project area and at various on-street locations or the ITC and off-street parking resources. Emphasis in FY 2012 will be to procure an experienced consultant to assist with the strategy development, begin research on alternative public/private partnerships, and initiate a public outreach process.
PREVIOUS ACCOMPLISHMENTS

In 2010, the City of San Diego conducted the San Ysidro Port of Entry Reconfiguration Mobility Study, which developed conceptual options for a future ITC in the vicinity of the San Ysidro Point of Entry.

Project Manager: Arias, Elisa
Committee(s): Borders Committee, Transportation Committee
Working Group(s): None

PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 30          | Task Description: Conduct procurement process for consultant services, project administration and coordination, and prepare quarterly reports.  
Product: Procurement process, progress reports.  
Completion Date: 6/30/2012 |
| 2        | 60          | Task Description: Initiate the research on successful public/private partnerships for ITCs to identify potential public/private partnership structures and cost revenue assignments.  
Product: Preliminary Technical Memorandum on public/private partnership research and structure.  
Completion Date: 6/30/2012 |
| 3        | 10          | Task Description: Identify project stakeholders and initiate public outreach process.  
Product: Community meetings.  
Completion Date: 6/30/2012 |

FUTURE ACTIVITIES

This project is anticipated to be completed in FY 2013. Tasks to be conducted in FY 2013 include completing research on public/private partnerships, developing capital and operating cost estimates for the San Ysidro ITC and off-site parking structures, identifying potential revenue sources, developing an implementation strategy, and preparing study reports. Outreach and coordination with the City of San Diego, MTS, Caltrans, U.S. General Services Administration, community organizations, and other stakeholders will continue.
WORK ELEMENT: 33120.00  El Camino Real/Encinitas Boulevard Transit Shuttle Analysis

FY 2012 BUDGET: $0 $20,000

AREA OF EMPHASIS: Smart Mobility Programs

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
<th>FY 2012</th>
<th>FY 2013 - 2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA Transit Technical Planning Assistance (FTA 5304)</td>
<td>$0</td>
<td>$0 $20,000</td>
<td>$0 $80,000</td>
<td>$0 $100,000</td>
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<tr>
<td>TOTAL</td>
<td>$0</td>
<td>$0 $20,000</td>
<td>$0 $80,000</td>
<td>$0 $100,000</td>
</tr>
</tbody>
</table>

Note: New Caltrans grant award through FY 2014. Local match requirement of $15,000 will be provided directly by the City of Encinitas as ‘in-kind’ services.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>Prior</th>
<th>FY 2012</th>
<th>FY 2013 - 2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass-Through to Other Agencies</td>
<td>$0</td>
<td>$0 $20,000</td>
<td>$80,000</td>
<td>$0 $100,000</td>
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<tr>
<td>TOTAL</td>
<td>$0</td>
<td>$0 $20,000</td>
<td>$0 $80,000</td>
<td>$0 $100,000</td>
</tr>
</tbody>
</table>

OBJECTIVE

The objective of this work element is to increase multimodal options in the City of Encinitas by conducting a feasibility analysis of transit shuttles along the El Camino Real and Encinitas Boulevard corridors.

PREVIOUS ACCOMPLISHMENTS

The draft scope of work was prepared in FY 2011. Initiation of the study was pending while funding was secured.

Project Manager: Veeh, Danny
Committee(s): None
Working Group(s): None
### PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 5           | Task Description: Draft and distribute Request for Proposal. Conduct candidate interviews and procure consultant.  
            |              | **Product:** Consultant contract.                                          
            |              | **Completion Date:** 3/30/2012                                              |
| 2        | 5           | Task Description: Project and grant management in coordination with Caltrans.  
            |              | **Product:** Quarterly progress reports and invoices.                      
            |              | **Completion Date:** 6/30/2012                                              |
| 3        | 90          | Task Description: Extensive data collection and survey analysis to assess various community factors and characteristics.  
            |              | **Product:** Community Assessment draft report.                            
            |              | **Completion Date:** 6/30/2012                                              |

### FUTURE ACTIVITIES

Development of service alternatives and evaluation of their viability. The development of a financially sustainable shuttle service and cost analysis. Incorporate shuttle service recommendations into the joint use and sustainable mobility planning efforts of the City of Encinitas. Studies anticipated to be completed in FY 2014.
WORK ELEMENT: 31007.00 Goods Movement Planning
FY 2012 BUDGET: $258,410 $245,703
AREA OF EMPHASIS: Planning and Forecasts

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>FY 2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td>FTA (5303) MPO Planning</td>
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<td>$50,000</td>
</tr>
<tr>
<td>TDA Planning/Administration</td>
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<td>$158,410 $145,703</td>
</tr>
<tr>
<td>Other Local Funds</td>
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<td>$50,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$258,410 $245,703</strong></td>
<td><strong>$258,410 $245,703</strong></td>
</tr>
</tbody>
</table>

Note: Local match (TDA) funding transferred to WE#31007 and WE#33305 as needed.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>FY 2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Benefits, Indirect</td>
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<td>$255,410 $242,703</td>
</tr>
<tr>
<td>Other Direct Costs</td>
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<td>$3,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$258,410 $245,703</strong></td>
<td><strong>$258,410 $245,703</strong></td>
</tr>
</tbody>
</table>

**OBJECTIVE**

The objectives of this work element are to: (1) collaborate with interregional, state, and federal agencies and goods movement organizations to coordinate the development, operations, funding, and legislative and regulatory changes for goods movement transportation system; and (2) coordinate with the region’s freight agencies to continue development and implementation of the regional freight strategy as outlined in the 2050 Regional Transportation Plan (RTP). Emphasis in FY 2012 will be to: (1) continue coordination and oversight of Trade Corridors Improvement Fund Goods (TCIF) Movement projects; (2) continue collaboration with other metropolitan planning organizations (MPO), Caltrans, the Port of San Diego, the U.S. Department of Transportation, and other agencies or freight stakeholders to refine the state and national goods movement strategies and incorporate strategic objectives into the 2050 RTP; and (3) monitor goods movement trends for possible updates to the Comprehensive Freight Gateway Study.
PREVIOUS ACCOMPLISHMENTS

In FY 2011, significant progress was made on the TCIF projects and the revised Goods Movement Strategy as a component of the 2050 RTP. Additionally, staff worked with stakeholder agencies to build understanding and implementation of emissions regulations impacting freight carriers and completed the Comprehensive Freight Gateway Study.

Project Manager: Casgar, Christina
Committee(s): Transportation Committee, Borders Committee
Working Group(s): Freight Stakeholders Group

PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 25          | Task Description: Collaborate with state and federal agencies to coordinate legislation, planning, policy, and funding for goods movement.  
Product: Quarterly progress reports.  
Completion Date: 6/30/2012 |
| 2        | 25          | Task Description: Collaborate with gateway regions and other MPOs to coordinate project development as part of the California Goods Movement Strategy.  
Product: Quarterly progress reports.  
Completion Date: 6/30/2012 |
| 3        | 30          | Task Description: Coordinate with the Port of San Diego, rail operators, and regional freight agencies on planning, operations, and implementation of the TCIF projects.  
Product: Quarterly progress reports.  
Completion Date: 6/30/2012 |
| 4        | 10          | Task Description: Update the regional freight strategy to reflect the updated regional 5 Task Description: economic prosperity strategy, border financing strategy, and any updates to other long-range plans.  
Product: Quarterly progress reports.  
Completion Date: 6/30/2012 |
| 5        | 5           | Task Description: Provide staff support for the SANDAG TCIF Captains Group and track state initiatives to regulate freight emissions.  
Product: Quarterly reports and meeting agendas.  
Completion Date: 6/30/2012 |
| 6        | 5           | Task Description: Monitor goods movement trends for possible updates to the Comprehensive Freight Gateway Study policy and program updates.  
Product: Quarterly progress reports.  
Completion Date: 6/30/2012 |

FUTURE ACTIVITIES

Work will continue on coordination the implementation of the TCIF freight projects and updating the goods movement strategy. In addition, staff will continue to serve as an agency and Board resource for emerging goods movement issues.
San Diego Association of Governments

EXECUTIVE COMMITTEE

October 14, 2011

AGENDA ITEM NO.: 4

ACTION REQUESTED: DISCUSSION/POSSIBLE ACTION

ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS

File Number 8000100

Introduction

Each year the Office of General Counsel solicits requests from staff for any suggested changes to Board Policies and Bylaws and reviews these documents to determine if updates or changes should be recommended to the Board of Directors. These proposed amendments are attached and brought to the Executive Committee for discussion and possible recommendation to the Board of Directors.

Discussion

The significant changes for each of the Board Policies proposed for amendment are discussed below. The actual language changes are tracked in the attached draft versions of the Board Policies. Staff is not recommending any changes to the Bylaws this year.

Board Policy No. 003 – Investment Policy (Attachment 1)

The Director of Finance, in consultation with the SANDAG investment advisors, Public Financial Management (PFM), and Cutwater Asset Management, has reviewed Board Policy No. 003. The proposed changes to this Board Policy are based on the investment advisors’ recommendations.

The first proposed change to Section 1 is based on the extensive number of California Government Code provisions governing the investment of public funds. In order to accurately reflect SANDAG compliance with all applicable statutes, the investment advisors have recommended that the individual statutory references within Section 1 be broadened to reflect that funds will be invested in accordance with all provisions of the Government Code. Additionally, the investment advisors have recommended that Section 8.4 be retitled to reflect its applicability to municipal debt issued by any of the 50 states.

The proposed revisions to Section 5 (5.2 and 5.4) provide clarification to these two sections in accordance with historical business practice of discretionary portfolio management, as stated under Section 5.5.
The proposed revisions to Section 8.10 would provide SANDAG with additional investment flexibility by extending the maturity limit for certificates of deposit from one year to five years, consistent with other obligations permitted by this Policy. The Government Code does not list a specific maturity limit for certificates of deposit.

The proposed revisions to Section 8.10.1 are based in part on Senate Bill 194 (Committee on Governance and Finance, 2011), which will take effect on January 1, 2012, and will add “a federally licensed branch of a foreign bank” to the list of institutions through which local agencies may purchase negotiable certificates of deposit.

A clarification is proposed for Section 8.13 to indicate, as required by law, that savings/money market deposits must be placed with financial institutions in California.

The proposed revision to Section 11.3 is an update to the correct Government Code Section.

Finally, the language in Section 5.1 of this Policy calls for the Board to renew its delegation of authority to the Executive Director for conducting investments on behalf of SANDAG on an annual basis. This annual renewal of delegation has been added as a specific action requested by the Executive Committee to request approval by the Board as part of the review of Board Policies.

Board Policy No. 007 – Equal Employment Opportunity (EEO) Program (Attachment 2)

It is proposed that Section 2.9 be revised to reflect the reporting of Disadvantaged Business Enterprise program results separate from the annual EEO program results.

Board Policy No. 009 – Discrimination Complaint Procedures (Attachment 3)

The proposed changes to Board Policy No. 009 reflect recommendations from the Federal Transit Administration (FTA) Title VI compliance review conducted in March 2011. The proposed revisions generally reflect a clarification of the complaint procedures, a softening of the complaint deadlines, and the addition of a notice of the complainant’s right to counsel.

Board Policy No. 017 – Delegation of Authority (Attachment 4)

At its January 28, 2011, meeting the SANDAG Board of Directors approved modifications to the eligibility and evaluation criteria for FY 2011 land management grants, including recommended criteria for Emergency Land Management funding. Direction was given via such action to memorialize these criteria in a future revision to this Board Policy. Pursuant to such direction, the definition of “Emergency or Urgent Need” is expanded to include immediate perils to endangered species and habitats and the Executive Director is authorized to expend Emergency Land Management funds under specified conditions.

Board Policy No. 018 – Regional Transit Service Planning and Implementation (Attachment 5)

Section 1.1.11 is expanded to recognize SANDAG responsibility to conduct Title VI analyses for fare or service changes under specified circumstances. The methodologies for such analyses have been updated and now will be posted to the SANDAG Web site in order to provide greater transparency.
to the public. These changes are consistent with changes requested by FTA during its Title VI compliance review.

Section 3, relating to periodic review of the Policy, is proposed to be deleted in its entirety as the Policy is generally reviewed annually along with all other Board Policies.

Board Policy No. 024 – Procurement and Contracting – Construction (Attachment 6)

Section 1.9.1, relating to subcontractor substitutions, is proposed to be modified such that the Executive Director, rather than the Board of Directors, would bear full responsibility for the resolution of any protests relating to proposed subcontractor substitutions.

Under the Subletting and Subcontracting Fair Practices Act (Public Contract Code 4100 et seq.), a contractor must use only the subcontractors it listed in its bid, except that the prime contractor may propose the substitution of a different subcontractor under limited specified circumstances. In the event that the originally listed subcontractor protests the substitution for any reason, that subcontractor is entitled to an administrative hearing on the matter. Under existing Board Policy, after the Executive Director makes a decision regarding the substitution hearing, the Board of Directors would review that decision and either adopt it or conduct a new substitution hearing. The proposed revision would make the decision of the Executive Director final.

Board Policy No. 031 – TransNet Ordinance and Expenditure Plan Rules (Attachment 7)

Amendments to Rule 17 (Fiscal and Compliance Audits) are proposed to clarify that recipient agencies who fail to submit audit information in a timely manner will remain out of compliance and be subject to withholding of TransNet funds until such time as the Independent Taxpayer Oversight Committee accepts an audit draft regarding such agency.

Board Policy No. 034 – Advertising Policy (Attachment 8)

Revisions to this policy are intended to solidify SANDAG’s ability to effectively regulate the content of revenue-generating advertising on SANDAG-controlled media and to ensure that any such advertising remains consistent with the SANDAG mission. In order to afford SANDAG the greatest protection in this regard, the proposed revisions clarify the SANDAG “mission” as expressed through its Annual Program Budget, underscore that all advertising is evaluated on a viewpoint-neutral basis, and refine certain prohibited categories to be more objectively defined. Overall, these revisions would not change the scope of SANDAG’s permissible advertising limits, but would solidify SANDAG’s position in the event of a legal challenge to those limits in light of recent court decisions on this subject.
Board Policy No. 032 – Annual Policy Reviews

All Board Policies are typically reviewed by SANDAG management on an annual basis for potential changes, but one Policy has a specific requirement for annual review. This is Board Policy No. 032, entitled “San Diego County Regional Transportation Commission Interest Rate Swap Policy.” This Policy was reviewed by management and the SANDAG Financial Advisor, PFM; no changes are recommended at this time.

JULIE D. WILEY
General Counsel

Attachments: 1. Board Policy No. 003 – Investment Policy
2. Board Policy No. 007 – Equal Employment Opportunity (EEO) Program
3. Board Policy No. 009 – Discrimination Complaint Procedures
4. Board Policy No. 017 – Delegation of Authority
5. Board Policy No. 018 – Regional Transit Service Planning and Implementation
6. Board Policy No. 024 – Procurement and Contracting – Construction
7. Board Policy No. 031 – TransNet Ordinance and Expenditure Plan Rules
8. Board Policy No. 034 – Advertising Policy

Key Staff Contact: John F. Kirk, Deputy General Counsel, (619) 699-1997, jki@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 Investment Policy and the 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, SourcePoint, the SANDAG 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**

4.1. **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 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, unless delegated per Section 5.5, are hereby authorized to make investment decisions, in strict accordance with this investment policy, on behalf of SANDAG:

- Executive Director
- Chief 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, except for an authorized investment advisor/manager with discretionary authority delegated per Section 5.5.

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 Financial Industry Regulatory Authority, 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 that wish to do business with SANDAG, in order to determine if they are adequately capitalized, make markets in securities appropriate to the needs of SANDAG, and agree to abide by the conditions set forth in the SANDAG 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. Credit requirements listed in the investment policy apply at the time of purchase. In the event a security held by SANDAG is subject to a credit rating change that brings it below the minimum credit ratings specified for purchase, the Director of Finance shall review the security. The course of action to be followed will then be decided by the Director of Finance and either the Executive Director or the Chief Deputy Executive Director on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security. Any credit rating changes below the minimum credit ratings specified for purchase will be reported to the Board of Directors with the next Quarterly Investment Report, along with the findings and any actions taken.
8.2 **Treasury Obligations:** bonds 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 Municipal Obligations:** Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the states. 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 one of the nationally recognized statistical-rating organizations.

8.6.5 SANDAG will have properly executed a Securities Industry and Financial Markets Association (SIFMA) 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 one of the nationally recognized statistical-rating organizations. Purchases of Bankers’ Acceptances may not exceed 180 days maturity or 40 percent of SANDAG surplus money. No more than 10 percent of SANDAG 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 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 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 SANDAG surplus money. No more than 10 percent of SANDAG 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 onefive-years. The combined amount invested in negotiable certificates of deposit and certificates of deposit shall not exceed 30 percent of SANDAG 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 or by a federally licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated “AA” or better by one of the nationally recognized statistical-rating organizations.

8.10.2 **Nonnegotiable 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 the current limit set by LAIF for regular accounts. 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 in California. 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 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 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 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 Where the investment policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment. The Board authorizes the investment of endowment funds in securities exceeding five (5) years, as long as the investment has been approved by the Director of Finance and either the Executive Director or the Chief Deputy Executive Director, and the maturity of such investments does not exceed the expected use of funds.

10. **Performance Standards**

The investment performance of the SANDAG 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 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 A quarterly investment report 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) LAIF, (ii) San Diego County Treasurer’s Investment Pool, (iii) CAMP pool, (iv) Nonnegotiable Certificates of Deposit, (v) bank deposits, and, (vi) money market mutual funds, since the purchased securities are not deliverable. The Director of Finance shall keep a record of any funds in any of these investments.

Adopted January 2003
Amended November 2004
Amended September 2005
Amended December 2007
Amended July 2008
Amended July 2009
Amended November 2010
Amended November 2011
BOARD POLICY NO. 007

EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM

The purpose of this policy is to establish an equal employment opportunity program for employees and contractors.

Federal regulations require the adoption of an Equal Employment Opportunity (EEO) Program as a condition of receipt of federal funds. The SANDAG administrative manuals, policies, and procedures mandate equal employment opportunities in recruitment, hiring, and employment for applicants to, and employees of, SANDAG. SANDAG also has separate written policies which forbid discrimination and provide grievance procedures for employees and visitors to SANDAG who believe they have been a victim of discrimination. In addition, SANDAG incorporates an EEO requirement in its contracts with third parties.

Procedures

1. **EEO Program**
   
   1.1 It is the policy of SANDAG to recruit, hire, train, and promote all applicants and employees in accordance with Title VII of the Civil Rights Act of 1964, as amended. SANDAG will ensure that recruiting, selecting, hiring, and promoting procedures do not adversely affect the employment of persons protected by Title VII and, in addition, that all SANDAG hiring and promoting criteria, requirements, and tests are job-related. Unless impracticable, SANDAG will adhere to the affirmative action provisions of Executive Order 11246, the Equal Employment Opportunity Guidelines, and all other applicable standards for affirmative action, taking into account its present size and expected growth.

   1.2 It is SANDAG policy to assure that discrimination based on race, color, religion, ancestry, national origin, gender, age (over 40 years), marital status, medical condition, sexual orientation, genetic information, or disability does not occur in relationships that may exist between SANDAG and any employee or applicant for employment. Such relationships include, but are not limited to, recruitment, hiring, promotion, compensation, benefits, terminations, transfers, layoffs, recalls, or SANDAG-sponsored training, education, or social and recreational programs.

   1.3 It is SANDAG policy to require the contractors and consultants that it contracts with to have EEO policies in place that forbid discrimination in violation of Title VII.

   1.4 SANDAG maintains a Disadvantaged Business Enterprises (DBE) Program that is approved annually by the California Department of Transportation. The DBE Program sets forth annual goals for participation by DBE businesses.
1.5 Responsibility for implementation of the EEO Program is assigned to the Director of Administration. All management personnel within SANDAG are expected to support and implement this EEO Program in performance of their job duties and responsibilities. Any employee or applicant who feels they have been discriminated against, has a right to file a complaint under SANDAG policies.

1.6 When developing and implementing its employment and contracting policies, SANDAG will base its decisions solely on the individual’s qualifications and merit, the evaluation criteria in the solicitation, and the feasibility of any necessary accommodations.

2. Procedures

2.1 The Director of Administration will review employment statistics to determine whether there is a need to set goals for any under-represented groups and then recommend goals to the Executive Director if necessary.

2.2 The Executive Director will approve or disapprove the Director of Administration’s recommendation(s) at his/her discretion.

2.3 The Director of Administration will maintain current contact lists of community resource organizations, community leaders, media sources, and colleges/vocational schools for the use of SANDAG staff in recruiting for employees, consultants, and contractors.

2.4 The Director of Administration will communicate this EEO Program to all employees.

2.5 SANDAG staff will solicit community involvement by under-represented groups on issues of importance to the region that fall within its jurisdiction.

2.6 All SANDAG requests for proposals, requests for qualifications, and invitations for bids will contain language encouraging participation by DBE consultants, contractors and subcontractors.

2.7 Consultants and contractors awarded contracts with DBE Program goals will be required to submit Employment Utilization Reports with their invoices and/or a DBE Final Utilization Report with their final invoice.

2.8 The Director of Administration will maintain records on recruitment efforts, new employees, promotional opportunities, and employee separations which document whether the affected individuals are in a class protected by Title VII.

2.9 In January of each year, the Board of Directors will review an EEO report prepared by the Director of Administration. The report will include employment results, DBE Program results, and a review of EEO Program goals for the upcoming year.

2.10 This EEO Program will be posted in the employee lounge and will be incorporated into the SANDAG employee Web site.
2.11 All employment ads and job postings will contain a reference that SANDAG is an equal employment opportunity employer.

2.12 Required federal and state posters concerning EEO will be displayed in the employee lounge.

2.13 All successful consultants and contractors will be notified of their obligations under the EEO Program in their contracts with SANDAG.

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Amended November 2004
Amended December 2005
Amended December 2006
Amended December 2008
Amended November 2010
Amended November 2011

See revised Attachment 2 in Handouts
DISCRIMINATION COMPLAINT PROCEDURES

This policy is intended to establish a procedure under which complaints alleging discrimination in SANDAG’s provision of services or SANDAG activities can be made by persons who are not employees of SANDAG.

Background

It is SANDAG policy to comply with state and federal laws and regulations including the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964 (Title VI) and other federal and state discrimination laws. SANDAG prohibits discrimination by its employees, contractors and consultants. The responsibility for the implementation of the discrimination complaint procedures is assigned to the Office of General Counsel. SANDAG does not discriminate on the basis of race, color, sex, creed, religion, national origin, age, marital status, ancestry, medical condition, disability, or sexual orientation in conducting government business. Persons who believe they have been subjected to discrimination or have been denied access to services or accommodations required by law, have the right to use this grievance procedure.

Procedures

1. Applicability

   This complaint procedure is applicable to all persons who are not employees of SANDAG. This includes, but is not limited to, visitors to SANDAG, members of the public viewing SANDAG publications, Board, committee, and working group members, vendors, or any other person transacting business with SANDAG or using SANDAG’s services, who believe that they have been subjected to discrimination by SANDAG employees, contractors, or consultant. In general, it is designed to address disputes concerning the following:

   1.1 Disagreements regarding a requested service, accommodation, or modification of a SANDAG practice or requirement;

   1.2 Inaccessibility of a program, publication, or activity;

   1.3 Harassment or discrimination on the basis of disability;

   1.4 Violation of privacy in the context of disability.

2. Compliance Officer

   SANDAG’s Office of General Counsel is the Compliance Officer and is responsible for administering this complaint procedure as well as ensuring compliance with applicable laws.
3. **Preliminary Review Process**

3.1 **Informal Resolution** - Prior to initiating the formal complaint procedure set forth below, and as a prerequisite to it, the complaining party shall contact the Compliance Officer for assistance in resolving the matter informally as soon as is reasonably practicable, generally within approximately fifteen (15) calendar days of the time the grievant became aware of the SANDAG act or omission that is the subject of the complaint. If the Compliance Officer is not successful in quickly achieving a satisfactory resolution (that is, generally within approximately thirty (30) calendar days), the Compliance Officer will take the steps described in subparagraph 3.2.

3.2 **Review Panel** - The Compliance Officer will convene an ad-hoc review panel to review the issue(s) raised. The panel will consist of the following (or their designees): the Compliance Officer, a member of the management staff, a Deputy Executive Director, and (depending upon the issues) such other personnel as may be appropriate. This panel will review the request, investigate and attempt to resolve the issues within approximately thirty (30) calendar days of the request for or initiation of a second review. No formal report need be issued by the panel, but the panel will document the outcome of its review in a letter to the complaining party. If the complaining party is not satisfied with the panel's disposition of the matter, the complaining party may file a formal complaint in accordance with the procedure described below.

4. **Formal Complaint**

If the procedure set forth above for preliminary review does not yield a successful resolution, then the complaining party may file a formal complaint in the following manner:

4.1 **When To File Complaint** - Complaints must be in writing and must be filed within ten (10) calendar days of the complaining party's receipt of notice of the end of the preliminary review process described above.

4.2 **What To File** - A complaint must be in writing and include the following:

4.2.1 The complaining party's name, address, e-mail address and phone number;

4.2.2 A full description of the problem;

4.2.3 A statement of the remedy requested; and

4.2.4 A copy of the letter from the Review Panel setting forth the outcome of the preliminary review procedure described above.

4.3 **Where To File Complaint** - The complaint shall be filed with the Compliance Officer at SANDAG, 401 B Street, Suite 800, San Diego, CA 92101; Fax number (619) 595-5625.
4.4 Notice of Receipt - Upon receipt of the complaint, the Compliance Officer will review the complaint for timeliness and appropriateness for this grievance procedure, and will provide the complaining party with written notice acknowledging its receipt.

4.5 Investigation - The Compliance Officer or his or her designee shall promptly initiate an investigation. In undertaking the investigation, the Compliance Officer may interview, consult with and/or request a written response to the issues raised in the complaint from any individual the Compliance Officer believes to have relevant information, including staff and members of the public. The Compliance Office also may hold an informal hearing at his or her discretion.

4.6 Representation - The complaining party and any party against whom the grievance is directed shall have the right to have a representative. The party shall indicate whether he or she is to be assisted by a representative and, if so, the name of that representative. For purposes of this procedure, the representative may be an attorney so long as the Office of General Counsel serves as the Compliance Officer an attorney is not an appropriate representative.

4.7 Findings And Notification - Upon completion of the investigation, the Compliance Officer will prepare and transmit to the complaining party, and to any party against whom the complaint is directed, a final report containing a summary of the investigation, written findings and a proposed disposition. This transmission will be expected within forty-five (45) calendar days of the filing of the formal complaint. The deadline may be extended by the Compliance Office for good cause. The final report shall also be provided, where appropriate, to any person whose authority will be needed to carry out the proposed disposition or to determine whether any personnel action is appropriate.

4.8 Final Disposition - The disposition proposed by the Compliance Officer shall be put into effect promptly. The complaining party or any party against whom the complaint or the proposed disposition is directed may appeal. The appeal to the Executive Director (as set forth below) will not suspend the implementation of the disposition proposed by the Compliance Officer, except in those circumstances where the Executive Director decides that good cause exists making the suspension of implementation appropriate.

5. Urgent Matters

Whenever the application of any of the time deadlines or procedures set forth in this complaint procedure creates a problem due to the nature of the complaint, the urgency of the matter, or the proximity of the upcoming event, the Compliance Officer will, at the request of the complaining party, determine whether an appropriate expedited procedure can be fashioned.

6. Remedies

Possible remedies under this complaint procedure include corrective steps, actions to reverse the effects of discrimination or to end harassment, and measures to provide a reasonable accommodation or proper ongoing treatment. As stated above, a copy of the Compliance
Officer's report may, where appropriate, be sent to appropriate persons to determine whether any personnel action should be pursued.

7. **Appeal**

7.1 Within ten (10) calendar days of the issuance of the final report, the complaining party or any party against whom the complaint is directed may appeal to the Executive Director the Compliance Officer's determination.

7.2 An appeal is taken by filing a written request for review with the SANDAG Executive Director, 401 B Street, Suite 800, San Diego, CA 92101.

7.3 The written request for review must specify the particular substantive and or procedural basis for the appeal, and must be made on grounds other than general dissatisfaction with the proposed disposition. Furthermore, the appeal must be directed only to issues raised in the formal complaint as filed or to procedural errors in the conduct of the complaint procedure itself, and not to new issues.

7.4 The review by the Executive Director or his or her designee normally shall be limited to the following considerations: Were the proper facts and criteria brought to bear on the decision? Were improper or extraneous facts or criteria brought to bear on the decision that substantially affected the decision to the detriment of the complaining party? Were there any procedural irregularities that substantially affected the outcome of the matter to the detriment of the complaining party? Given proper facts, criteria, and procedure, was the decision one that a person in the position of the decision-maker might reasonably have made?

7.5 A copy of the Executive Director's written decision will be expected within thirty (30) calendar days of the filing of the appeal and shall be sent to the parties, the Compliance Officer and, if appropriate, to persons whose authority will be needed to carry out the disposition. The deadline may be extended by the Executive Director for good cause. The decision of the Executive Director on the appeal is final.

8. **Title VI Complaints**

SANDAG operates programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. In order to comply with 49 CFR Section 21.9(b), recipients and subrecipients of Federal Transit Administration funding such as SANDAG are required to develop procedures for investigating and tracking Title VI complaints and to make the procedures for filing a complaint available to members of the public upon request. This policy contains the procedures that members of the public should follow in order to request additional information regarding SANDAG's nondiscrimination obligations or file a discrimination complaint against SANDAG. Any person who believes himself or herself or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the FTA. A complaint **must** be filed no later than 180 days after the date of the alleged discrimination, unless the time for filing is extended by FTA. Title VI complaints regarding FTA funded programs at SANDAG can be sent to:
9. **Confidentiality**

SANDAG will take reasonable measures to protect the privacy of the complaining party and those individuals who may be the subject of a complaint. SANDAG cannot guaranty privacy, however, particularly if disclosure is necessary for a complete investigation or is required by law.

Adopted June 2003  
Amended November 2004  
Amended January 2010  
Amended November 2011
DELEGATION OF AUTHORITY

The purpose of this policy is to establish the authority granted by the Board of Directors to the Executive Director. It also provides the Executive Director with the authority to delegate functions he or she has been delegated by the Board to SANDAG staff.

Definitions

The following words shall have the meanings indicated when used in this policy:

“Agreement” shall be interpreted to include contracts, memorandums of understanding, agreement amendments, purchase orders, invoices, money transfers, or any other document that could be enforced against SANDAG in a court of law.

“Budget” shall be interpreted to include SANDAG’s annual budget, revisions and amendments thereto, and the Overall Work Program.

“Emergency or Urgent Need” for purposes of this policy shall mean a situation in which, in the Executive Director’s or his/her designee’s opinion, injury to persons, or significant injury to property, covered species, habitats, linkages, and/or corridors identified in the San Diego County Natural Communities Conservation Planning program, or interruption of a public service will occur if immediate action is not taken.

Procedures

1. Adoption of a budget by the Board shall automatically authorize the Executive Director to enter into any agreements or take any other actions necessary to implement the budget items or other actions approved by the Board.

2. Any authority delegated to the Executive Director shall automatically vest with a Chief Deputy Executive Director when business must be conducted in the absence of the Executive Director.

3. In the event of emergency or an urgent need, the Executive Director is authorized to take all necessary actions to prevent significant unnecessary loss to SANDAG, a shut-down of public services, or to address a situation threatening the health or safety of persons or property, including, but not limited to, authorization to contract with a contractor or consultant on a sole source basis, consistent with applicable state or federal law without prior approval from the Board. In the event such an emergency or urgent need occurs, the Executive Director will consult with the Chair of the Board, promptly communicate all actions taken to the Board members, and submit a report to the Board at its next regular meeting in order to obtain ratification for those actions.
4. The Executive Director is hereby authorized to carry out the actions set forth below. In the event any of the authorities in this paragraph are exercised, the Executive Director will report actions taken to the Board in summary written form at the next regular meeting of the Board.

4.1 Enter into agreements not currently incorporated in the budget and make other modifications to the budget in an amount up to $100,000 per transaction so long as the overall budget remains in balance. This provision may not, however, be used multiple times on the same budget line item or contract in order to circumvent the $100,000 limit.

4.2 Approve all design plans, specifications and estimates for capital improvement projects.

4.3 Execute all right-of-way property transfer documents, including but not limited to, rights of entry, licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance.

4.4 Direct payment to persons for right-of-way property so long as the payment amount does not exceed 110% of the appraised value.

4.5 Reject all bids and/or suspend the competitive procurement process.

4.6 Provide the final determination to persons or firms filing a protest regarding SANDAG’s procurement or contracting process or procedures.

4.7 File administrative claims and to initiate and maintain lawsuits on behalf of the Board to recover for damage to or destruction of SANDAG property, or interruption of a public service.

4.8 Settle all lawsuits initiated under paragraph 4.7.

4.9 Authorize the expenditure of Emergency Land Management Funds designated in the most recent Board-adopted Environmental Mitigation Program Funding Strategy based upon support from a cross-section of technical experts not affiliated with the request.

5. The Executive Director shall act as the appointing authority for SANDAG with the authority to appoint, promote, transfer, discipline, and terminate all employees of SANDAG subject to the provisions of SANDAG’s Administrative Rules and Regulations.
Pursuant to Article V, Section 4, paragraph c of the Bylaws, the Executive Director shall promulgate an administrative policy governing the procedures for delegating his/her authority to other SANDAG staff.

Adopted October 2003
Amended November 2004
Amended December 2006
Amended December 2008
Amended November 2011
REGIONAL TRANSIT SERVICE PLANNING AND IMPLEMENTATION

This policy specifies the transit service planning and transit development project planning responsibilities of SANDAG (the consolidated agency) and the transit agencies (Metropolitan Transit System and North San Diego County Transit Development Board), and outlines a framework for transit service planning and roles and responsibilities for project development planning. Figure 1.1 includes a flow chart, based on the framework that documents the processes for transit service planning and implementation, for new services and adjustments to existing services. Figure 1.2 identifies the lead and support (active participant) agency responsibilities for both long and short-range transit service planning and development project planning.

This policy will allow the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals as incorporated into the Regional Comprehensive Plan (RCP), the Regional Transportation Plan (RTP), and the Regional Short Range Transit Plan (RSRTP). As a result, transit service changes that relate directly to implementation of regional policies, goals, and objectives (service changes with regional significance) are generally those that:

- Serve regional travel demand corridors that cross transit agency jurisdictional boundaries;
- Significantly affect passenger trip making (as defined by the guidelines contained in the RSRTP; for example, would be found to potentially have a detrimental impact on geographic connections, timed transfers, and the frequency/service span consistency of such services);
- Require additional regional operating funds above the overall transit agency-adopted budget and projected budget capacity; and
- Affect the policies, projects, services and facilities included in the RTP, RCP, and TransNet Ordinance.

1. **Agency Responsibilities** - SANDAG and transit agency responsibilities are described below and further specified in Figure 1.2. There is an inherent overlap of responsibilities between SANDAG and the transit agencies in conducting transit service planning and development project planning, as exhibited in Figure 1.2. Therefore, all planning responsibilities shall be conducted with coordination and consultation between SANDAG and the transit agencies.

1.1 **SANDAG Responsibilities** - carried out in collaboration with the transit agencies:

1.1.1 Prepare long-range transit plans and corridor studies as part of the RTP.

1.1.2 Prepare, no less often than every two years, the five-year RSRTP and Coordinated Public Transit and Human Services Transportation Plan that:
   (1) establishes the goals and objectives for short-range transit services and
human services transportation; (2) defines the existing transit and human services transportation system; (3) sets the framework for a transit operations performance monitoring program as required by the Transportation Development Act and a monitoring program for human services transportation as defined by the Federal Transit Administration (FTA); (4) identifies transit and human service gaps and deficiencies; (5) evaluates existing transit and human services transportation services and programs; (6) establishes parameters for short-range (0-5 years) new and revised service development, as well as regionally significant and all other service adjustments; (7) defines a methodology for evaluating proposals for new and revised service; (8) identifies and prioritizes regional and subarea transit planning studies; and (9) evaluates and prioritizes new and revised services for implementation, including the adoption of an annual Regional Service Implementation Plan. SANDAG will initially maintain the existing service concepts upon which the service is based in order to preserve and improve mobility. FY 2003 budgeted revenue hours/miles will be considered as minimum levels of service for each transit agency and will assume net service levels to be added upon completion of the SPRINTER and Mission Valley East rail projects. If future funding shortfalls occur, necessitating cutbacks in service, then there will be a regionwide process of examination of service levels in order to ensure that service reductions are equitably distributed.

1.1.3 Conduct regional and subarea planning studies as prioritized in the RSRTP, RTP, and RCP.

1.1.4 Develop proposals and service plans for new services or for service adjustments with regional significance, with active participation from the transit agencies, in response to changes in regional travel demand, to address regional service gaps and deficiencies, and to implement plans and programs identified in RTP, RCP, RSRTP, and the TransNet Ordinance.

1.1.5 Plan, locate, and design transit infrastructure and facilities (stations, priority treatments, supporting facilities, etc.) for regionally significant transit projects and services identified in the RTP, RCP, RSRTP, and the TransNet Ordinance, with active participation from the transit agencies.

1.1.6 Develop proposals for new and revised services to be included in the Regional Service Implementation Plan.

1.1.7 Ensure that all new and revised services and service adjustments of regional significance are consistent with the goals and objectives of the RSRTP.

1.1.8 Coordinate with transit agencies to provide community outreach and conduct market research.

1.1.9 Conduct regional performance monitoring to provide input into the RSRTP and other short-range transit studies. The regional performance monitoring will be based on the type of service and type of service area. Any net service reduction in a specific transit agency area resulting from the service
evaluation process that takes that transit agency below its FY 03 service level (pursuant to Section 1.1.2) will be reprogrammed to that transit agency service area for other improvements up to the FY 03 base level of service.

1.1.10 Provide technical assistance to transit operators for local route planning.

1.1.11 Prepare Environmental Justice or Title VI reports in accordance with the most current versions of the SANDAG Title VI Analysis Methodology for Service Changes or the Title VI Analysis Methodology for Fare Changes, which shall be posted to the SANDAG Web site, as required by federal regulations covering requirements for Metropolitan Planning Organizations (MPOs) and transit agencies, including all of the following circumstances:

1.1.11.1 At least once every three years or when a new federal census is available; and

1.1.11.2 Prior to the implementation by SANDAG of any new transit service constituting a Major Service Change as defined in the SANDAG Title VI Analysis Methodology for Service Changes; and

1.1.11.3 Upon the transition of a temporary, experimental, or promotional fare to a regular fare, in which case SANDAG may adopt in full or in part any Title VI analysis conducted by the transit agency when the temporary fare was originally implemented.

1.1.11.4 Develop and update, as required, with input from the transit agencies, the Coordinated Transportation Plan for San Diego County as required by SAFETEA-LU legislation. SANDAG also will manage the competitive process for granting FTA funds available as a result of production of a Coordinated Transportation Plan.

1.1.12 Participate in development of transit vehicle specifications for vehicles acquired for regionally significant projects and services that are funded through projects identified in the RTP and the TransNet Ordinance.

1.1.13 Collaborate with the transit agencies on a branding framework, compatible with the transit agencies’ individual branding programs, that incorporates regionally significant projects and services identified in the RTP, RCP, RSRTP, and the TransNet Ordinance. The transit agencies and SANDAG will undertake a study to develop a mutually agreed upon branding framework for the region.

1.2 Transit Agency Responsibilities – carried out in collaboration with SANDAG:

1.2.1 Develop service and schedule adjustments to ensure system optimization and to respond to immediate operational issues (e.g., detours, overcrowding, on-time performance, and minor out-of-direction routing changes).

1.2.2 Conduct local transit studies and analyses within the transit agency’s service area in response to changes in local travel demand, to address service gaps
and deficiencies, to develop service reductions/efficiencies, to address operating budget deficits, and to address goals and implement plans developed in the RSRTP.

1.2.3 Develop proposals for new and revised services to be included in the Regional Service Implementation Plan.

1.2.4 Develop proposals to reallocate unproductive resources to implement unfunded services identified as high priority in the Regional Service Implementation Plan or consistent with the RSRTP.

1.2.5 Develop a public input process and hold required public hearings for service changes. The transit agencies should ensure that the public input process for public hearings on service changes would be conducted in a manner to facilitate public input from the affected area.

1.2.6 Develop marketing and branding programs for the transit services within its jurisdiction and collaborate with SANDAG on a compatible branding framework that incorporates regionally significant projects and services identified in the RTP, RCP, RSRTP, and the TransNet Ordinance. The transit agencies and SANDAG will undertake a study to develop a mutually agreed upon branding framework for the region.

1.2.7 Provide community outreach and conduct market research, in coordination with SANDAG.

1.2.8 Develop operating plans for special event transit service and service contingencies.

1.2.9 Monitor existing operations and services to provide input into service analyses and short-range transit studies.

1.2.10 Conduct bus stop location planning.

1.2.11 Implement service, including scheduling, run-cutting, operations, contract services, service management, and labor contract administration.

1.2.12 Provide input on long- and short-range transit plans, and regional performance monitoring.

1.2.13 Prepare interim Environmental Justice or Title VI reports for transit agency-implemented system changes that affect over 25 percent of the transit service hours as required by federal regulations for transit agencies, and provide the reports to SANDAG and the federal government.

1.2.14 Actively participate in the development of service plans for service adjustments with regional significance, in response to changes in regional travel demand, to address regional service gaps and deficiencies and to implement plans and programs identified in RTP, RCP, RSRTP, and the TransNet Ordinance.
1.2.15 Actively participate in the planning, location and design of transit infrastructure and facilities (stations, priority treatments, supporting facilities, etc.) for regionally significant transit projects and services identified in the RTP, RCP, RSRTP, and the TransNet Ordinance.

1.2.16 Develop transit vehicle specifications, with active participation from SANDAG, for vehicles for all service types, including local bus, shuttles, bus rapid transit, rail, and others.

2. **Transit Service Planning Framework** - This framework allows the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals.

**Step 1: Guidance**

A RSRTP, consistent with SANDAG’s RTP and RCP, will be drafted annually by SANDAG, with active participation from the transit agencies. The RSRTP will establish goals and objectives and provide guidance for service planning during the upcoming year and will balance the immediate needs of optimizing the transit system in response to operational and financial constraints, with the mid- and long-range system development goals established in the long-range plans.

**Step 2: Develop Service Adjustments**

Throughout the year, transit agency and SANDAG staff develop proposals, in accordance with the RSRTP, to adjust existing services and develop new services. These service adjustments help to optimize existing services, reflect changes to the operating and fiscal environment, respond to customer comments and requests, and begin to implement and support services envisioned in the long-range plans. Service adjustments can be a result of such things as schedule analysis, trip and route level evaluation, and subregional and regional transit studies. Service adjustments with regional significance should be developed as collaborative efforts between SANDAG and transit agency staff.

**Step 3: Evaluation and Approval**

Prior to approval for implementation, all service adjustments should be:

- Consistent with the RSRTP;
- Presented for public hearing in the impacted service area if required by SANDAG, the appropriate transit agency, or by FTA policies and regulations; and
- Fully funded either through a reallocation of resources or as part of the budget process.

Service adjustments with regional significance should be endorsed by the appropriate transit agency and determined to be consistent with regional policies, goals and objectives by SANDAG prior to public hearing and implementation, while local and minor service
adjustments may be approved for implementation by the transit agencies after advising SANDAG of the proposed changes.

**Step 4: Implementation**

As a general practice, service changes should be implemented during a regularly scheduled service change date (scheduled for winter, fall, and summer). Implementation should be preceded by community outreach, a marketing campaign, and public notices, as appropriate. Service implementation is the responsibility of the transit agencies.

**Step 5: Monitoring**

Performance monitoring will be conducted on an ongoing basis to evaluate new and existing services and service adjustments. SANDAG will monitor the transit system performance on a systemwide and transit agency level on an annual and quarterly basis. Transit agencies will monitor their operations performance on an annual, quarterly, and monthly basis, as appropriate. Performance measures will evaluate productivity, cost-effectiveness, and quality of service. Performance results will be used as a basis for developing the RSRTP, and other planning studies and analysis.

3. **Policy Review** – This policy was reviewed and revised by SANDAG, in collaboration with the transit agencies in May 2006. It shall be reviewed again by SANDAG, in collaboration with the transit agencies in fall 2007.

**Attachments:**

- Figure 1.1 – Regional Transit Service Planning and Implementation Process
- Figure 1.2 – Roles and Responsibilities for Service Planning Activities

Adopted June 2003
Amended September 2004
Amended March 2005
Amended August 2006
Amended December 2008
**Amended November 2011**
Figure 1.1
Regional Transit Service Planning and Implementation Process

Step 1: Establish Policy Framework
- Regional Short Range Transit Plan
  - Service Planning Framework & Guidelines
    - Goals and Objectives
    - Needs and Deficiencies
    - Parameters and Performance Standards
    - Regional Consistency Checklist
  - SANDAG
  - Transit Agencies

Step 2: Develop Service Proposals & Plan
- Service Proposals
  - New and Revised
  - SANDAG
  - Transit Agencies

- RSRTP Adoption
  - Consistency & Priority Determination
  - Plan & Program Public Hearing
  - Regionally Significant Changes
  - SANDAG
  - Transit Agencies

- Local & Minor Changes
  - SANDAG

Step 3: Develop Budgets
- Transit Operating Budget Development
- SANDAG Approves Transit Agency Budgets for Funding
  - Budget Public Hearing
- SANDAG

Step 4: Implement Service
- Administrative Review of Service Consistency or Finding of Overriding Considerations
  - SANDAG
  - (Refer to Transportation Committee, if necessary)

- Public Hearings
  - At Transit Agencies
  - Locally Significant

- Advise SANDAG

Service Changes Occur Three Times a Year:
- Feb-Aug/Sep
- Nov-May/Jun
- May-Jan/Feb

- Administrative Re-Review of Service Consistency or Finding of Overriding Considerations
  - If public hearing results in a new service proposal
  - SANDAG
  - (Refer to Transportation Committee, if necessary)
| **FIGURE 1.2**  
| **ROLES AND RESPONSIBILITIES FOR TRANSIT PLANNING AND IMPLEMENTATION ACTIVITIES**  

<table>
<thead>
<tr>
<th>TRANSIT AGENCY</th>
<th>SANDAG</th>
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<tr>
<td><strong>POLICY AND GUIDANCE</strong></td>
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<tr>
<td>Regional Transportation Plan (RTP)</td>
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<td>Short Range Transit Plan (SRTP)</td>
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<td><strong>LONG-RANGE SERVICE DEVELOPMENT</strong></td>
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<td>Subarea Studies</td>
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<td><strong>MID-RANGE SERVICE DEVELOPMENT</strong></td>
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<td>BRT/Rail System Development (Service Plan)*</td>
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<td>Transit Centers (Station Location/Facility Design)</td>
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<td>Transit First Now! (traffic engineering, traffic operations)</td>
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<td>Regional Branding Framework</td>
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<td><strong>SHORT RANGE SERVICE RESTRUCTURING</strong></td>
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<td>Feeder Bus Studies/BRT Supporting Networks</td>
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<td>Subarea Studies (e.g. Downtown, NB/PB/LJ, Univ. Ave)</td>
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<td>Systemwide Service Optimization (e.g. COA)</td>
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<td><strong>COMMUNITY OUTREACH</strong></td>
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<td>Service Change Public Hearings</td>
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<td>Developer Plan Review - land use, regional plan conformity</td>
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<td>Developer Plan Review - community liaison</td>
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<td>Market Research</td>
<td>Shared</td>
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<td>Transit Liaison to Communities</td>
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<td>Respond to Community Service Requests</td>
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<td>Respond to Operational Issues</td>
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<tr>
<td>National Transit Database (NTD) Reporting</td>
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<td>Trip Level Schedule Adjustments</td>
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<td>Service Provision</td>
<td>Lead</td>
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<tr>
<td>Vehicle Specification/Procurement</td>
<td>Lead</td>
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* Includes Mid-Coast LRT/BRT, Super Loop, I-15 BRT, South Bay BRT, El Cajon Blvd BRT, Escondido Blvd. BRT, South Bay to Sorrento Mesa BRT  
Revised July 2006
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 be follow when administering contracts using federal funds. All references to the Executive Director in this policy also apply to the Executive Director’s designee.

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 $3,000 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 $3,000 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 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 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 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 Suppliers and 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 sufficient working capital;

1.5.6.1.2 The largest value of all work any bidding contractor has had under contract over a previous similar time frame as the subject contract shall meet or exceed the total amount of the bid;

1.5.6.1.3 The dollar value of at least one of the previous individual contracts listed shall be at least 50 percent of the dollar value bid on the SANDAG contract; and
1.5.6.1.4 The contractor shall have successfully completed contracts during the previous five years that together exceed five times the annual value of the SANDAG contract.

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 bidder is initially determined to be
nonresponsible, it may submit additional evidence relating to its responsibility not later than five working days after receipt of notice of the initial finding of nonresponsibility. No additional evidence bearing on the bidder’s responsibility may be submitted after that point. Any additional evidence submitted in accordance with this policy 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, the successful bidder must furnish a performance bond equal to at least one-half of the contract price and a payment bond equal to one hundred percent of the contract price. Federally funded contract awards shall require a performance bond equal to 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 procurements 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 regarding review of the initial protest by a protest review committee and review of protest reconsiderations by the Executive Director, as appropriate.

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 all 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;

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 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 procurement and construction manual(s).
3.2 Construction contract change orders shall be approved by the Executive Director 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 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. Other Than Full and Open Competition

Normally, SANDAG will utilize a full and open competition when soliciting bids or proposals for procurements in excess of $50,000. Under certain circumstances, however, a procurement may be justified that does not utilize full and open competition. These procurements are known as limited competition procurements. When less than full and open competition is used, SANDAG shall solicit offers from as many potential sources as is practicable under the circumstances. Noncompetitive procurement is known as sole source procurement. Noncompetitive and limited competition 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 conditions set forth below must be met:

4.1.1 Unique Capability or Availability. The services are only available from one source. Services are only available from one source if one of the conditions described below is present:

4.1.1.1 Unique or Innovative Concept. Staff can demonstrate that the service consists of a unique or innovative concept or capability not available from another source. Unique or innovative concept means either a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to SANDAG only from one source and has not in the past been available to the recipient from another source; or
4.1.2. Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.

4.1.3. Unacceptable Delay. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling SANDAG’s needs.

4.1.4. Single Bid or Proposal. Upon receiving a single bid or proposal in response to a solicitation, if staff determines that competition was adequate based on a review of the specifications for undue restrictiveness and/or a survey of potential sources that chose not to submit a bid or proposal.

4.1.5. Unusual and Compelling Urgency. SANDAG may limit the number of sources from which it solicits bids or proposals if staff documents that such an unusual and urgent need for the services exists that SANDAG would be seriously injured unless it were permitted to limit the solicitation. SANDAG may also limit the solicitation when the public exigency or emergency will not permit a delay resulting from competitive solicitation for the services.

4.1.6. Contractual Agreement. With some exceptions, when an agency awards a grant agreement or enters into a cooperative agreement with SANDAG for a project in which the funding agency has approved the participation of a particular firm or combination of firms in the project work, the grant agreement or cooperative agreement constitutes approval of those arrangements.

4.1.7. Circumstances authorized by Federal Acquisition Regulation Part 6.3 or the federal Common Grant Rules. Examples include a statutory authorization or requirement, compliance with Department of Transportation (DOT) appropriations laws that include specific statutory requirements, with the result that only a single contractor can perform certain project work.

4.1.8. National Emergency. To maintain a facility, producer, manufacturer, or other supplier available to provide supplies or services in the event of a national emergency or to achieve industrial mobilization.

4.1.9. Research. To establish or maintain an educational or other nonprofit institution or a federally funded research and development center that has or will have an essential engineering, research, or development capability.
4.1.10. Protests, Disputes, Claims, Litigation. To acquire the services of an expert or neutral person for any current or anticipated protest, dispute, claim, or litigation.

4.1.11. International Arrangements. When precluded by the terms of an international agreement or a treaty between the United States and a foreign government or international organization, or when prohibited by the written directions of a foreign government reimbursing the recipient for the cost of the acquisition of the supplies or services for that government.

4.1.12. National Security. When the disclosure of SANDAG’s needs would compromise the national security.

4.1.13. Public Interest. When SANDAG staff documents that full and open competition in connection with a particular acquisition is not in the public interest.

4.1.14. When Prohibited. Less than full and open competition is not justified under any circumstance based on:


4.1.14.2. Limited Availability of federal Assistance. Concerns about the amount of federal assistance available to support the procurement (for example, expiration of federal assistance previously available for award).

4.2 When there are no federal funds involved, additional factors may be used to justify a limited competition or sole source procurement 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, because of other activities, relationships, or contracts, a firm is or may be unable to render impartial, objective assistance or advice to SANDAG; or a firm’s objectivity in performing the contract work is or might be otherwise impaired; 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 or project management 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 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 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.

6.1.4 Any firm that assists SANDAG or any of its member or affiliated agencies in the preparation of a design-build procurement document will not be allowed to participate as a bidder/offeror or join a team submitting a bid/offer in response to a design-build procurement document except under the provisions in Section 7.1.4 of Board Policy No. 016.

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; or

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 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.
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 is issued, the scope of work will identify the quantity and specific location of the work to be performed. A 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 JOCs 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 JOC.

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 JOC does not exceed a term of three years in duration.

7.1.1.4 The JOC 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 JOC 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, Job Orders 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 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 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 Job Orders 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.
8. **Design-Build Contracting**

“Design-build” is a contract procurement process in which both the design and construction of a project are procured from a single entity. Notwithstanding Section 1 of this Policy, SANDAG is permitted to use the design-build contracting method on transit projects in accordance with Public Contracts Code section 20209.5 et seq. A competitive negotiation process similar to the process described in Board Policy No. 016 for the procurement of services will be used to procure design build services.

Adopted November 2003  
Amended December 2006  
Amended December 2007  
Amended December 2008  
Amended January 2010  
Amended November 2010  
Amended November 2011
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) and amendments thereto.

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 November 18, 2005. This rule was superseded by Rule #11.

Rule #2: Loan of Funds for Privately Funded Projects

Adoption Date: April 22, 1988 (Resolution RC88-5)
Amendment: Amended November 18, 2005

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 November 18, 2005

Text: 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 November 18, 2005

**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 November 18, 2005

**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 November 18, 2005

**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 (POP) must be consistent with the long-range 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 noticed public meeting with an agenda item that clearly identified 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 POP amendment shall be initiated when a local agency desires to revise the approved POP, which includes but is not limited to, adding a new project, deleting an existing project, revising the project scope, or otherwise changing the TransNet funds programmed. A TransNet POP amendment must be consistent with the requirements outlined in the RTIP. Projects proposed in the amendment must first be 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 noticed public meeting with an agenda item that clearly identifies the proposed project amendments 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 November 18, 2005

**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 November 18, 2005

**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 November 18, 2005

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 November 18, 2005, and December 21, 2007

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.

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 November 18, 2005. 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 November 18, 2005

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

Amendment: Amended July 24, 2009, and November 19, 2010, and November 18, 2011

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 Plans (87-01 and 04-01).
Pursuant to the TransNet Extension Ordinance (04-01), the Independent Taxpayer Oversight Committee (ITOC) is responsible for the conduct of an annual fiscal audit and compliance audit of all TransNet-funded activities beginning with the FY 2009 audit. In order to complete the audits in a timely manner, the following audit schedule is set forth:

A. July/August: ITOC designee and appropriate SANDAG staff coordinate 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 and perform 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. December 1 (required deadline): Regional Transportation Congestion Improvement Program (RTCIP) expenditure plan and financial records must be submitted for a review and audit.

D. November/December: Auditors issue preliminary draft reports to both SANDAG and the recipient agencies no later than December 31. Recipient 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 of preliminary draft report issuance.

E. March: Auditors issue a report of compliance audit results and present to ITOC at its March meeting. ITOC presents initial finding(s) of the audit and its recommendations to the Transportation Committee.

F. May: ITOC issues all compliance reports and adopts the annual report.

G. June: The ITOC annual report, which includes results of the annual audit and its process, is presented to the SANDAG Board of Directors.

ITOC Responsibility: In accordance with the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “STATEMENT OF UNDERSTANDING REGARDING THE IMPLEMENTATION OF THE INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE FOR THE TRANSNET PROGRAM”, ITOC will conduct an annual fiscal and compliance audit of all TransNet-funded activities using the services of an independent fiscal auditor to assure compliance with the voter-approved Ordinance and Expenditure Plan, and will prepare an annual report for presentation to the SANDAG Board of Directors that includes the results of the annual audit process.

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 for initial draft acceptance by the ITOC (per Rule #17(I)(E)), 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 draft is completed and accepted by the ITOC.

II. Ordinance Requirements

Section 4(C)(5) of the TransNet Extension Ordinance contains the fiscal and compliance audit requirements applicable beginning in FY 2009.

Section 8 of the Ordinance contains the Maintenance of Effort requirements for the local agencies.

Section 9 of the Ordinance and the attachment “TransNet EXTENSION REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM” contain the Regional Transportation Congestion Improvement Program (RTCIP) requirements for the local agencies.

Section 11 of the Ordinance and the attachment to Commission Ordinance CO-04-01 entitled “STATEMENT OF UNDERSTANDING REGARDING THE IMPLEMENTATION OF THE INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE FOR THE TRANSNET PROGRAM” contains the ITOC spending requirements.

Section 12 of the Ordinance contains the Administrative Expenses requirements for SANDAG.

III. Audit Adjustments

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:

A. 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).

1. Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, the agency is required to return the money back 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, including interest earned, to the Commission. 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.

2. Projects with negative balances: if a project ending balance is negative, then a footnote should be provided detailing the subsequent year's intended action.
3. 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 (see Board Policy No. 035 for project completion deadlines and other Competitive Grant Program Procedures). Closed projects should no longer show in the following year’s audit and any funds remaining must be returned to SANDAG (see instructions in Section III(A)(1)).

B. This section applies to funding allocated for the specified projects under the 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).

1. Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, including interest earnings, the agency is required to transfer the balance to another TransNet-eligible project (projects included in the approved Program of Projects and in accordance with Section 2(C)(1) of the Ordinance 04-01 for Local Street and Road Formula 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.

2. Projects with negative balances: if a project ending balance is negative, then a footnote should be provided detailing the subsequent year’s intended action.

3. Inactive projects: if a project has had no activity over a period of two audits, other than interest earnings, the agency must either close out the project or note when the project will be completed. Closed projects should no longer show in the following year’s audit. Any remaining TransNet funds must be transferred to another TransNet-eligible project (projects included in the approved Program of Projects and in accordance with Section 2(C)(1) of the Ordinance 04-01 for Local Street and Road Formula projects).

4. Transfer of funds: any transfer of TransNet funds from one project to another requires the local agency to provide documentation that its governing body consents to the transfer proposed prior to or concurrent with the final issuance of the annual fiscal and compliance audit. Such documentation shall consist of a signed staff report or resolution. Transfers that require an amendment to the RTIP must follow the amendment process outlined in Rule #7. Transfers between Local Street and Road Formula projects are subject to Rule #18.

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 recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.
V. Annual Fiscal and Compliance Audit Report to the Board

Pursuant to the TransNet Extension Ordinance, beginning with the FY 2009 audits, ITOC is responsible for the annual fiscal and compliance audit of all TransNet-funded activities.

Rule #18: Local Street and Road Program

Adoption Date: June 23, 2006

Amendment: Amended July 24, 2009

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 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 original TransNet carry-over balances) beginning with July 1, 2008 (Fiscal Year 2008-09).

It is the intent of this Section that over the life of Ordinance 04-01, local agencies do not cumulatively use more than 30 percent of the revenues for maintenance-related projects.

Rule #19: Conflict of Interest for ITOC Representatives

Adoption Date: December 15, 2006

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

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 who they have selected to represent their subregion on the Selection Committee.

Rule #21: Accommodation of Bicyclists and Pedestrians

Adoption Date: February 22, 2008

Text: Adequate provisions for bicycle and pedestrian travel is determined within the context of the roadway type, its existing and planned surrounding land uses, existing bicycle and pedestrian plans, and current or planned public transit service. When addressing the access needs dictated by land use, the responsible agency must consider demand created by current and expected land uses (as determined by the local general plan) within the useful life of the TransNet project. The table Appropriate Bicycle and Pedestrian Accommodation Measures provides a guide to appropriate accommodation measures for each transportation facility type and land use context. In the table, “urban” means within the urbanized area as defined by U.S. Census Bureau.

<table>
<thead>
<tr>
<th>Appropriate Bicycle and Pedestrian Accommodation Measures(^1)</th>
</tr>
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<tbody>
<tr>
<td><strong>Context/Facility Type</strong></td>
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<tr>
<td>Urban Highway</td>
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<tr>
<td>Context/Facility Type</td>
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<tr>
<td>---------------------------------------</td>
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<tr>
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<tr>
<td></td>
</tr>
<tr>
<td>Major Urban Street</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Urban Collector Street (design speed &gt;35 mph)</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Urban Collector Street (design speed ≤ 35 mph)</td>
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<td></td>
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<tr>
<td>Urban Local Street</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Rural Highway</td>
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<tr>
<td>Context/Facility Type</td>
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<tr>
<td>--------------------------</td>
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<td>Rural Collector Road</td>
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</tbody>
</table>

1 Application of these accommodation measures is subject to sound planning and engineering judgment to ensure the facility is reasonable and appropriate within the land use and transportation context of the overall project.

2 Unpaved pathways of decomposed granite or other suitable material that are set back from the roadway where feasible would be considered appropriate only on roads serving areas that are rural in nature.

Where a local jurisdiction has a bicycle or pedestrian master plan adopted by the city council or Board of Supervisors and approved by SANDAG, the local agency may use that plan to determine the appropriate means of accommodating bicyclists and pedestrians in a given project and at a minimum provide the facilities called for in the plan. These plans must be updated and approved no less than every five years to qualify as a means of satisfying this provision.

**Best Available Standards.** All bicycle facilities must be designed to the standards established in the California Highway Design Manual, Chapter 1000. Bicycle parking facilities should conform to the guidelines established in the Regional Bicycle Plan adopted by SANDAG. Shared roadways on collector streets should have a curb lane or curb lane plus shoulder that measures at least 14 feet. Where parallel parking is in place, consideration should be given to installing the shared lane pavement marker. All sidewalks must be designed consistent with the design standards established in the AASHTO Guide for the Planning, Design, and Operation of Pedestrian Facilities, the Department of State Architect’s California Access Compliance Reference Manual, and the U.S. Department of Transportation’s ADA Accessibility Guidelines for Buildings and Facilities (ADAAG). Consistency with the design recommendations in SANDAG’s Planning and Designing for Pedestrians is encouraged.

**Bicycle and Pedestrian Accommodation in Reconstruction Projects.** Street and road reconstruction is the time to re-evaluate the function of a road and its context, and to reallocate the right-of-way if appropriate to meet the needs of bicyclists and pedestrians. An agency is not required to acquire additional right of way to improve bicycle and pedestrian access. However, the agency should consider reduced motor vehicle lanes and lane widths, and reduced median widths as a means of providing the appropriate bicycle or pedestrian facility. While such an evaluation is
recommended for reconstruction projects of any size, compliance with these guidelines is required for “major” reconstruction projects meeting the definitions established under Rule 18 of SANDAG Board Policy No. 031 regarding the guidelines for implementing the “70/30” requirement.

When Provisions for Bicyclists and Pedestrians Accommodation May Be Excluded. Section 4(E)(3) is based on the premise that pedestrians and bicyclists need safe and convenient access to the same destinations as other users of the public right of way. Consequently, those portions of the transportation network where pedestrians and bicyclists need not be accommodated are the exception, and the decision not to provide for them in a construction or major reconstruction project must be made by the responsible agency for good cause such as severe topographic or biological constraints. Any impacts on the roadway’s motor vehicle capacity that result from providing for pedestrian and bicycle access would not, in themselves, justify excluding bicycle and pedestrian facilities. However, these impacts and their mitigation costs should be considered in determining if the cost of providing the facilities is disproportionate to the probable use.

This provision only requires an agency to provide appropriate bicycle or pedestrian facilities that are within the construction or reconstruction area of the project. Consideration of the provision of sidewalks as part of major rehabilitation roadway projects involving only new pavement overlays of 1-inch thickness or greater (see Rule 18 under Board Policy 031) on streets where sidewalks do not currently exist would only be required if curb, gutter, and related drainage facilities were already in place.

The cost of providing for bicycle and pedestrian access can vary significantly relative to the overall project cost. For this reason, specifying a proportional or absolute limit on spending for bicycle or pedestrian improvements relative to probable use would not allow the kind of discretion necessary to make a significant investment in facilities when necessary, or to withhold an investment when the benefits are marginal. Therefore, the decision to exclude accommodations for bicyclist and pedestrians must be a policy-level decision made by the Board or city council based on the body of information about context, cost, and probable use available at the time. Such a decision must be made in the public hearing required by Section 5(A) of the Ordinance.

Pedestrian Access. Sidewalks or other walkways may be excluded from a project when it can be demonstrated that there are no uses (including bus stops) that would create demand for pedestrian access. In making this determination, the agency must consider the potential for future demand within the useful life of the project. Access to and from public transit, including crossing improvements, also must be considered and accommodated where there is existing or planned transit service.

Bicycle Access. A new project or major reconstruction project may not include the expected bikeway treatment when a suitable parallel route with the appropriate accommodations exists that would require no more than ¼-mile total out of direction travel.

Procedures for Excluding Accommodations for Pedestrians and Bicyclists from Projects. When an agency determines not to include bicycle or pedestrian accommodations in a project because the cost of doing so would be excessively disproportionate to the need or probable use, the agency must include a notice of that decision in the notice of the public hearing required by Sections 5(A) and Section 6 of the Ordinance. In submitting the project to SANDAG for inclusion in the TransNet Program of Projects as part of the Regional Transportation Improvement Program (RTIP) process, the agency must notify SANDAG that bicycle and/or pedestrian facilities, as described in Table 1 or in its bicycle or pedestrian master plan, will not be included in the project along with written justification for that decision. The decision and justification is subject to review and

66
comment by SANDAG through the Bicycle-Pedestrian Working Group, which would forward its comments to the SANDAG Transportation Committee. The Independent Taxpayer Oversight Committee also would review and comment on such projects as part of its role in the RTIP process. The Transportation Committee in approving the TransNet Program of Projects must make a finding that the local decision not to provide bicycle or pedestrian facilities is consistent with the provisions of this Ordinance prior to approving the project for funding under the TransNet Program. If this consistency finding is not made, the agency would have the opportunity to revise its fund programming request for consideration in a future RTIP amendment.

Effective Implementation. This rule will be effective for projects added to the TransNet Program of Projects subsequent to their adoption by the SANDAG Board of Directors. Within three years of their adoption, the rule will be re-evaluated by SANDAG to ensure they are effectively encouraging provision of a balance transportation network without imposing an excessive cost burden on projects funded under the program.

Rule #22: TransNet Extension Ordinance Maintenance of Effort (MOE) base level implementation guidelines

Adoption Date: March 28, 2008

Text: Section 8 of the Extension Ordinance provides guidelines regarding the MOE base level calculation and implementation.

Section 8 of the Extension Ordinance states the intended purpose of the MOE requirement is to ensure that revenues provided from TransNet be used to augment, not supplant, existing local revenue. Some flexibility in accounting for spikes in expenditures would be consistent with the intent of ensuring that the local agencies do not supplant local funds with TransNet funds. Therefore, one-time expenditures that were a result of “banking” general fund monies and subsequently expending those funds during the base period Fiscal Years 2001 – 2003 may be isolated and removed so that the MOE is representative of a normal annual spending level, subject to review by the ITOC and approval by the Board of Directors.

In addition, the language in Section 8 of the Extension Ordinance states the MOE will be determined on the basis of “discretionary funds expended for street and road purposes...as was reported in the State Controller’s Annual Report of Financial Transactions for Streets and Roads.” The Extension Ordinance also states “the MOE also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4.” Based on this language, the MOE levels are to be established separately for each category in Section 4 of the Ordinance: major highway and transit congestion relief projects; transit programs to support seniors and disabled persons; specialized transportation services for seniors; monthly transit passes for seniors, disabled, and youth riders; transit operations; local streets and roads; habitat-related mitigation costs of local transportation projects; and the smart growth incentive program. The annual audits of the MOE expenditure requirement will report the expenditures for each of these separate categories.
Rule #23: Application of TransNet Extension Ordinance Regional Transportation Congestion Improvement Program (RTCIP) Requirements

Adoption Date: July 10, 2009

Amendment: Amended January 22, 2010, and November 19, 2010

A. Section 9 of Ordinance 04-01 provides that starting on July 1, 2008, each local agency in the San Diego region shall contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. Each agency is required to establish its own collection program, known as its RTCIP Funding Program. Each jurisdiction is required to either establish a new Fund for the RTCIP or to set up accounts specific to the RTCIP for tracking purposes. Interest earned on RTCIP revenues received by the jurisdiction must be allocated to the RTCIP Fund.

B. Local agencies, SANDAG staff, hired auditors, and the Independent Taxpayers Oversight Committee (ITOC) are subject to the timelines set forth in Rule #17, Section I (Fiscal and Compliance Audit Procedures) in this Board Policy, Ordinance 04-01, and the attachment to Ordinance 04-01 entitled “REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM” (RTCIP Attachment). Section 9 of Ordinance 04-01 states that any local agency that does not provide its “full” RTCIP contribution in a given fiscal year will not be eligible to receive funding for local streets and roads for the immediately following fiscal year. It further provides that any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining local agencies that are in compliance with Section 9. This Rule #23 is intended to provide clarification regarding how this language will be implemented.

1. By June 30 of each year, which is the last day of SANDAG’s fiscal year, each local agency must record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction. This means that if the RTCIP exaction is not yet collected, the local agency should invoice, but does not need to collect all of the RTCIP exactions due in a given fiscal year by June 30. Each local agency may choose when the exaction is due, but in no event can the local agency allow a residential unit subject to the RTCIP to be occupied by a resident prior to receipt of the RTCIP exaction. The local agency must record the revenue in the fiscal year the exaction is due according to its Funding Program or when the revenue is received, whichever occurs first.

2. Section G(4) of the RTCIP Attachment states that each local agency shall have up to, but no more than seven years after receipt of the revenue to expend the revenues on Regional Arterial System or regional transportation infrastructure projects. To ensure consistency in implementation, this provision shall mean that the seven year term shall begin on the July 1 following the date on which the local agency recorded the exaction as revenue or received the revenue, whichever occurred first. If it is not spent within seven years it will be subject to the reallocation process in Section G(4) of the RTCIP Attachment.
3. Pursuant to Ordinance 09-01, which amended Ordinance 04-01, the audit reports for all RTCIP Funding Programs are to be completed by June of the fiscal year immediately following the end of the fiscal year being audited. If during the audit process it is determined that a local agency failed to collect the full amount of exactions due under its Funding Program, the local agency may cure the defect by recording the amount due as an account receivable for the fiscal year being audited and avoid losing its TransNet funding. If the local agency has already closed out its books for the fiscal year being audited by the time the RTCIP audit discloses the defect, the local agency may record the revenue and cure the defect in the current fiscal year in order to avoid losing its TransNet funding. The seven year period discussed in Section B(2) of this Rule will commence from the fiscal year in which the revenue is recorded if this latter situation occurs.

4. The following exceptions will be permitted to the requirement that each local agency record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction by the June 30 deadline. These exceptions are permissible because the purpose of the RTCIP exactions is to mitigate residential traffic impacts on the regional transportation infrastructure. If a new unit subject to the RTCIP is not occupied this impact does not occur.

   a. If litigation, bankruptcy, or other similar situation occurs that delays occupation of a new residential unit pending resolution by the courts or another body assigned to resolve the dispute, and the local agency has invoiced, but been unable to collect amounts due under its Funding Program, the local agency may delay recording the account receivable until the outcome is known or the unit is occupied, whichever occurs first. The local agency shall provide documentation to the auditor establishing litigation, bankruptcy, etc. has occurred that has precluded the local agency from collecting the exaction.

   b. If a local agency records an RTCIP exaction as revenue and subsequently determines that the amount is uncollectible (i.e., the developer never completes the project or goes bankrupt), the local agency may write-off the RTCIP exaction until such time, if ever, the unit is occupied and subject to the RTCIP. The local agency shall provide documentation to the auditor establishing that the write-off was justified.

5. Due to the timeline for completion of RTCIP audits, it may be up to one year after the fiscal year being audited has ended before ITOC adopts a final report that includes a finding that a local agency failed to provide the full amount of RTCIP exactions due under its Funding Program. During this interim audit period, SANDAG will make the payments due to local agencies for local streets and roads pursuant to Section 4(D)(1) of Ordinance 04-01 in good faith by presuming that the audit will establish each local agency is in
compliance. If, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year following the year that was the subject of the audit will be retroactively owed to the Commission. SANDAG will deduct any such amount, with interest at the monthly Local Agency Investment Fund (LAIF) rate. This amount will be deducted from the local agency annual allocation during the next fiscal year in which the local agency is eligible for Section 4(D)(1) funding.

C. The Board has determined that a nursing home, home for the aged, assisted living facility, or similar institutional unit ("institutional unit") is not the type of unit the RTCIP was intended to cover. Local agencies are not required to charge for a new institutional unit for purposes of compliance with the Ordinance’s RTCIP Funding Program requirements when the local agency documents that it has made the following findings prior to issuance of a final certificate of occupancy:

1. The individual unit will not have both a bathroom and permanent built-in kitchen facilities equipped with a cooking range, refrigerator, and sink; and
2. The principal reason a person will live in the unit is because the person needs medical and/or nursing care; and
3. The local agency has required that the developer agree that the unit in substance will be used as health care facility rather than as a residence.

D. Section G(2) of the TransNet EXTENSION REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM, as amended on July 24, 2009, states that ‘each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by December 1 of each year beginning December 1, 2009.

All references to “unit” in these criteria are intended to apply to an individual living unit, not the institutional facility as a whole.

Adopted: February, April, and May 1988; August 1989; March, July, and November 1990; October 1992; September and November 2005
Attachment 1
FY 1988 Base Year Statistics
(for use in TransNet Ordinance Rule #8)
Metropolitan Transit Development Board (MTS) Area

<table>
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<th>Vehicle Service Miles</th>
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<td>National City Transit</td>
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<td>County Transit System:</td>
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<td>Rural Bus</td>
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<td>Poway Fixed Route</td>
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<td></td>
<td>Spring Valley Dial-A-Ride</td>
<td>73,298</td>
</tr>
<tr>
<td></td>
<td>San Diego Transit DART</td>
<td>309,370</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,131,560</td>
</tr>
<tr>
<td>Article 4.5</td>
<td>Chula Vista Handytrans</td>
<td>128,807</td>
</tr>
<tr>
<td>County Transit System – WHEELS</td>
<td>National City Wheels</td>
<td>15,159</td>
</tr>
<tr>
<td></td>
<td>Poway Call-A-Ride</td>
<td>60,156</td>
</tr>
<tr>
<td></td>
<td>San Diego Dial-A-Ride</td>
<td>1,149,541</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,573,623</td>
</tr>
</tbody>
</table>

MTDB (MTS) Area Total 16,768,923
North County Transit District

<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>NCTD Fixed Route</td>
<td>7,651,408</td>
</tr>
<tr>
<td></td>
<td>NCTD FAST</td>
<td>126,744</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7,778,152</td>
</tr>
<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>
</tbody>
</table>

NSDCTDB (NCTD) Area Total 8,164,832
REGIONAL TOTAL 24,933,755
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><strong>Major Rehabilitation and Reconstruction</strong></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></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></td>
</tr>
<tr>
<td>8. New sidewalk or sidewalk widening</td>
<td></td>
</tr>
<tr>
<td><strong>Traffic Operations</strong></td>
<td></td>
</tr>
<tr>
<td>9. Median installation for safety improvement or left-turn movement</td>
<td>• Stand alone landscaping project of an existing median</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>• Traffic signal replacement, bulb replacement, hardware, software, inductive loop repair</td>
</tr>
<tr>
<td>11. Traffic signal coordination</td>
<td></td>
</tr>
<tr>
<td>12. Traffic signal interconnection</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>13. Central controlled traffic signal optimization system</td>
<td>• Light bulb replacement</td>
</tr>
<tr>
<td>14. Traffic surveillance or detection system (video)</td>
<td>• Bus-only lanes that do not provide congestion relief</td>
</tr>
<tr>
<td>15. Traffic data collection system for performance monitoring purposes (in pavement detection, radar)</td>
<td></td>
</tr>
<tr>
<td><strong>Smart Growth-Related Infrastructure</strong>*</td>
<td></td>
</tr>
<tr>
<td>16. Traffic calming measures</td>
<td><strong>Non-Congestion Relief</strong></td>
</tr>
<tr>
<td>17. Pedestrian ramps</td>
<td>28. Erosion control (unless required as part of a congestion relief project)</td>
</tr>
<tr>
<td>18. Pedestrian traffic signal activation</td>
<td>29. Landscaping (unless required as part of a congestion relief project)</td>
</tr>
<tr>
<td>19. Pedestrian crossings/overcrossings</td>
<td>30. Roadway signing and delineation (unless it is a congestion relief project)</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><strong>Transit Facilities</strong></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></td>
<td></td>
</tr>
</tbody>
</table>

*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.

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.
ADVERTISING POLICY

1. The San Diego Association of Governments (SANDAG) has determined that allowing revenue-generating advertising which does not compromise public or employee safety; or compromise the 511 or Transportation Demand Management message is a responsible means of maximizing use of SANDAG capital investments. Therefore, SANDAG may enter into license agreements with outside vendors to license advertising space for the purpose of generating revenue or in kind services. Issuance of such licenses must be in accordance with SANDAG procurement policies. Locations for revenue-generating advertising may include, but are not limited to: SANDAG Web sites, 511 phone system, data feeds, broadcast TV, print and or electronic communications, and promotions.

2. SANDAG public communication mechanisms are its property. Under certain terms and conditions SANDAG is willing to license use of its property to others. This Policy is intended to describe those terms and conditions.

3. The display of advertising carries with it a responsibility to protect the agency from potential litigation and to recognize the potential association of advertising images with SANDAG services while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not the intent of SANDAG to create a public forum through the acceptance of advertising.

4. SANDAG’s ability to communicate to the public directly is crucial to adequate dissemination of information to the public. SANDAG has a compelling interest in ensuring that its information distribution channels remain a place for public information concerning the SANDAG mission as reflected in the Annual Program Budget and Overall Work Program. Any use of the unique distribution channels at SANDAG’s command for purposes unrelated to or in conflict with its mission is to be avoided, as it effectively “pre-empts” the availability of information to the public regarding the SANDAG mission. For these reasons, SANDAG information distribution channels shall remain nonpublic forums and SANDAG shall maintain its right to limit access to these channels.

5. SANDAG may contract with outside vendors to license advertising space. Vendors for such contracts shall be solicited through competitive bids. Vendors shall be required to utilize competitive procurement procedures and to comply with this Policy.

6. Locations for revenue-generating advertising may include, but are not limited to: banner ads on Web sites, phone systems, data feeds, broadcast TV, and Transportation Demand Management products or services. Advertising includes “links” to other Web sites on SANDAG Web sites.
7. Recognizing that when sellers are associated with SANDAG, the sellers of the products or services could become associated with the credibility of SANDAG, SANDAG has an interest in ensuring that the public’s perception of SANDAG credibility is not negatively impacted by the advertising. Therefore, disclaimers should be placed on information distribution channels stating that SANDAG does not endorse or make any representations or warranties about the advertised products or services.

8. SANDAG has a legitimate interest in setting boundaries for access to its information distribution channels to meet the express public purposes set forth in this Policy. SANDAG will evaluate all advertising proposals on a viewpoint-neutral basis. Certain types of content will not further SANDAG’s mission and are therefore prohibited. Content prohibitions on advertising shall be as follows:

8.1. Advertising of all alcohol, tobacco, religious, political, or firearm products/services.

8.2. Advertising that promotes illegal activities.

8.3. Advertising that contains language which is obscene, vulgar, profane, scatological, or harmful to minors, as defined in California Penal Code Sections 311 and 313.

8.4. Advertising that appears to make personal attacks on individuals or upon any company, product, or institution; or disparages any service or product or is defamatory in any respect.

8.5. Advertising that may be interpreted to be offensive to a religious, ethnic, racial, political, or gender group. Advertising pertaining to controversial social issues including but not limited to religion, ethnicity, immigration, race, politics, or gender.

8.6. Advertising that portrays acts of violence, murder, sedition, terror, vandalism, or other acts of violence against persons or institutions.

8.7. Advertising that depicts nudity or portions of nudity that would be considered as offensive, distasteful, pornographic, or erotic, is obscene, or advertises adult entertainment.

8.8. Advertising that may be interpreted as condoning any type of illegal discrimination.

8.9. Advertising that contains images, copy, or concepts that denigrate public transportation.

8.10. Advertising that may conflict with any applicable federal, state, or local law, statute, or ordinance.

8.11. Advertising that contains false or grossly misleading information.

9. The following criteria will be used to evaluate issuance of a license:

9.1. Whether the advertising is from an official government entity.
9.2. Whether the advertising will provide the public official government information or services.

9.3. Whether the advertising complements existing information or services offered by SANDAG.

9.4. Whether the advertising is applicable to a wide audience.

9.5. Whether the advertising appears to be accurate and current.

9.6. Whether the advertising is relevant, useful, and authoritative for citizens, businesses, or government officials.

9.7. Whether the advertising is consistent with SANDAG purposes, projects, and/or mission.

9.8. Whether the advertising compromises public or employee safety; or compromises the 511 message.

10. SANDAG shall continuously review approved advertising to ensure that it complies with this Policy’s criteria.

10.11. Upon written notice by the Executive Director of SANDAG on stated grounds that shall be reasonable and upon review of the General Counsel of SANDAG, any advertisement or other display deemed to be objectionable will be removed. No refund shall be made for the time such objectionable material was on display.

11.12. Quantity, quality, and placement of all advertising will be controlled by and subject to specific approval.

12.13. SANDAG reserves the right to reject any advertisement, commercial or noncommercial, which is not consistent with SANDAG policies. The Communications Director shall have authority to reject advertising that is inconsistent with this Policy. Before any advertisement is rejected, it may be referred to the SANDAG Office of General Counsel for a recommendation. A potential licensee whose advertising is rejected may appeal the decision to the Executive Director for review and a final decision.

13.14. SANDAG has several unique distribution channels at its disposal for disseminating transit and travel information for which it incurs no “space” cost (the fee charged for advertising space). Acceptable information for these distribution channels may include:

13.1. Cross-Promotional Information. On an occasional basis and only when space is available, the SANDAG Communications Director may use SANDAG distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote the use of transit or congestion reduction strategies. Any materials distributed for this purpose must prominently include promotion of SANDAG services (i.e., carpool or vanpool through RideLink or FasTrak® services). SANDAG will not donate a license for advertising space to any entity for purposes that are not directly related to the SANDAG mission. The outside organization involved either must bear the cost of producing such materials or, if approved by the SANDAG Communications Director,
provide an equivalent or greater value in cross-promotional benefits (i.e., advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Communications Director or his/her designee based upon the criteria in this policy statement.

13.2. “Added Value” Materials. On an occasional basis and only when space is available, the SANDAG Communications Director may use SANDAG distribution channels to provide “added value” materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for bus, rail, and registered carpool or vanpool customers (generally a money-saving discount) in which transit or registered carpooling can be used to access the redemption point. Any materials distributed for this purpose must prominently include the relevant SANDAG logo(s) and other wording approved by the SANDAG Communications Director to indicate that the offer is specifically designed for bus, rail, and registered carpool or vanpool customers. SANDAG will not donate a license for advertising space to any entity for purposes that are not directly related to the SANDAG mission. The outside organization involved must either bear the cost of producing such materials or, if approved by the SANDAG Communications Director, provide an equivalent or greater value in cross-promotional benefits (i.e., advertising space, editorial space, etc.). Any added value programs must be approved by the Communications Director or his/her designee based upon the criteria in this policy statement.

14.15. Definitions

14.1. Added Value Materials: Informational advertising which offers tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

14.2. Cross-Promotion: A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

14.3. Governmental Entities: Public entities specifically created by government action.

14.4. Noncommercial Advertising: A public service announcement, event notification, political statement, or other message which does not have as its primary purpose to propose a commercial transaction.

Adopted April 2008

Amended November 2011
Service Bureau FY 2011 Year-End Report

Introduction

In accordance with SANDAG Board Policy No. 012: SANDAG Service Bureau, periodic progress reports on the project activities and financial status of the Service Bureau are provided to the Executive Committee. The Service Bureau provides services through SANDAG and its nonprofit public-benefit corporation, SourcePoint Corporation. The Executive Committee serves as the Service Bureau’s governing body and the Board of Directors of SourcePoint. This report summarizes the project activities conducted during FY 2011, the financial performance of the Service Bureau, and plans for FY 2012.

Discussion

The SANDAG Service Bureau is a fee-based operation that provides informational and technical services to member agencies, nonmember government agencies, private organizations, and individuals. The purpose of the Service Bureau is to offer products and services that meet the needs of decision-makers in the public and private sectors, while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the SANDAG Regional Information System (RIS) and the technology used to support it. One of the main goals of the Service Bureau is to generate revenue to continually update and maintain the RIS.

Financial Status

When projects are budgeted, SANDAG includes the 17 percent RIS maintenance and enhancement fee (as approved by the Executive Committee). While the actual percentage may vary from project to project, the goal is to realize an average of 17 percent in revenues over expenses for all projects.

As of June 30, 2011, the Service Bureau had earned $371,600 from projects begun during FY 2011 and projects carried over from the previous fiscal year. Expenses related to performing these projects were $308,900, meaning that revenues exceeded costs by $62,700, or 20 percent. Nonrecoverable costs related to management and business development are covered by this fee as well. When those expenses are taken into account, revenues exceeded costs by $29,600, or 9 percent (see Table 1).

The economic downturn has affected the Service Bureau and overall demand for products and services, and therefore revenue, has slowed over the last couple of years. The financial performance of the Service Bureau, however, was about the same as last fiscal year. Total revenue was $371,600 in FY 2011, compared to $397,900 in FY 2010, and revenues exceeded costs by 9 percent this year, compared to 8 percent in the previous year.
A new service shown separately from the routine Service Bureau jobs also is illustrated in Table 1. Earlier this year, the City of Santee requested that SourcePoint, the nonprofit public-benefit corporation chartered by SANDAG, enter into a contract to provide Santee with access to SANDAG on-call engineering contracts and to have SANDAG carry out the competitive procurements and serve as the contract administrator on contracts for the construction of certain projects in Santee.\(^1\)

The City of Santee believed that an expedited process for the delivery of local transportation projects would be beneficial and necessary in order to ensure that funding available to the City of Santee is utilized on a timely basis, and proposed to work with SANDAG and SourcePoint to pilot an innovative project delivery process for certain arterial improvements in Santee. The value of the project(s) to be funded by the City of Santee is estimated at approximately $28.5 million. The Executive Committee approved a waiver of the RIS fee for these projects.

### Table 1
SANDAG Service Bureau
Revenues and Expenses

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Difference</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic/Comprehensive Plans</td>
<td>$186,200</td>
<td>$161,000</td>
<td>$25,200</td>
<td>16%</td>
</tr>
<tr>
<td>Transportation Modeling</td>
<td>$101,900</td>
<td>$80,200</td>
<td>$21,700</td>
<td>27%</td>
</tr>
<tr>
<td>Demographic/Economic/GIS Analysis</td>
<td>$50,300</td>
<td>$39,000</td>
<td>$11,300</td>
<td>29%</td>
</tr>
<tr>
<td>Other Services to Member Agencies</td>
<td>$33,200</td>
<td>$28,700</td>
<td>$4,500</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total All Projects</strong></td>
<td>$371,600</td>
<td>$308,900</td>
<td>$62,700</td>
<td>20%</td>
</tr>
<tr>
<td>Non-project Expenses</td>
<td>-</td>
<td>$33,100</td>
<td>($33,100)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td>$371,600</td>
<td>$342,000</td>
<td>$29,600</td>
<td>9%</td>
</tr>
</tbody>
</table>

### Non-RIS-Generating Projects

| Construction Contract Management       | $11,600  | $11,600  | -          | -       |
| Services to Member Agencies            |          |          |            |         |

### Overview of FY 2010 Projects

A total of 100 projects were started or carried over from the previous fiscal year. The services provided were concentrated in the areas of strategic plans, transportation modeling, and demographic, economic, and geographic information system (GIS) analyses.

The largest revenue-generating category is strategic and comprehensive plans. These multiyear projects include work with Caltrans to complete a study on construction aggregate supply. This study, completed in February, provided a review of construction aggregate sources in the region

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\(^1\) SourcePoint was established as a nonprofit public-benefit corporation by SANDAG in 1982. SANDAG continues to maintain SourcePoint to provide flexibility for Service Bureau clients.
and developed some tools necessary to begin developing a framework to address future projected shortfalls. In November 2010, the Service Bureau began work for the City of San Diego to develop a draft habitat conservation plan for vernal pools.

The next largest revenue-generating category is transportation modeling. More than half of the new projects were concentrated in this category. In addition to a number of smaller requests for estimating traffic impacts due to development projects, the Service Bureau also completed some larger projects to assist with general plan updates for local jurisdictions.

The demographic, economic, and GIS category accounted for more than 40 percent of all of the new projects. The Service Bureau completed a number of mapping services for clients, including customized mapping for the City of Solana Beach general plan update. The Service Bureau provided a number of demographic and economic services tailored to meet clients’ needs. These services include developing an employment multiplier tool for Centre City Development Corporation to estimate the number of jobs created by redevelopment projects. It also completed several economic impact reports for clients, including the impact of cleantech sectors on the regional economy. In addition, staff completed enhancements for the City of San Diego to a business mapping application to assist with economic development activities.

This year, the Service Bureau began providing services to local jurisdictions that would allow access to existing SANDAG agreements with consultants and contractors to expedite local project delivery. These services include access to job order contracting, on-call visual simulation consultants, and environmental review services through the State Water Resources Control Board.

**Current and Planned FY 2012 Activities**

Requests for transportation modeling work have started strong this fiscal year with requests from various private and public agencies for modeling services. The Service Bureau is working with the City of San Diego to establish an on-call transportation modeling agreement to facilitate future transportation modeling requests. If desired by other member agencies, these types of on-call contracts could be established to expedite services. In addition, proposals have been submitted for various GIS projects and economic impact reports.

Business development is an ongoing activity of the Service Bureau. Staff plans to continue promoting Service Bureau capabilities through appropriate professional group events and informational meetings. Some focused marketing is planned to increase the awareness of the economic services offered through the Service Bureau, especially the economic impact reports. In addition, the Service Bureau is always looking for ways to improve and broaden its menu of mainstay products and services, such as transportation modeling and GIS mapping. The Service Bureau will market these new and improved products as they come on-line.

The Service Bureau plans to reach out to the jurisdictions, economic and workforce development agencies, and trade associations to increase awareness of our demographic, economic, and GIS services. In addition, we will continue to hold informational meetings with SANDAG agency staff to keep them informed of Service Bureau products and services.

KURT KRONINGER  
Director of Technical Services  

Key Staff Contact: Cheryl Mason, (619) 699-1951, cma@sandag.org
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 the FY 2012 federal budget and on state legislation pending before the Governor, including Senate Bill 468 and Assembly Bills 615, 631, and 892. Staff will provide an oral update on the status of these measures at the October 14, 2011, Executive Committee meeting.

Discussion

Federal Legislative Update

FY 2012 Federal Budget

On September 21, 2011, the Senate Appropriations Committee approved S. 1596, the FY 2012 Transportation, Housing, and Urban Development (THUD) bill that sets spending levels for transportation programs in the upcoming federal fiscal year. Specifically, for highway programs the measure allocates $41.1 billion, the same as provided FY 2011, and an additional $1.9 billion in emergency relief highway funding budgeted under a new disaster relief category. The bill also provides $550 million for the Transportation Investment Generating Economic Recovery (TIGER) grants.

The Senate THUD appropriations bill provides a total of $10.6 billion for Federal Transit Administration (FTA) programs, compared to $10.3 billion enacted for FY 2011. The bill funds the FTA formula and bus grant programs at $8.3 billion in FY 2012, $18 million above the current level. The spending measure also would fund the New Starts Capital Investment Grant program at $1.9 billion in FY 2012, a $358 million increase over the FY 2011 level. The bill includes language directing bus rapid transit projects to be funded under the Bus and Bus Facilities program rather than the New Starts program. The Senate bill also includes $25 million for the FTA Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grant program.

During full committee markup of the Senate bill, the Appropriations Committee added $100 million for Federal Railroad Administration high-speed and intercity passenger rail grants under an amendment offered by Senator Richard Durbin (D-IL). The bill also provides $936.8 million for Amtrak capital grants and $544 million for Amtrak operating grants. Additionally, the Senate measure provides $90 million for the Department of Housing and Urban Development (HUD) Sustainable Communities Initiative, which supports the interagency partnership between the...
U.S. Department of Transportation, HUD, and the Environmental Protection Agency, a program that was not funded in the House THUD Appropriations bill.

In order to keep government agencies funded, both chambers passed by voice vote, a measure to extend government financing through October 4, 2011, to allow time to pass the longer-term agreement. Subsequently, on October 5, 2011, the President signed H.R. 2608, the Continuing Appropriations Act of 2012, which funds government operations through November 18, 2011. The measure includes $2.65 billion for the Federal Emergency Management Agency and decreases government spending by 1.5 percent from FY 2011 enacted levels. Both the House and Senate are expected to continue work on the FY 2012 spending bills, with the goal of combining several bills into smaller packages for the President’s consideration later in the year.

**State Legislative Update**

With the 2011 state legislative session complete, the Governor has until October 9, 2011, to sign or veto legislation that is currently on his desk. Of that legislation, SANDAG supported four bills; a summary is included below. Staff will provide an oral update of the status of the legislation during the Executive Committee meeting.

**Senate Bill 468 (Kehoe) Department of Transportation: North Coast Corridor Project: High-Occupancy Toll Lanes**

Senate Bill 468 (SB 468) was introduced by Senator Christine Kehoe (D-San Diego) on February 17, 2011, and was last amended on August 31, 2011. SB 468 includes certain requirements for Caltrans, SANDAG, and the California Coastal Commission with respect to the development of the North Coast Corridor project.

Specifically, SB 468 would advance the Interstate 5 (I-5) and rail aspects of the North Coast Corridor. SB 468 provides authority for SANDAG to conduct, administer, and operate a value pricing high-occupancy toll lane program on the I-5 corridor in San Diego County.

Specifically, SB 468:

- Includes language that SANDAG agrees to support the Express Lanes Only (8+4 Buffer) alternative as the preferred alternative for the environmental impact report/environmental impact statement being finalized by Caltrans for the I-5 Corridor
- Includes language that all parties will work towards completing all design and permitting so that the first phase of the I-5 project (Express Lanes) can proceed as soon as possible
- Establishes a process by which the agreed-upon project design and mitigation measures in the public works plan for the North Coast Corridor may be applied to subsequent permit approvals and determinations for subsequent project phases
- States that SANDAG will dedicate a portion of TransNet funds for regional environmental projects, conditioned on obtaining all the necessary permits, including the coastal development permit
- Includes environmental protections for planning and construction of transit and highway bridges over lagoons
• States that net revenues from value pricing on Express Lanes will be used to enhance transit operations in the corridor

**Assembly Bill 615 (Lowenthal) High-Speed Rail**

Assembly Bill 615 (AB 615) was introduced by Assembly Member Bonnie Lowenthal (D-Long Beach) on February 16, 2011, and was last amended on September 2, 2011. AB 615 would appropriate $4 million from the High-Speed Rail Passenger Train Bond Fund (Proposition 1A, 2008) to fund engineering and public outreach for the Los Angeles to San Diego via Inland Empire segment of the high-speed rail system.

**Assembly Bill 631 (Ma) Electric Vehicle Charging Stations**

Assembly Bill 631 (AB 631) was introduced by Assembly Member Fiona Ma (D-San Francisco) on February 16, 2011, and was last amended on June 1, 2011. AB 631 states that providers of electric vehicle (EV) charging stations are not electrical corporations and/or public utilities regulated by the California Public Utilities Commission. AB 631 would remove barriers to the widespread deployment of EVs throughout the state as well as provide market certainty for consumer and EV fleet adoption in California.

**Assembly Bill 892 (Carter) Department of Transportation: Environmental Review Process: Federal Pilot Project**

Assembly Bill 892 (AB 892) was introduced by Assembly Member Wilmer Amina Carter (D-Rialto) on February 17, 2011, and was last amended on July 13, 2011. AB 892 would extend the provisions until January 1, 2017, which enable Caltrans to continue its assumption of the National Environmental Policy Act (NEPA) responsibilities under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy of Users delivery pilot program. The pilot program authorized five states to assume certain responsibilities under NEPA, under which California elected to participate in 2006.

KIM KAWADA
TransNet and Legislative Affairs Program Director

Key Staff Contacts: Victoria Stackwick, (619) 699-6926, vst@sandag.org
Genevieve Morelos, (619) 699-1994, gmo@sandag.org
San Diego Association of Governments
EXECUTIVE COMMITTEE
October 14, 2011

AGENDA ITEM NO.: 7

Action Requested: APPROVE

REVIEW OF OCTOBER 28, 2011, DRAFT BOARD AGENDA

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tr>
<td>+1.</td>
<td>APPROVAL OF MEETING MINUTES</td>
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<td>APPROVE</td>
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<td>+A.</td>
<td>SEPTEMBER 16, 2011, BOARD BUSINESS MEETING MINUTES</td>
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<td>SEPTEMBER 23, 2011, BOARD BUSINESS MEETING MINUTES</td>
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<td>2.</td>
<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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<td>APPROVE</td>
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<td>+3.</td>
<td>ACTIONS FROM POLICY ADVISORY COMMITTEES</td>
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<td>APPROVE</td>
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<td>This item summarizes the actions taken by the Borders Committee on September 23, the Transportation Committee on October 7, the Executive Committee on October 14, and the Transportation and Public Safety Committees on October 21, 2011.</td>
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<td>+4.</td>
<td>ANNUAL MEETING CALENDAR (Kim Kawada)</td>
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<td>The Board of Directors is asked to approve the calendar of meetings of the Board and the Policy Advisory Committees for the upcoming year.</td>
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<td>+5.</td>
<td>PROPOSED FY 2012 BUDGET AMENDMENT: ARJIS INTERREGIONAL JUSTICE DATA-SHARING (Pam Scanlon)</td>
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<td>APPROVE</td>
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<td>The Public Safety Committee recommends that the Board of Directors approve an amendment to the FY 2012 Budget to accept an additional $945,000 in grant funding from the U.S. Department of Homeland Security for the Automated Regional Justice Information System (ARJIS) Interregional Justice Data-Sharing Project (OWP #34008).</td>
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6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Lauren Warrem)*

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 of Directors meeting.

7. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Kim Kawada)

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.

8. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM STATUS FOR FTA AND FHWA PROJECTS (Laura Cote; Elaine Richardson)

SANDAG participates in both the Federal Transit Administration and Federal Highway Administration Disadvantaged Business Enterprise (DBE) programs. The current DBE goals for each program are established over a triennial period (FY 2010 to FY 2012). This report summarizes the current and anticipated participation of DBEs during this period.

9. REPORTS (10 through XX)

10. ITEM A. FINAL 2050 REGIONAL TRANSPORTATION PLAN
(First Vice Chair Jack Dale, Transportation Committee Chair; Heather Adamson)*

The Board of Directors is asked to certify the Final Environmental Impact Report prepared for the 2050 Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), make a finding that the 2050 RTP and the 2010 Regional Transportation Improvement Program, as amended, are in conformance with the State Implementation Plan for air quality, make a finding that the SCS achieves the greenhouse gas reduction targets established by California Air Resources Board, and adopt the Final 2050 RTP/SCS.

ITEM B. PUBLIC HEARING: FINAL REGIONAL HOUSING NEEDS ASSESSMENT PLAN FOR 2013-2020 HOUSING ELEMENT CYCLE
(First Vice Chair Jack Dale; Susan Baldwin)

The Board of Directors is asked to conduct a public hearing and adopt the final Regional Housing Needs Assessment (RHNA) Plan for the fifth housing element cycle (January 1, 2013 to December 31, 2020).
11. **2010 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENT NO. 13** (First Vice Chair Jack Dale, Transportation Committee Chair; Michelle Merino)*

The 2010 Regional Transportation Improvement Program (RTIP) is the multiyear program of proposed major highway, arterial, transit, and bikeway projects in the San Diego region covering the period FY 2011 to FY 2015. Amendment No. 13 reflects changes to projects that have been updated as part of the Final 2050 Regional Transportation Plan (RTP) (Agenda Item No. 10A). The Transportation Committee recommends that the Board of Directors approve Resolution No. 2012-xx approving 2010 RTIP Amendment No. 13, which finds the amendment in conformance with the State Implementation Plan for air quality, including a finding of conformity of the 2050 RTP and the 2010 RTIP.

12. **FINANCIAL MARKET STATUS** (Marney Cox and Lauren Warrem)*

This quarterly briefing is intended to keep the Board of Directors informed about the latest developments in the financial markets, the economy, and revenues, and the strategies we are exploring and implementing to minimize possible impacts to SANDAG. SANDAG will update the Board on the results of the replacement of the liquidity facility provider for one-half, or $283 million, of the 2008 Variable Rate Demand Bonds and the $100 million Commercial Paper Program.

13. **HEARING OF NECESSITY: PARTIAL ACQUISITION OF EASEMENTS ON VARIOUS PROPERTIES LOCATED IN THE CITY OF SAN DIEGO** (John Kirk, Bruce Beech)*

The Board of Directors is asked to: (1) receive public testimony; (2) adopt Resolution of Necessity No. 2012-xx by a two-thirds vote, pertaining to acquisition of temporary and permanent easements on portions of assessor parcel numbers owned by CLL Roselle LLC (340-080-40), Canyon Properties, LLC (341-321-37& 38, 343-010-19), The Silverstone Company, LP (343-130-09), Edward G. Wong and Ellen G. Wong, Sorrento Creek Corporation (343-130-20, 343-130-01), Creekside Property Holdings, LLC (343-130-17), and Helf Sorrento, LLC (343-130-16), located in the City of San Diego; and (3) authorize staff to proceed with the condemnation proceedings necessary to acquire the partial interests in the subject parcels.

14. **CONTINUED PUBLIC COMMENTS**

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.
16. UPCOMING MEETINGS

There is no Board Policy meeting scheduled November. The next Board Business meeting is scheduled for Friday, November 18, 2011, at 9 a.m. Please note that the Board Business meeting will be held on the third Friday of the month due to the Thanksgiving holiday schedule.

17. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego County Regional Transportation Commission item
EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAMS

The purpose of this policy is to establish an equal employment opportunity program for employees and contractors.

Federal regulations require the adoption of an Equal Employment Opportunity (EEO) Program as a condition of receipt of federal funds. The SANDAG administrative manuals, policies, and procedures mandate equal employment opportunities in recruitment, hiring, and employment for applicants to, and employees of, SANDAG. SANDAG also has separate written policies which forbid discrimination and provide grievance procedures for employees and visitors to SANDAG who believe they have been a victim of discrimination. In addition, SANDAG incorporates an EEO requirement and Disadvantaged Business Enterprise (DBE) requirements in its contracts with third parties.

Procedures

1. EEO and DBE Programs

1.1 It is the policy of SANDAG to recruit, hire, train, and promote all applicants and employees in accordance with Title VII of the Civil Rights Act of 1964, as amended. SANDAG will ensure that recruiting, selecting, hiring, and promoting procedures do not adversely affect the employment of persons protected by Title VII and, in addition, that all SANDAG hiring and promoting criteria, requirements, and tests are job-related. Unless impracticable, SANDAG will adhere to the affirmative action provisions of Executive Order 11246, the Equal Employment Opportunity Guidelines, and all other applicable standards for affirmative action, taking into account its present size and expected growth.

1.2 It is SANDAG policy to assure that discrimination based on race, color, religion, ancestry, national origin, gender, age (over 40 years), marital status, medical condition, sexual orientation, genetic information, or disability does not occur in relationships that may exist between SANDAG and any employee or applicant for employment. Such relationships include, but are not limited to, recruitment, hiring, promotion, compensation, benefits, terminations, transfers, layoffs, recalls, or SANDAG-sponsored training, education, or social and recreational programs.

1.3 It is SANDAG policy to require the contractors and consultants that it contracts with to have EEO policies in place that forbid discrimination in violation of Title VII.

1.4 SANDAG maintains a Disadvantaged Business Enterprises (DBE) Program as required by the Federal Transit Administration and Federal Highway Administration that is approved annually by the California Department of Transportation. The DBE Program sets forth annual triennial goals for participation by DBEs businesses.
Responsibility for implementation of the EEO Program is assigned to the Director of Administration. All management personnel within SANDAG are expected to support and implement this EEO Program in performance of their job duties and responsibilities. Any employee or applicant who feels they have been discriminated against, has a right to file a complaint under SANDAG policies.

When developing and implementing its employment and contracting policies, SANDAG will base its decisions solely on the individual’s qualifications and merit, the evaluation criteria in the solicitation, and the feasibility of any necessary accommodations.

2. Procedures

2.1 The Director of Administration will review employment statistics to determine whether there is a need to set goals for any under-represented groups and then recommend goals to the Executive Director if necessary.

2.2 The Executive Director will approve or disapprove the Director of Administration’s recommendation(s) at his/her discretion.

2.3 The Director of Administration will maintain current contact lists of community resource organizations, community leaders, media sources, and colleges/vocational schools for the use of SANDAG staff in recruiting for employees, consultants, and contractors.

2.4 The Director of Administration will communicate this EEO Program to all employees.

2.5 SANDAG staff will solicit community involvement by under-represented groups on issues of importance to the region that fall within its jurisdiction.

2.6 All SANDAG requests for proposals, requests for qualifications, and invitations for bids will contain language encouraging participation by DBE consultants, contractors, and subcontractors.

2.7 Consultants and contractors awarded contracts with DBE Program goals will be required to submit Employment Utilization Reports with their invoices and/or a DBE Final Utilization Report with their final invoice.

2.8 A report on DBE Program results will be provided to the Board of Directors on an annual basis.

2.82.9 The Director of Administration will maintain records on recruitment efforts, new employees, promotional opportunities, and employee separations which document whether the affected individuals are in a class protected by Title VII.
In January of each year, the Board of Directors will review an EEO report prepared by the Director of Administration. The report will include employment results, DBE Program results, and a review of EEO Program goals for the upcoming year.

This EEO Program will be posted in the employee lounge and will be incorporated into the SANDAG employee Web site.

All employment ads and job postings will contain a reference that SANDAG is an equal employment opportunity employer.

Required federal and state posters concerning EEO will be displayed in the employee lounge.

All successful consultants and contractors will be notified of their obligations under the EEO Program in their contracts with SANDAG.

Adopted June 2003
Amended November 2004
Amended December 2005
Amended December 2006
Amended December 2008
Amended November 2010
Amended November 2011