EXECUTIVE COMMITTEE AGENDA

Friday, October 12, 2012
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• PROPOSED FY 2013 PROGRAM BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS

• ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS

• NOVEMBER 6, 2012, BALLOT INITIATIVES

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.
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to the Clerk of the Committee seated at the front table. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Executive Committee may take action on any item appearing on the agenda.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at www.sandag.org/meetings. Additionally, interested persons can sign up for e-notifications via our e-distribution list at either the SANDAG Web site or by sending an e-mail request to webmaster@sandag.org. 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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### EXECUTIVE COMMITTEE
Friday, October 12, 2012

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>+1.</td>
<td>APPROVE</td>
</tr>
<tr>
<td>2.</td>
<td>APPROVE</td>
</tr>
</tbody>
</table>

#### +1. APPROVAL OF SEPTEMBER 14, 2012, MEETING MINUTES

#### +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. PROPOSED FY 2013 PROGRAM BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS (Aly Evans)**

Caltrans recently announced the award of FY 2012-2013 Caltrans Transportation Planning Grants for five SANDAG projects. The Executive Committee is asked to approve the proposed amendments to the FY 2013 Overall Work Program and Program Budget, in substantially the same form as attached to the report, and accept $766,620 in Caltrans Transportation Planning Grant funding.

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

The Executive Committee is asked to: (1) discuss the proposed amendments to the Board Policies (as attached to the report), and to either recommend that the Board of Directors approve the proposed amendments or direct staff to return to the Executive Committee for further discussion or review; and (2) recommend that the Board of Directors renew the annual delegation of authority to the Executive Director pursuant to Board Policy No. 003: Investment Policy; and (3) recommend that the Board of Directors renew its approval of Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy (as attached to the report).

**+5. NOVEMBER 6, 2012, BALLOT INITIATIVES (Genevieve Morelos)**

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provides a summary of the various statewide and countywide propositions on the November 6, 2012, general election ballot.
+6. SERVICE BUREAU FY 2012 YEAR-END REPORT (Cheryl Mason)  INFORMATION

SANDAG Board Policy 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 2012.

+7. REVIEW OF OCTOBER 26, 2012, 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 2, 2012, at 9 a.m. (first Friday due to the Thanksgiving holiday).

10. ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE

October 12, 2012

AGENDA ITEM NO.: 1

Action Requested: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
SEPTEMBER 14, 2012

Chairman 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 Don Higginson (North County Inland), the minutes of the July 13, 2012, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments.

REPORTS (3 THROUGH 6)

3. PROPOSED FY 2013 PROGRAM BUDGET AMENDMENT: ACCEPTANCE OF STRATEGIC GROWTH COUNCIL GRANT (APPROVE)

SANDAG recently received a grant from the Strategic Growth Council (SGC) for $885,971 to support preparation of the Regional Plan and implementation of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy.

Jane Clough, Senior Regional Planner, presented the report.

Action: Upon a motion by First Vice Chair Jack Dale (East County), and a second by Mayor Higginson, the Executive Committee approved the proposed amendments to the FY 2013 Overall Work Program (OWP) and Program Budget, amending OWP work elements 31000, 33002, 33004, and 33007 in substantially the same form as attached to the report, and accepted the $885,971 Sustainable Communities Planning Grant from the SGC.

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

In accordance with the Statement of Auditing Standards 114 (SAS 114), the auditor should communicate with those charged with governance: (a) the auditor’s responsibilities under generally accepted auditing standards; (b) an overview of the planned scope and timing of the audit; and (c) significant findings from the audit. Items (a) and (b) are included in the attached letter. Item (c)
will be communicated in a SAS 114 letter after the audit is complete and the Comprehensive Annual Financial Report (CAFR) is issued. The CAFR is anticipated for presentation at the January 2013 Executive Committee and Board of Director meetings.

André Douzdjian, Finance Director, introduced the report.

Jennifer Farr, Mayer Hoffman McCann P.C., provided the report.

**Action:** This item was presented for information.

5. **STATE LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)**

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year.

Genevieve Morelos, Senior Legislative Analyst, provided updates on various pending state legislation.

Chairman Stocks stated that he would be appointing a subcommittee to work with staff and the San Diego Service Authority for Freeway Emergencies (SAFE) Board for the implementation of AB 1572 (Fletcher) and the transition of operations to SANDAG.

**Action:** This item was presented for discussion/possible action.


Renée Wasmund, Chief Deputy Executive Director, presented this item.

**Action:** Upon a motion by First Vice Chair Dale, and a second by Supervisor Ron Roberts (Chairman, County of San Diego), the Executive Committee voted to approve the September 28, 2012, Draft Board Agenda, as amended.

7. **CONTINUED PUBLIC COMMENTS**

There were no additional public comments.

8. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, October 12, 2012, at 9 a.m.

9. **ADJOURNMENT**

Chairman Stocks adjourned the meeting at 9:35 a.m.

Attachment: Attendance Sheet
# CONFIRMED ATTENDANCE
**SANDAG EXECUTIVE COMMITTEE MEETING**
**SEPTEMBER 14, 2012**

<table>
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<tr>
<th>GEOGRAPHICAL AREA</th>
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<th>NAME</th>
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<td>City of Solana Beach</td>
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<td>City of Coronado</td>
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<tr>
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<td></td>
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<td>Bill Horn</td>
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<td></td>
<td></td>
<td>Greg Cox</td>
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TWR/dda
9/26/12
PROPOSED FY 2013 PROGRAM BUDGET AMENDMENTS: CALTRANS TRANSPORTATION PLANNING GRANTS

**Introduction**

In August 2012, Caltrans announced the award of five new transportation planning grants to SANDAG totaling $766,620. Acceptance of the awards would require various amendments to the FY 2013 Program Budget and Overall Work Program (OWP) to incorporate the new grant funding and to transfer required matching funds from other existing work elements. The Executive Committee has authority to approve budget amendments of up to $500,000 for each work element.

**Discussion**

Table 1 below lists the title of each awarded project, the award amount, the work element number, and the proposed changes.

**Table 1. Caltrans FY 2012-2013 Transportation Planning Grant Awards to SANDAG**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Amount Awarded</th>
<th>FY 2013 Work Element Number</th>
<th>Proposed Change</th>
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<tbody>
<tr>
<td>1. Border Health Equity Transportation Study</td>
<td>$166,818</td>
<td>33010.00</td>
<td>Add new work element: FY 2013-FY 2015 grant funding</td>
</tr>
<tr>
<td>2. Interstate 8 Corridor Study</td>
<td>$300,000</td>
<td>33306.00</td>
<td>Add new work element: FY 2013-FY 2015 grant funding</td>
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<tr>
<td>3. TDM Vanpool and Carpool Market Analysis</td>
<td>$174,802</td>
<td>33107.09</td>
<td>Add new work element: FY 2013-FY 2014 grant funding</td>
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<tr>
<td>4. North UTC/Sorrento Valley Transit Study</td>
<td>$75,000</td>
<td>33210.01</td>
<td>Add new work element: FY 2013-FY 2015 grant funding</td>
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<tr>
<td>5. San Diego Transit Planning Internship Program</td>
<td>$50,000</td>
<td>33206.00</td>
<td>Amend existing work element: FY 2013-FY 2014 grant funding</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$766,620</strong></td>
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<td></td>
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**Recommendation**

The Executive Committee is asked to approve the proposed amendments to the FY 2013 Overall Work Program and Program Budget, in substantially the same form as shown in Attachments 1 through 10, and accept $766,620 in Caltrans Transportation Planning Grant funding.
Each of the five projects selected for grant award was included as pending discretionary grants in the FY 2013 Program Budget and OWP. All projects were awarded at 100 percent of the requested amounts. All are multiyear efforts and must be completed prior to February 27, 2015. The grants also require a local match. The required matching funds for FY 2013 are proposed to be shifted from existing work elements in the FY 2013 Program Budget and OWP. The local match for the grant-funded work in FY 2014 and FY 2015 would be considered and programmed during future budget cycles.

As a result of the new Caltrans transportation planning grants, a total of $21,163 of Transportation Development Act (TDA) funding would be freed up and transferred into the SANDAG Contingency Reserve. The current uncommitted balance of the Contingency Reserve is approximately $6.6 million, which represents more than 10 percent of the FY 2013 OWP budget. This amount exceeds the minimum target of 5 percent, as required by SANDAG Board Policy No. 030: Contingency Reserve Policy. Additionally, a total of $35,899 in federal funds would be reprogrammed for future project development.

The proposed amendments to the FY 2013 Program Budget and OWP are included as Attachments 1 through 10 and are discussed in further detail below.

**New and Amended Work Elements**

**Border Health Equity Transportation Study - New Work Element Number 33010.00 (Attachment 1)**

The Border Health Equity Transportation Study will develop a model that brings together existing studies under the umbrella of public health to provide an analysis and recommendations that will impact regional decision-making. The study will assess the health impacts and benefits of providing active transportation facilities and access to public transit to and from the San Ysidro border crossing. It also will serve as a model for other border analyses and for jurisdictions with similar border-related issues.

New Work Element Number 33010.00 - Border Health Equity Transportation Study is proposed to be added. Work on this project is anticipated to begin in March 2013 and last through February 2015. The total proposed project budget would be $183,500, of which $50,632 would be budgeted in FY 2013, with the balance of $132,868 included in FY 2014 and FY 2015.

A total of $5,064 in local matching funds would be required for FY 2013. These funds are proposed to be transferred from Work Element Number 33201.00 - Short-Range Transit Service Activities (Attachment 8). The remaining $4,524 in TDA funds from 33201.00 would be transferred to the Contingency Reserve.

**Interstate 8 Corridor Study – New Work Element Number 33306.00 (Attachment 2)**

The Interstate 8 (I-8) Corridor Study, which will involve SANDAG, Caltrans, Metropolitan Transit System, and other stakeholders, will examine multimodal transportation alternatives to address future regional and local travel demand within this regionally significant corridor. The study area includes a 10-mile stretch of the I-8 corridor from Sunset Cliffs Boulevard through College Avenue. The study will complement additional efforts by Caltrans for the corridor freeway and interchange elements.
New Work Element Number 33306.00 - I-8 Corridor Study is proposed to be added. Work on this project is expected to begin in February 2013 and last through February 2015. The total proposed budget would be $375,000, of which $20,116 would be budgeted in FY 2013, with the balance of $354,884 included in FY 2014 and FY 2015.

A total of $4,023 in local matching funds would be required for FY 2013. These funds are proposed to be transferred from two other projects, $1,714 from Work Element 34002.00 - Interregional Planning: Binational Planning and Coordination (Attachment 9), and $2,309 from Work Element Number 33300.00 - Subregional Transportation and Land Use Planning (Attachment 10). The remaining $16,639 in TDA funds from 34200.00 would be transferred to the Contingency Reserve and $17,808 of FTA Section 5303 funds from 33300.00 would be reprogrammed for future projects.

**Transportation Demand Management Vanpool and Carpool Market Analysis - New Work Element Number 33107.09 (Attachment 3)**

The study will analyze the existing regional vanpool program and carpool incentive pilot program to identify barriers and opportunities for ridesharing growth; analyze best practices nationwide; recommend innovative strategies for increasing ridesharing to the projected levels in the Regional Transportation Plan; and develop an administration plan and budget for the recommended strategies and anticipated growth.

New Work Element Number 33107.09 - Transportation Demand Management (TDM) Vanpool and Carpool Market Analysis is proposed to be added. Work on this project is expected to begin in November 2012 and last through October 2014. The total proposed budget would be $223,892, of which $196,106 would be budgeted in FY 2013, with balance of the $27,786 included in FY 2014.

A total of $22,025 in local matching funds would be required for FY 2013. These $22,025 in matching funds are proposed to be transferred from Work Element Number 33105.00 - 511 Advanced Information Services (Attachment 6).

Additionally, Congestion Mitigation and Air Quality (CMAQ) funds from Work Element Number 33107.04 - TDM Regional Vanpool Program (Attachment 7) are proposed to be transferred to 33107.09 (Attachment 3) to provide $4,081 in additional resources for the project, and to 33105.00 (Attachment 6) to provide $11,919 in resources to that project. The remaining $18,091 of CMAQ funds from 33107.04 would be reprogrammed for future projects.

**North UTC/Sorrento Valley Transit Study - New Work Element Number 33210.01 (Attachment 4)**

This project is a transit study that will evaluate transportation options, including bus rapid transit services and alignments for the north corridor and University Towne Centre (UTC).

New Work Element Number 33210.01 - North UTC/Sorrento Valley Transit Study is proposed to be added. Work on this project is anticipated to begin in January 2013 and last through February 2015. The total proposed budget would be $84,717, of which $15,229 would be budgeted in FY 2013, with the balance of $69,488 included in FY 2014 and FY 2015.

A total of $1,747 in local matching funds would be required for FY 2013. These funds are proposed to be transferred from Work Element Number 34002.00 - Interregional Planning: Binational Planning and Coordination (Attachment 9).
San Diego Transit Planning Internship Program – Amend Existing Work Element Number 33206.00 (Attachment 5)

The San Diego Transit Planning Internship Program will continue a successful collaborative project between San Diego State University, SANDAG, and the region’s transit agencies to provide experience to students interested in transit planning. Internship experience will include service and long-range planning, development review, and public meetings and outreach.

An amendment to existing Work Element Number 33206.00 – Transit Planning Internship is proposed. This is an ongoing project, but the expenditure of this grant is anticipated to begin in July 2013 and last through September 2014. The total proposed amended budget would be $217,127, of which $124,902 has been expended in prior years; $35,747 is currently budgeted in FY 2013, with the balance of $56,478 included in FY 2014. A transfer of local matching funds is not needed at this time, because the grant funds are not proposed to be used until FY 2014.

Next Steps

Upon approval by the Executive Committee, staff will amend the FY 2013 Program Budget and OWP to accept the Caltrans Transportation Planning Grant funding.

KIM KAWADA
TransNet and Legislative Affairs Program Director

Attachments: 1. 33010.00 - Border Health Equity Transportation Study
2. 33306.00 - Interstate 8 Corridor Study
3. 33107.09 - TDM Vanpool and Carpool Market Analysis
4. 33210.01 - North UTC/Sorrento Valley Transit Study
5. 33206.00 - San Diego Transit Planning Internship Program
6. 33105.00 - 511 Advanced Traveler Information Service
7. 33107.04 - TDM Regional Vanpool Program
8. 33201.00 - Short-Range Transit Service Activities
9. 34002.00 - Interregional Planning: Binational Planning and Coordination
10. 33300.00 - Subregional Transportation and Land Use Planning

Key Staff Contacts: Aly Evans, (619) 595-5387, Aly.Evans@sandag.org
Tim Watson, (619) 699-1966, Tim.Watson@sandag.org
WORK ELEMENT: 33010.00 NEW - Border Health Equity Transportation Study
FY 2013 BUDGET: $50,632
AREA OF EMPHASIS: Smart Mobility Programs

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<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
<th>FY 2013</th>
<th>FY 2014 - 2015</th>
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<td>$50,632</td>
<td>$132,868</td>
<td>$183,500</td>
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Note: This proposed new project is being added to accept a recent Caltrans Environmental Justice Transportation Planning grant award for the Health Equity Study at the border around San Ysidro. A total of $5,064 in TDA funds will be transferred from 33201.00 to provide the local match for new Environmental Justice Caltrans Planning grant in FY 2013.

* Funding in FY 2014 and FY 2015 is subject to the annual budget process and may change.

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<tr>
<th>Funds Application</th>
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<td>$0</td>
<td>$50,632</td>
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OBJECTIVE
The Border Health Equity Transportation Study will develop a model that brings together existing studies under the umbrella of public health to provide an analysis and recommendations that will impact regional decision-making. The study will assess the health impacts and benefits of providing active transportation facilities and access to public transit to and from the San Ysidro border crossing. It also will serve as a model for other border analysis and for jurisdictions with similar border-related issues.

PREVIOUS ACCOMPLISHMENTS
SANDAG has done health impact analysis work in other areas. This will be the first assessment of the San Ysidro border area. This grant funded project is expected to begin in February 2013.

Project Manager: Trom, Philip
Committee(s):
Working Group(s):
### PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

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<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
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| 1        | 20          | **Task Description:** Project initiation  
**Product:** Detailed work plan  
**Completion Date:** 6/30/2013 |
| 2        | 25          | **Task Description:** Public Outreach  
**Product:** Conduct first Technical Advisory Group Meeting  
**Completion Date:** 6/30/2013 |
| 3        | 45          | **Task Description:** Procurement of consultant services  
**Product:** Completed RFP and executed consulting contract  
**Completion Date:** 6/30/2013 |
| 4        | 10          | **Task Description:** Project management and fiscal administration  
**Product:** Quarterly reports and invoice packages to Caltrans  
**Completion Date:** 6/30/2013 |

### FUTURE ACTIVITIES

### PRODUCTS, TASKS, AND SCHEDULES

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<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
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</thead>
</table>
| 1        | 70          | **Task Description:** Plan development and implementation  
**Completion Date:** 2/28/2015 |
| 2        | 30          | **Task Description:** Public Outreach  
**Product:** Community workshops and Technical Advisory Group Meetings  
**Completion Date:** 2/28/2015 |
WORK ELEMENT: 33306.00 NEW - Interstate 8 (I-8) Corridor Study
FY 2013 BUDGET: $20,116
AREA OF EMPHASIS: Smart Mobility Programs

### Funds Source

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Note: This proposed new project is being added to accept a recent Caltrans Transportation Planning Grant award for the I-8 Corridor Study. A total of $4,023 in TDA funds will be transferred from 34002.00 and 33300.00 to provide the local match in FY 2013.

* Funding in FY 2014 and FY 2015 is subject to the annual budget process and may change.

### Funds Application

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<tr>
<td>Salaries, Benefits, Indirect</td>
<td>$0</td>
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<td>$74,884</td>
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<td>$280,000</td>
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<td><strong>$20,116</strong></td>
<td><strong>$354,884</strong></td>
<td><strong>$375,000</strong></td>
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</table>

### OBJECTIVE

The I-8 Corridor Study will examine multimodal transportation alternatives to address future regional and local travel demand within this regionally significant corridor. The study area includes a 10-mile stretch of the I-8 corridor from Sunset Cliffs Boulevard through College Avenue, in the City of San Diego, and involves SANDAG, Caltrans, Metropolitan Transit System (MTS), local jurisdictions, and other key stakeholders. Emphasis in FY 2013 will be to procure a consultant, develop the project work plan in preparation for the kickoff meeting, and begin to define the project study area and prepare the project problem statement.

### PREVIOUS ACCOMPLISHMENTS

The draft scope of work and schedule was prepared in FY 2012. Initial stakeholders were included in the development of the draft scope of work and schedule including MTS, the City of San Diego, and community planning groups. SANDAG staff has extensive experience with preparing other corridor level analysis.

**Project Manager:** Strelecki, Scott
**Committee(s):** Transportation Committee
**Working Group(s):**
# PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 25          | Task Description: Procurement of consulting services  
Product: Request for proposals and contract documents  
Completion Date: 4/30/2013 |
| 2        | 25          | Task Description: Administration and project management/oversight  
Product: Project work plan, invoices, meeting agendas, quarterly reports  
Completion Date: 6/30/2013 |
| 3        | 50          | Task Description: Definition of study area and preparation of problem statement  
Product: Problem statement  
Completion Date: 6/30/2013 |

# FUTURE ACTIVITIES

## 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        | 7           | Task Description: Definition of study area and preparation of problem statement  
Product: Problem statement  
Completion Date: 8/31/2013 |
| 2        | 10          | Task Description: Alternatives development and travel demand analysis  
Product: Technical memorandum  
Completion Date: 12/31/2013 |
| 3        | 45          | Task Description: Technical studies and alternatives analysis  
Product: Traffic studies/feasibility reports and preliminary cost estimates  
Completion Date: 5/31/2014 |
| 4        | 10          | Task Description: Selection of preferred strategy for multimodal transportation improvements  
Product: Technical memorandum  
Completion Date: 9/30/2014 |
| 5        | 8           | Task Description: Public outreach  
Product: Public outreach comment matrix and outreach meetings, materials  
Completion Date: 9/30/2014 |
| 6        | 10          | Task Description: Document findings and recommendations  
Product: Draft and final reports  
Completion Date: 12/31/2014 |
| 7        | 10          | Task Description: Administration and project management/oversight  
Product: Project work plan, invoices, meeting agendas, quarterly reports  
Completion Date: 2/28/2015 |
WORK ELEMENT: 33107.09  NEW - TDM Vanpool & Carpool Market Analysis
FY 2013 BUDGET: $196,106
AREA OF EMPHASIS: Smart Mobility Programs

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td><strong>$196,106</strong></td>
<td><strong>$27,786</strong></td>
<td><strong>$223,892</strong></td>
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</tbody>
</table>

Note: This proposed new project is being added to accept a recent Caltrans Transportation Planning Grant award for TDM Vanpool and Carpool Analysis. A total of $22,025 in local matching funds will be transferred from 33105.00 to provide the TransNet local match. A total of $4,081 in CMAQ funds will be transferred from 33107.04.

* Funding in FY 2014 is subject to the annual budget process and may change.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>Prior</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Benefits, Indirect</td>
<td>$0</td>
<td>$10,106</td>
<td>$12,786</td>
<td>$22,892</td>
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<td>Contracted Services</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$0</strong></td>
<td><strong>$196,106</strong></td>
<td><strong>$27,786</strong></td>
<td><strong>$223,892</strong></td>
</tr>
</tbody>
</table>

OBJECTIVE
The TDM Vanpool and Carpool Market Analysis research project will examine the existing regional vanpool program and carpool incentive pilot program to identify barriers and opportunities for growth; analyze best practices nationwide; recommend innovative strategies for increasing rideshare to projected levels in the 2050 Regional Transportation Plan and Sustainable Communities strategy; and develop an administration plan and budget for the recommended strategies and anticipated growth. Emphasis in FY 2013 will be to work with a consultant to develop the analysis and recommendations for increasing rideshare.

PREVIOUS ACCOMPLISHMENTS
Previous accomplishments include completing a carpool incentive pilot program and completing a request for proposals and new contracts with the vanpool vendors.
### Project Manager: Weisenbach, Ingrid

### Committee(s): Transportation Committee, Regional Planning Committee

### Working Group(s): Regional Planning Technical Working Group, Cities/County Transportation Advisory Committee

## PRODUCTS, TASKS, AND SCHEDULES FOR FY 2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description</th>
<th>Product</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>Mobilization/Management Coordination/Team Meetings</td>
<td>Agendas, minutes, progress reports</td>
<td>6/30/2013</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>Program Expansion Recommendations &amp; Strategies</td>
<td>Maps, memos, report</td>
<td>6/30/2013</td>
</tr>
<tr>
<td>3</td>
<td>50</td>
<td>Market Research &amp; Review Existing Programs</td>
<td>Plans, surveys, interviews, reports</td>
<td>6/30/2013</td>
</tr>
<tr>
<td>4</td>
<td>10</td>
<td>Administrative &amp; Phasing Plan for Implementation</td>
<td>Memos, report</td>
<td>6/30/2013</td>
</tr>
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</table>

## FUTURE ACTIVITIES

### PRODUCTS, TASKS, AND SCHEDULES

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description</th>
<th>Product</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25</td>
<td>Mobilization/Management Coordination/Team Meetings</td>
<td>Agendas, minutes, progress reports</td>
<td>10/31/2013</td>
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<tr>
<td>2</td>
<td>40</td>
<td>Program Expansion Recommendations &amp; Strategies</td>
<td>Maps, memos, report</td>
<td>12/31/2013</td>
</tr>
<tr>
<td>3</td>
<td>35</td>
<td>Administrative &amp; Phasing Plan for Implementation</td>
<td>Memos, report</td>
<td>12/31/2013</td>
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</tbody>
</table>
WORK ELEMENT: 33210.01 NEW - North UTC/Sorrento Valley Transit Study

FY 2013 BUDGET: $15,229

AREA OF EMPHASIS: Smart Mobility Programs

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
<th>FY 2013</th>
<th>FY 2014 - 2015</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDA Planning/Administration</td>
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<td>$7,970*</td>
<td>$9,717</td>
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<tr>
<td>Statewide Transit Planning Grant (5304)</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$15,229</strong></td>
<td><strong>$69,488</strong></td>
<td><strong>$84,717</strong></td>
</tr>
</tbody>
</table>

Note: This proposed new project is being added to accept a recent Caltrans Transportation Planning Grant award for North UTC/Sorrento Valley Transit Study. A total of $1,747 of TDA funds will be transferred from 34002.00 to provide local match for the new project.

* Funding in FY 2014 and FY 2015 is subject to the annual budget process and may change.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>Prior</th>
<th>FY 2013</th>
<th>FY 2014 - 2015</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Benefits, Indirect</td>
<td>$0</td>
<td>$10,229</td>
<td>$10,000</td>
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<tr>
<td>Contracted Services</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$15,229</strong></td>
<td><strong>$69,488</strong></td>
<td><strong>$84,717</strong></td>
</tr>
</tbody>
</table>

OBJECTIVE

The North UTC/Sorrento Valley Transit Study will evaluate how Bus Rapid Transit will connect residential communities in the south county with the UTC/Sorrento Mesa key regional center. Additionally, the study will evaluate the placement of BRT stations, the need for park and ride lots, first and last mile needs, and the use of direct access ramps in the corridor. Emphasis in FY 2013 will be to procure consulting assistance, identify planned services, operating strategies, and transit service priorities.

PREVIOUS ACCOMPLISHMENTS

SANDAG has conducted several similar transit studies for other corridors. As a direct result of recommendations from the recently approved Regional Transportation Plan, this project entails an in-depth study of future transit service needs in this portion of the I-805 corridor.

Project Manager: Williamson, Jennifer
Committee(s): Transportation Committee
Working Group(s):
## PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 20          | Task Description: Identification of planned services  
Product: Map, memo and matrix of services  
Completion Date: 5/31/2013 |
| 2        | 20          | Task Description: Development of alternative BRT service strategies  
Product: Memo illustrating potential BRT alignments  
Completion Date: 6/30/2013 |
| 3        | 30          | Task Description: Initial evaluation and selection of preferred operating strategy  
Product: Draft memo of evaluation results and recommendations  
Completion Date: 6/30/2013 |
| 4        | 30          | Task Description: Initial identification of transit priority needs  
Product: Draft report on congested segments; meetings with stakeholders; report on facility needs  
Completion Date: 6/30/2013 |

## FUTURE ACTIVITIES

## 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        | 10          | Task Description: Evaluation and selection of preferred operating strategy  
Product: Final Memo of evaluation results and recommendations  
Completion Date: 12/31/2013 |
| 2        | 15          | Task Description: Identification of transit priority needs  
Product: Final report on congested segments; meetings with stakeholders; report on facility needs  
Completion Date: 5/31/2014 |
| 3        | 10          | Task Description: Pedestrian access study  
Product: Final Report  
Completion Date: 6/30/2014 |
| 4        | 25          | Task Description: Preferred alternative cost refinement and phasing plan  
Product: Report on costs and phasing for transit improvements  
Completion Date: 4/30/2014 |
| 5        | 20          | Task Description: Public and stakeholder outreach  
Product: Memo and meetings  
Completion Date: 2/28/2015 |
| 6        | 20          | Task Description: Schedule and final report  
Product: Milestone schedule development and final report  
Completion Date: 6/30/2014 |
WORK ELEMENT: 33206.00  San Diego Transit Planning Internship Program
FY 2013 BUDGET: $35,747
AREA OF EMPHASIS: Smart Mobility Programs

Funds Source

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>Prior</th>
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<tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$160,649</td>
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</table>

TOTAL | $124,902 | $35,747 | $56,478 | $160,649 |

Note: The amendment proposes to program the new FY 2013 Caltrans Transportation Planning Grant award funds (FTA Section 5304 funds) to fund the San Diego Transit Planning Internship Program for FY 2014.

* Funding in FY 2014 and FY 2015 is subject to the annual budget process and may change.

Funds Application

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>Prior</th>
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<tbody>
<tr>
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<td>Contracted Services</td>
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<td>$0</td>
<td>$0</td>
<td>$20,000</td>
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<tr>
<td>Pass Through to Other Agencies</td>
<td>$14,000</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$44,000</td>
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</table>

TOTAL | $124,902 | $35,747 | $56,478 | $217,127 |

OBJECTIVE

The objective of this work element is to manage the Transit Planning Internship Program that provides professional development opportunities for interns in the Masters in City Planning Graduate Program at San Diego State University. Emphasis in FY 2013 will be to continue to train and mentor interns.

PREVIOUS ACCOMPLISHMENTS

SANDAG has managed this internship program for the past nine years, training future transit professionals in the areas of transit and rail planning, transit service planning, research methods, and report writing.

Project Manager: Culp, Linda
Committee(s): Transportation Committee
Working Group(s): None
## PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 100         | **Task Description:** Manage the Transit Planning Internship Program.  
**Product:** Hire, train, and mentor interns  
**Completion Date:** 6/30/2013 |

## FUTURE ACTIVITIES

## 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        | 100         | **Task Description:** Continue the Transit Planning Internship program with new grant funding  
**Product:** Continue to hire, train, and mentor new interns  
**Completion Date:** 6/30/2014 |
WORK ELEMENT: 33105.00  511 Advanced Traveler Information Service

FY 2013 BUDGET: $215,105 $204,999

AREA OF EMPHASIS: Smart Mobility Programs

### Funds Source

<table>
<thead>
<tr>
<th></th>
<th>Prior</th>
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</thead>
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<td>$1,116,444</td>
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<tr>
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<td>$215,105</td>
<td>$289,621</td>
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<tr>
<td></td>
<td></td>
<td>$204,999</td>
<td></td>
<td>$5,748,782</td>
</tr>
</tbody>
</table>

Note: CMAQ funding refers to new CMAQ obligated funds for TDM related projects starting in FY 2012. Amendment No. 1 – A total of $22,025 of TransNet funds will be transferred to 33107.09 – TDM Vanpool and Carpool Market Study and a total of $11,919 of CMAQ funds will be transferred from 33107.04 - TDM Regional Vanpool Program.

*Funding in FY 2014 and FY 2015 is subject to the annual budget process and may change.

### Funds Application

<table>
<thead>
<tr>
<th></th>
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<td>$215,105</td>
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<td></td>
<td></td>
<td>$204,999</td>
<td></td>
<td>$5,748,782</td>
</tr>
</tbody>
</table>

### OBJECTIVE

The objective of this work element is to enhance the existing 511 ATIS for the region. Emphasis in FY 2013 will be to evaluate a new business model that financially allows for long-term sustainability. Additionally, work will continue with integration of the Integrated Corridor Management (ICM) project and updating of the 511 Web site.

### PREVIOUS ACCOMPLISHMENTS

In FY 2011, 511 received more than 1 million calls, provided Web information, provided for taxi transfers, and continued support of traveler information to public access channels.
**Project Manager:** Weisenbach, Ingrid  
**Committee(s):** Transportation Committee  
**Working Group(s):** Intelligent Transportation System CEOs Policy Management Working Group

**PRODUCTS, TASKS, AND SCHEDULES FOR FY2013**

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 25          | **Task Description:** Conduct project management and monitor/evaluate 511 performance.  
**Product:** Monthly progress reports, revenue tracking; performance analysis  
**Completion Date:** 6/30/2013 |
| 2        | 50          | **Task Description:** Evaluation of new business model and related transitioning steps.  
**Product:** New business model and related updates to 511 (including Web, Interactive Voice Response, cable)  
**Completion Date:** 6/30/2013 |
| 3        | 25          | **Task Description:** Support Interstate 15 ICM project with new 511 features.  
**Product:** Updates to 511 system including 511 design documentation  
**Completion Date:** 6/30/2013 |

**FUTURE ACTIVITIES**

**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        | 15          | **Task Description:** Support Interstate 15 ICM project with new 511 features.  
**Product:** Updates to 511 system including 511 design documentation  
**Completion Date:** 6/30/2014 |
| 2        | 40          | **Task Description:** Implementation of new business model and related transitioning steps.  
**Product:** New business model and related updates to 511 (including Web, Interactive Voice Response, cable)  
**Completion Date:** 6/30/2015 |
| 3        | 40          | **Task Description:** Conduct project management and monitor/evaluate 511 performance.  
**Product:** Monthly progress reports, revenue tracking; performance analysis  
**Completion Date:** 6/30/2015 |
| 4        | 5           | **Task Description:** Investigate, coordinate and implement marketing efforts to promote 511 services  
**Product:** Monthly progress reports, performance analysis, marketing collateral  
**Completion Date:** 6/30/2015 |
WORK ELEMENT: 33107.04  Transportation Demand Management (TDM) Regional Vanpool Program

FY 2013 BUDGET: $4,517,330 $4,483,239

AREA OF EMPHASIS: Smart Mobility Programs

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>FY 2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,517,330</td>
<td>$4,517,330</td>
</tr>
<tr>
<td></td>
<td>$4,483,239</td>
<td>$4,483,239</td>
</tr>
</tbody>
</table>

TOTAL $4,517,330 $4,483,239 $4,517,330 $4,483,239

Note: Amendment No. 1 - $35K in expenses and funding have been reduced to allow for transfer of CMAQ funding to new TDM project 33107.08.

Amendment No. 2 - A total of $4,081 of CMAQ funding would be transferred to new grant funded project 33107.09 - TDM Vanpool and Carpool Market Analysis and $11,919 would be transferred to 33105.00 - 511 Advanced Traveler Information Services. The remaining $18,091 would be reprogrammed for future projects.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>FY 2013</th>
<th>Total</th>
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<tbody>
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<td>Salaries, Benefits, Indirect</td>
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<tr>
<td>Contracted Services</td>
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</tbody>
</table>

TOTAL $4,517,330 $4,483,239 $4,517,330 $4,483,239

OBJECTIVE
The objective of this work element is to administer the Regional Vanpool Program and complete the annual National Transit Database (NTD) report to the Federal Transit Administration (FTA). Emphasis in FY 2013 will be continued growth in the vanpool program aligned with the program's strategic objectives and to integrate iCommute Trip Tracking features to comply with NTD reporting.

PREVIOUS ACCOMPLISHMENTS
Advertised and awarded new three year vanpool vendor contracts
Completed NTD reporting for FY 2011
Migrated all vanpools to iCommute system
Project Manager: Weinstein, Kimberly
Committee(s): Transportation Committee
Working Group(s):

PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| 1        | 70          | Task Description: Administer Regional Vanpool Program, including monthly invoice processing and performance monitoring and reporting.  
Product: Vanpool management database  
Completion Date: 6/28/2013 |
| 2        | 30          | Task Description: Annual NTD reporting to FTA and accompanying audit.  
Product: Final NTD report, audit, and closure report  
Completion Date: 6/28/2013 |

FUTURE ACTIVITIES
Survey of vanpool participants (included in 33107)  
Review of vanpool subsidy levels
WORK ELEMENT: 33201.00  Short-Range Transit Service Activities
FY 2013 BUDGET: $554,119 $544,531
AREA OF EMPHASIS: Smart Mobility Programs

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>FY 2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA (5307) Transit Planning</td>
<td>$340,000</td>
<td>$340,000</td>
</tr>
<tr>
<td>TDA Planning/Administration</td>
<td>$154,119</td>
<td>$154,119</td>
</tr>
<tr>
<td></td>
<td>$144,531</td>
<td>$144,531</td>
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<tr>
<td>TransNet Administration (1%)</td>
<td>$18,000</td>
<td>$18,000</td>
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<tr>
<td>TransNet Program Monitoring</td>
<td>$42,000</td>
<td>$42,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$554,119</strong></td>
<td><strong>$554,119</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$544,531</strong></td>
<td><strong>$544,531</strong></td>
</tr>
</tbody>
</table>

Note: Amendment No. 1 - A total of $5,064 will be transferred to 33010.00 – Border Health Equity Transportation Study to provide the local match. The remaining $4,524 of TDA funds will be transferred to the Contingency Reserve.

<table>
<thead>
<tr>
<th>Funds Application</th>
<th>FY 2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Benefits, Indirect</td>
<td>$219,956</td>
<td>$210,368</td>
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<tr>
<td>Other Direct Costs</td>
<td>$30,500</td>
<td>$30,500</td>
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<tr>
<td>Contracted Services</td>
<td>$167,000</td>
<td>$167,000</td>
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<tr>
<td>Pass Through to Other Agencies</td>
<td>$136,663</td>
<td>$136,663</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$554,119</strong></td>
<td><strong>$544,531</strong></td>
</tr>
</tbody>
</table>

**OBJECTIVE**

The objectives of this work element are to: (1) fulfill the short-range transit planning functions of SANDAG, including preparation of the regional Short-Range Transit Plan, Transportation Development Act performance monitoring, federal Title VI monitoring and reporting, fare policy development, and fare setting; (2) support the Compass Card Program; (3) manage the competitive process for TransNet Senior Mini-Grant Program and monitoring grant recipients; (4) prepare transit area studies, operations plans, and planning input for TransNet projects; (5) provide assistance to transit operators; and (6) oversee the Consolidated Transportation Services Agency (CTSA). Emphasis in FY 2013 will be to effectively manage new programs and merge the near term projects from the Regional Transportation Plan (RTP) into the Short-Range Transit Plan component of the Coordinated Plan.
PREVIOUS ACCOMPLISHMENTS

The Annual Short-Range Transit Plan component of the Coordinated Plan is funded through this project. The development of the Regional Fare Policy and fare structure was funded by this activity and all subsequent fare changes have been managed with these resources. The planning input to the SuperLoop development and the Mid-Coast Trolley line are provided in this work element. Title VI compliance and monitoring is managed from this work element. Planning services are provided on behalf of the operators. This work element is responsible for managing the Senior Mini-Grant process and monitoring of service and oversight of the CTSA. The second round of Senior Mini-Grant projects were awarded. A new monitoring checklist was developed to increase the oversight on grantees. Locally coordinated the Federal Transit Administration (FTA) section 5310 process, which resulted in the award of 54 projects in San Diego County totaling $3.4 million.

Project Manager: Trom, Philip
Committee(s): Transportation Committee
Working Group(s): Social Services Transportation Advisory Council, Coordinated Transit & Human Services Transportation Plan Working Group, Regional Short-Range Transit Planning Task Force

FUTURE ACTIVITIES

It is expected that work will continue on various transit operations projects and that monitoring will continue as part of the Short-Range Transit Plan update. The triennial Title VI report, prepared under this work element on behalf of the transit operators, will be prepared and submitted to the FTA during this time frame. Implement new monitoring program for the Senior Mini-Grant Program. Continue monitoring the CTSA, including assistance with the STRIDE Web site update, and coordinating the 5310 Program locally.
WORK ELEMENT: 34002.00  Interregional Planning: Binational Planning and Coordination

FY 2013 BUDGET: $373,034 $352,934

AREA OF EMPHASIS: Planning and Forecasts

### Funds Source

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>FY 2013</th>
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<tbody>
<tr>
<td>FHWA Metropolitan Planning (PL)</td>
<td>$300,000</td>
<td>$300,000</td>
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<tr>
<td>TDA Planning/Administration</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$373,034</strong></td>
<td><strong>$373,034</strong></td>
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</table>

Note: Amendment No. 1 – A total of $1,747 will be transferred to 33210.01 – North UTC Sorrento Valley Transit Study, and a total of $1,714 will be transferred to 33306.00 – I-8 Corridor Study. The remaining balance of $16,639 of TDA funds will be transferred to the Contingency Reserve.

### Funds Application

<table>
<thead>
<tr>
<th>Funds Application</th>
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<tbody>
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<td>Salaries, Benefits, Indirect</td>
<td>$366,434</td>
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<td>Other Direct Costs</td>
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<tr>
<td>Contracted Services</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$373,034</strong></td>
<td><strong>$352,934</strong></td>
</tr>
</tbody>
</table>

OBJECTIVE

The objective of this work element is to oversee and coordinate binational planning activities. This includes support of the Borders Committee and the Committee on Binational Regional Opportunities (COBRO), as well as collaboration with the City of Tijuana Subcommittee on Border Affairs and the Metropolitan Planning Institute. Emphasis in FY 2013 will be to continue monitoring progress on the Otay Mesa - Mesa de Otay Binational Corridor Strategic Plan, to continue oversight and review of international land ports of entry (POE) modernization and expansion projects to ensure public transit and pedestrians are adequately accommodated, and to strengthen collaboration with the Tijuana-Tecate-Playas de Rosarito Metropolitan Zone.

PREVIOUS ACCOMPLISHMENTS

The SANDAG Borders Committee provides policy oversight for planning activities that impact the borders of the San Diego region - Riverside, Orange, and Imperial Counties, tribal governments, and Mexico. The Borders Committee advises the SANDAG Board of Directors on major binational and interregional planning policy-level matters. This is an ongoing work element that supports strengthening existing partnerships, while developing new ones with neighboring jurisdictions from binational and interregional perspectives. COBRO provides input to the Borders Committee in the area of binational planning and collaboration. In FY 2008, the Otay Mesa-Mesa de Otay Binational Corridor Strategic Plan was approved by both the SANDAG Board of Directors and the Tijuana City Council. Initiatives adopted in the Otay Mesa-Mesa de Otay Binational Corridor Strategic Plan
continue to be implemented in collaboration with Mexico and binational stakeholders. Every year since 1997 COBRO and the Borders Committee have organized SANDAG’s annual binational event, which is held in coordination with the Office of the Consulate General of Mexico in San Diego and the Office of the Consul General of the United States in Tijuana to address topics of relevance in the binational border area.

Project Manager: Vanegas, Hector
Committee(s): Borders Committee
Working Group(s): Committee on Binational Regional Opportunities

PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>Task Description: Assist in the update of the San Diego RCP through the review and update of the Borders chapter as well as land border crossings projects and statistics. Product: Borders element of the RCP, and annual border-crossing statistics report Completion Date: 9/30/2012</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>Task Description: Provide staff support for the SANDAG annual binational event. Product: Summary and recommendations from annual event to be presented to COBRO by 9/30/2012, Borders Committee by 10/31/2012, and the Board by 12/31/2012 Completion Date: 12/31/2012</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>Task Description: Coordinate with the State of Baja California and Tijuana, including the Metropolitan Zone framework (Tijuana-Tecate-Rosarito) and IMPlan's Governing Board. Update the Binational Contact Guide. Product: Update reports and the Binational Contacts Guide Completion Date: 12/31/2012</td>
</tr>
<tr>
<td>4</td>
<td>35</td>
<td>Task Description: Provide staff support and coordination for the Borders Committee and the COBRO meetings. Product: Agendas, follow-up activities, and recommendations. A joint meeting of the Borders Committee, COBRO, and the City of Tijuana will be held on 3/23/2013 Completion Date: 6/30/2013</td>
</tr>
<tr>
<td>5</td>
<td>10</td>
<td>Task Description: Collaborate with agencies and stakeholders to ensure multimodal transit and active transportation improvements for the San Ysidro POE reconfiguration and expansion project and the adjacent communities. Product: Progress reports. Completion Date: 6/30/2013</td>
</tr>
<tr>
<td>6</td>
<td>10</td>
<td>Task Description: Continue collaboration with local agencies and binational stakeholders to follow-up on recommendations from the SANDAG annual binational event. Product: Progress reports and updates Completion Date: 6/30/2013</td>
</tr>
<tr>
<td>7</td>
<td>20</td>
<td>Task Description: Monitor selected initiatives from the Otay Mesa-Mesa de Otay Strategic Plan, and coordinate with the new Tijuana-Tecate-Playas de Rosarito Metropolitan Strategic Plan. Product: Workshops and progress reports Completion Date: 6/30/2013</td>
</tr>
</tbody>
</table>

FUTURE ACTIVITIES

This is an ongoing work element.
WORK ELEMENT: 33300.00 Subregional Transportation and Land Use Planning

FY 2013 BUDGET: $58,172 $38,056

AREA OF EMPHASIS: Smart Mobility Programs

Funds Source

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
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<tbody>
<tr>
<td>FTA (5303) MPO Planning</td>
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<tr>
<td>TDA Planning/Administration</td>
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<tr>
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<td>$58,173</td>
<td>$58,173</td>
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</tbody>
</table>

Note: Amendment No. 1 – A total of $17,808 in FTA (5303) funds will be reprogrammed for future projects. A total of $2,309 will be transferred to 33306.00 - I-8 Corridor Study to provide the local match.

Funds Application

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Salaries, Benefits, Indirect</td>
<td>$58,173</td>
<td>$58,173</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$58,173</td>
<td>$58,173</td>
</tr>
</tbody>
</table>

OBJECTIVE

The objective of this work element is to coordinate the Regional Comprehensive Plan (RCP) and Regional Transportation Plan (RTP) with the local land use and transportation planning processes in the 18 cities and the County of San Diego, Caltrans, transit agencies, tribal governments, and others to reduce congestion and improve mobility. This work element includes staff resources to prepare scopes of work and budgets for future subregional and corridor studies and to oversee these studies. Emphasis in FY 2013 will focus on coordinating transportation planning with local agency plans and participating in the update of the California-Baja California Border Master Plan.

PREVIOUS ACCOMPLISHMENTS

SANDAG has established subregional planning teams, which include both land use and transportation planning staff members responsible for the following geographic areas: North County, South County, Central County, and East County. In FY 2012, the subregional teams continued to coordinate with local jurisdictions and tribal governments on local land use and transportation plan updates.

SANDAG participated in the development of the 2008 California-Baja California Border Master Plan.

Project Manager: Arias, Elisa
Committee(s): Transportation Committee, Regional Planning Committee
Working Group(s): Cities/County Transportation Advisory Committee, Regional Planning Technical Working Group, Interagency Technical Working Group on Tribal Transportation Issues
### PRODUCTS, TASKS, AND SCHEDULES FOR FY2013

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
</table>
| **1**    | **80**      | **Task Description:** Coordinate regional transportation planning with local agencies and tribal governments land use plans, and develop scopes of work for other studies as needed.  
**Product:** Progress reports and documentation  
**Completion Date:** 6/30/2013 |
| **2**    | **20**      | **Task Description:** Participate in the Technical Working Group of the California-Baja California Border Master Plan update and provide regional transportation data, review, and comment on products.  
**Product:** Meeting participation, review and comment on technical memoranda  
**Completion Date:** 6/30/2013 |

### FUTURE ACTIVITIES

Future activities will include coordinating regional transportation planning activities with local agencies and the tribal governments land use plans and developments. SANDAG will continue to conduct corridor studies and to participate in future updates of the California-Baja California Border Master Plan.
ANNUAL REVIEW AND PROPOSED AMENDMENTS  
TO BOARD POLICIES AND BYLAWS  

Introduction

Each year the Office of General Counsel solicits requests from staff and leadership for any suggested changes to Board Policies or 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. Based on that review no changes to the Policy are proposed at this time.

Additionally, 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 subject to the limitations set forth in the Policy. The Executive Committee is asked to recommend that the Board of Directors renew this delegation for the coming year.

Board Policy No. 011: Travel Expenses (Attachment 2)

Sections 2.5 and 2.5.7 of this Policy are proposed to be amended to provide an updated reference to the IRS publication that sets forth allowable per diem rates. Although the referenced publication is updated, the per diem rates remain level with those set forth in the previous publication.

Recommendation

The Executive Committee is asked to: (1) discuss the proposed amendments to the Board Policies (Attachments 1 through 6), and to either recommend that the Board of Directors approve the proposed amendments or direct staff to return to the Executive Committee for further discussion or review; (2) recommend that the Board of Directors renew the annual delegation of authority to the Executive Director pursuant to Board Policy No. 003: Investment Policy; and (3) recommend that the Board of Directors renew its approval of Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy (Attachment 6).
Board Policy No. 017: Delegation of Authority (Attachment 3)

An amendment to Section 4.4, relating to real property acquisition, is proposed. The revised language would remove the limitation of the Policy to right-of-way property acquisition and would instead apply to all real property acquisitions, reflecting SANDAG’s increasing land acquisition responsibilities as potentially including non-right-of-way acquisitions, such as transit stations or construction easement areas. Additionally, the amended language would clarify the Executive Director’s authority to satisfy court judgments regarding property valuations regardless of their correlation to the initial appraised value since that judgment would be considered as the best reflection of the true property value. This clarification reflects current practice, and staff would continue to keep the Board informed of any such litigation, while allowing for timely compliance with court orders.

Section 4.14 is proposed to be added to the Policy to delegate to the Executive Director the ability to modify the Board of Directors meeting agenda with the concurrence of the Chair of the Board. Currently only the Executive Committee is vested with the authority to set the Board agenda without any allowance for the addition of issues that arise in the weeks between the Executive Committee meeting and that of the Board of Directors. This amendment would facilitate the Board’s timely consideration of late-breaking issues.

Board Policy No. 024: Procurement and Contracting – Construction (Attachment 4)

Sections 1.5.7, 1.8.1, and 1.8.1.4 are proposed to be amended to afford an administrative hearing to any bidder initially determined to be non-responsible. Recent California case law has substantially expanded the definition of a bidder’s “responsibility” to include any factor that cannot be determined from the face of a bid, including references, licensure, and many financial responsibility issues. The case law also mandates that any bidder found to be non-responsible be afforded an administrative hearing on that issue. Current Board policy does not allow such a hearing. The revisions are drafted to provide maximum flexibility in the procedures to be employed in such hearings depending on the circumstances of each situation.

Board Policy No. 025: Public Participation/Involvement Policy (Attachment 5)

Various changes proposed throughout this Policy, reflect updated terminology consistent with Federal Transit Administration and Federal Highway Administration usage. References to “Public Participation Process” and “Public Participation/Involvement Program” would instead refer to “Public Participation Plan.” Additionally, references to SANDAG’s Language Assistance Plan as well as to its outreach to limited English proficiency populations are included.

Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy (Attachment 6)

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: San Diego County Regional Transportation Commission Interest Rate Swap Policy. Section 1 of the Policy provides in part: “The Interest Rate Swap Policy shall be reviewed and updated at least annually and presented to the Board of Directors for approval.”
This Policy was reviewed by management and the SANDAG Financial Advisor, PFM; no changes are recommended at this time. The Executive Committee is asked to recommend that the Board of Directors renew its approval of Policy No. 032.

JOHN F. KIRK
General Counsel

Attachments: 1. Board Policy No. 003: Investment Policy
2. Board Policy No. 011: Travel Expenses
3. Board Policy No. 017: Delegation of Authority
4. Board Policy No. 024: Procurement and Contracting – Construction
5. Board Policy No. 025: Public Participation/Involvement Policy
6. Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy

Key Staff Contact: John F. Kirk, General Counsel, (619) 699-1997, John.Kirk@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. 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 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 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 five 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 53646(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 February 2012
TRAVEL EXPENSES

This policy is intended to establish a basis for budgeting Board member and employee attendance at conferences, training, seminars, or other meetings and provide guidelines for Board members and employees who have been approved to travel on behalf of SANDAG.

It is desirable and beneficial to SANDAG and its constituents to have Board members and employees participate in state and national activities, training, and conferences related to SANDAG’s subject matter jurisdiction.

Procedures

1. Budgeting

1.1 Each year the Executive Director will survey the Board and committee (Board) members to ascertain their interest in attending upcoming conferences and meetings. These conferences may include legislative and annual meetings for the California Transit Association, the American Public Transit Association, and the National Association of Regional Councils, as well as California Transportation Commission meetings and legislative hearings. The Chair of the Board will make the final decision regarding who should attend all conferences and meetings. Upon return, Board members will be asked to present their experiences to the Board in order to share the knowledge obtained from their attendance.

1.2 Employees also may attend conferences related to their respective disciplines. The Executive Director will make the final decision regarding which employees should attend conferences and meetings within the adopted budget. Upon return, employees will submit a report to their director in order to share the knowledge obtained from their attendance.

1.3 Board member and employee attendance will be funded in the annual budget subject to the availability of funds and based on the results reported by previous attendees. As part of the budgeting process, the Executive Director or his/her designee will set objectives to ensure minimum representation at key conferences, and to make sure that cumulative attendance by Board members and employees at any one conference is not excessive.

1.4 The number of Board members or committee members attending any conference or meeting should not exceed a quorum unless this provision is specifically waived by the Board after seeking advice from legal counsel.

1.5 Basic travel arrangements for flights, hotels, and rental cars will be made by the Clerk of the Board or other designated staff. Board members and employees are responsible for contacting the Clerk of the Board or the designated staff if itinerary changes are needed. Board members or employees desiring different travel
arrangements will contact the Clerk of the Board or other designated staff to place her/him on notice and will be financially responsible for any costs over and above those determined by SANDAG’s travel agent for the basic trip.

1.6 If a Board member or employee initiates a change in travel plans that is not due to a medical/death emergency by the Board member or employee, or his/her immediate family, then the Board member or employee will be responsible for the cost impacts of those changes.

1.7 Employees must fill out a travel request form prior to traveling out of San Diego County on SANDAG business. The project code, purpose of travel, and trip budget must be filled in on the form. The form must be approved by the Executive Director or Chief Deputy Executive Director prior to the time of travel. The Clerk of the Board or Executive Assistant will fill out the top portion of the travel request form for Board members and the Executive Director or Chief Deputy Executive Director shall determine whether to approve it. The expense report must document that expenses meet existing SANDAG policy. All documents related to reimbursable expenditures are public records subject to disclosure under state and federal law.

1.8 Penalties for falsifying expense reports include, but are not limited to the following:

1.8.1 Loss of reimbursement privileges
1.8.2 Restitution to SANDAG
1.8.3 Civil penalties for misuse of public resources
1.8.4 Prosecution for misuse of public funds
1.8.5 Disciplinary action for employees

2. Out-of-Town Travel Expense Reimbursement

2.1 The lower portion of the travel request form must be used by Board members and employees to record actual trip expenses. The report must be completed within one week from the return date. For employees, the actual expenses must be approved by a department director unless a department director is the traveler, in which case the Chief Deputy Executive Director must approve the expenses. For Board members, the actual expenses must be approved by the Chief Deputy Executive Director. The form should then be forwarded to the Finance Department for processing, with a personal check attached for any funds due to SANDAG. Failure to submit expense reports within the required time frame may result in the traveler not being reimbursed or collection action being taken if money is owed to SANDAG. Late expense reports must be approved by the Chief Deputy Executive Director.

2.2 All expenses should be itemized, including items SANDAG may have paid for in advance so that that the report provides a complete record of expenses. It is the traveler’s responsibility to submit a completed report in order to receive prompt reimbursement.
2.3 Receipts for expenditures must be attached to the expense report for all expenses where a receipt is practicably attainable. A receipt is mandatory for all expenses in excess of $10 unless a written satisfactory explanation is provided. Such written explanations are subject to approval by the Finance Department.

2.4 Travel advances may be requested. Any travel advance shall not exceed the total estimated amount of the trip, minus any items prepaid by SANDAG, such as airfare and registration.

2.5 Board members and employees will be reimbursed for reasonable travel expenses up to the reimbursement amounts as stated in IRS Publication 1542 Revenue Procedure 2011-47 Section 5, as updated by the IRS. The expenditure guidelines in IRS Publication 1542 in IRS Notice 2012-63 should be observed as upper limits unless the circumstances dictate otherwise and the expense is approved by a department director or the Chief Deputy Executive Director. Notwithstanding the foregoing, travel to Sacramento, California and Washington, D.C. will be reimbursed up to a maximum daily rate of $300 per day for lodging and food expenses instead of the amounts listed in IRS Publication 1542 Notice 2012-63.

2.5.1 Air Travel – Air travel is to be coach class for the most direct route. Travelers are encouraged to book at least 21 to 14 days in advance to qualify for the lowest airfares. SANDAG will cover the cost if it is more cost-effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay. Travelers should consider this option, when practical.

2.5.2 Personal Auto Use – In the event that a private auto is used for the trip, mileage shall be paid at the currently established Internal Revenue Service rate. Maximum reimbursement shall not exceed the cost of using a rental car, train, or commercial airline to reach the same destination.

2.5.3 Ground Transportation – In using surface transportation, the least expensive alternative must be utilized where practical. For example, an airport shuttle should be used instead of a taxi. Such transportation should be used for travel to and from the airport and for reasonable business-related trips at the location.

2.5.4 Parking – SANDAG will reimburse the lesser of the parking cost for a personal auto left at the airport or the cost of a shuttle service or cab to and from the airport.

2.5.5 Personal Travel – If a traveler wishes to combine SANDAG travel with personal travel, or to travel with family members, the traveler may do so, provided that it does not exceed the cost equivalent of a single-person trip.

2.5.6 Rental Car – Use of rental cars must be pre-approved. SANDAG will only reimburse for the cost of renting the least expensive size vehicle necessary for the number of people traveling. SANDAG will not reimburse for rental car insurance coverage because employees are included under SANDAG general automobile insurance coverage.
2.5.7 Meals – SANDAG will pay for meals while the traveler is in travel status. The maximum reimbursement amount for meals will be calculated by multiplying the applicable per diem rate in IRS Notice 2012-63 Publication 1542 by the number of days of travel.

2.5.8 Business Meals – Reasonable business meals involving outside persons or when necessary to conduct SANDAG-related business are permitted. All such meals must be itemized with justification on the Expense Report to determine if eligible for reimbursement.

2.5.9 Hotel – Travelers will be reimbursed for the cost of a moderate and reasonably priced single occupancy hotel room. Travelers should request the “government rate” when making hotel reservations. If a hotel stay is needed in connection with a conference or other education activity, lodging costs shall not exceed the maximum group rate published for the conference. If the group rate is not available, the traveler must use comparable lodging.

2.5.10 Other Business-Related Expenses – Other business-related expenses that arise when traveling such as supplies, equipment rental, reprographics, facsimiles, and other documented business-related expenses may be reimbursed when traveling on SANDAG business and used for SANDAG purposes.

2.5.11 Travel Outside of the U.S. – Reimbursement for travel to a foreign country will be calculated at the average exchange rate during the trip as posted by the Federal Reserve. All reimbursement for any Value Added Taxes (VAT) charged for hotel accommodations must be reimbursed to SANDAG.

2.5.12 Telephone Calls – Reimbursement for telephone calls made while traveling are permitted, provided that such calls are directly related to SANDAG business. Personal calls are permitted to a maximum of $10 per day. Calls charged to personal calling cards or wireless phone accounts may be submitted for reimbursement no later than thirty days for the time that the expense report is submitted.

2.5.13 Registration – Travelers requesting to attend a conference or training that requires registration should do so in sufficient time to take advantage of any discounts.

2.5.14 Cancellation Penalties – In the event that registration, airfare, hotel deposit, or similar items that require prepayment are paid and nonrefundable and the traveler is unable to attend, then the traveler will be responsible for reimbursing SANDAG for all prepaid amounts, unless the inability to attend is for valid medical reasons or personal emergencies, as approved by the Executive Director for employees or the Executive Committee for Board members.
2.5.15 Nonallowable Expenses – SANDAG will not provide any reimbursement for personal entertainment expenses, travel expense for family members, movies in hotels, personal items, charitable contributions, alcohol, air travel insurance, or any other expenses not deemed necessary for business purposes. SANDAG also will not provide reimbursement for the purpose of attending political events or for expenses incurred with any private club that discriminates on the basis of race, gender, religion, sexual orientation, disability, or any other discriminatory criteria in its membership policy.

3. Local Expense Reimbursement

3.1 Expense reports must be submitted that record any potentially eligible expenses. The form must be submitted together with all receipts and should be submitted within thirty days of the expense being incurred. The report must describe the item or the destination (if mileage reimbursement is requested) and the purpose. The traveler should indicate which project number each item should be charged to.

3.2 Expenses are eligible for reimbursement if they are related to and necessary to carrying out SANDAG business. They may include, but are not limited to: phone calls, business meals or meetings, mileage, parking, and miscellaneous out-of-pocket expenses. The Director of Finance or Executive Director may disallow any extraordinary or inappropriate expense. Whenever possible, travel should be by public transportation.

3.3 All necessary approvals must be obtained in advance and the form must be submitted to the Finance Department for processing. Reimbursement will ordinarily occur within thirty days.

Adopted June 2003
Amended January 2006
Amended December 2006
Amended December 2008
Amended January 2010
Amended______, 2012
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, or the full satisfaction of court judgments regarding property valuation.

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 Settle all lawsuits, alternative dispute matters, and claims that SANDAG must defend when the settlement amount does not exceed $100,000. In the event the Executive Director exercises this authority he/she shall send a memo to the members of the Board as soon as possible in order to notify them of any action taken.

4.10 Accept reimbursement from member agencies for use of SANDAG on-call contracts.

4.11 Execute tolling agreements to extend the statute of limitations for litigation involving SANDAG as a potential plaintiff or defendant when deemed in the best interest of SANDAG by the Executive Director and Office of General Counsel.

4.12 Authorize transfers of funds in the SANDAG budget for capital improvement projects following approval of such a transfer by the affected transit operator’s board of directors or designated governing body.
4.13 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.

4.14 Modify the Board of Directors meeting agenda regarding issues that arise after the most recent Executive Committee meeting with the concurrence of Chair of the Board.

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.

6. 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 February 2012
Amended ________, 2012
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 4220.1F 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 shall be afforded an administrative hearing upon the submission of a timely protest of such issue. 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, Responsibility, 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, procedure, or finding of nonresponsibility. 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, or in the case of a protest regarding a finding of nonresponsibility by an administrative hearing officer or panel, 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 all functions of the awarding authority under Section 4100 et seq.

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 4220.1F 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
4.1.1.2. Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.

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/offeree or join a team submitting a bid/proposal 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.

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

7. **Job Order Contracting**

A Job Order Contract (JOC) is a competitively bid, firm fixed price, indefinite quantity contract that is based upon specific unit pricing contained in a unit price book (prepared by the public agency or by independent commercial sources) setting forth detailed repair and construction items of work, including descriptions, specifications, units of measurement and individual unit prices for each item of work. The JOC includes unit pricing for work at time of award, but not the specified quantity and location of the work to be performed. At the time a Job Order 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 polices, 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.
PUBLIC PARTICIPATION/INVOLVEMENT PLAN POLICY

Purpose

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

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

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

Social Equity and Environmental Justice

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

Scope

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

Public Participation Plan

Unless otherwise noted or required, the Public Participation Plan provides for SANDAG general policies for public participation for major planning initiatives such as the Regional Transportation Plan, Regional Comprehensive Plan, Regional Short Range Transit Plan, and other planning and programming projects, including any tailored public involvement plans associated with them.

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

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

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

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

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

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


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

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

11. SANDAG conducts periodic public opinion surveys as part of the outreach and citizen participation component of the SANDAG work program. These surveys shall be designed to include the San Diego region’s residents in the regional planning process and to keep SANDAG officials aware of issues that are of concern to the people who live here.
12. SANDAG will endeavor to respond to general comments received by phone, fax, letter, or email within five (5) business days of receipt. Comments shall be routed to the SANDAG staff person who is responsible for that issue. Comments may be responded to in writing (email or letter) or may be resolved with the initial phone call. Some comments may need to be resolved by another agency or jurisdiction so the customer is referred to the appropriate entity. When a comment is submitted as part of a public review process (e.g., a plan or environmental report) the comment and response is logged into a database. Comments, concerns, and responses received as part of a public review process shall be included in the final plan or report.

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

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

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

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

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

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

C. **Development Planning** - Planning, environmental, preliminary engineering activities on major capital projects.

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

2. The public involvement program shall set objectives, identify people to be reached, develop public involvement strategy, and define specific outreach techniques.
3. The public involvement program shall be developed so that critical community concerns and technical issues are identified in the study. The issues need to address the engineering, environmental, economic, and financial analyses that respond effectively to community needs and preferences and satisfy local, state, and federal environmental clearance requirements.

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

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

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

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

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

9. A project working group may be organized to review and comment on the project to build understanding and identify support for feasible alternatives. This group may consist of various elected officials/staff, community and neighborhood organizations, business organizations, property owners, and other stakeholders and interested parties. This group would be formed to provide comment and guidance regarding technical issues, review study alternatives and evaluation results, and provide community input regarding the alternatives. This iterative process would
allow for identified issues and concerns to receive follow-up responses. Meeting summaries of project working group activities shall be produced. Meeting notices, agendas, and/or other information shall be posted to the SANDAG website.

10. Other public input opportunities include SANDAG Board of Directors meetings and meetings of SANDAG policy committees: Executive, Transportation, Regional Planning, Borders, and Public Safety. Other opportunities for public participation are at working group meetings, general public meetings, and presentations to planning and community groups.

D. Design and Construction – Design and construction of capital projects.

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

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

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

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

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

6. For all projects requiring environmental review under CEQA and NEPA, such as major capital improvement projects, SANDAG shall provide opportunities for members of the public to provide input and comply with all related legal requirements.
6.1 SANDAG shall solicit input from the representatives of interest groups of the local population, such as community groups, planning groups, business groups and associations, and neighborhood associations.

6.2 SANDAG shall incorporate public input into project planning and development where practical and feasible.

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

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

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

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

E. Fare Changes

1. SANDAG has adopted Board Policy No. 29 for provide policy guidance for fare changes. This section of the policy is designed to inform and involve public transit riders, stakeholders, and the general public about proposed changes in transit fares. It is not intended to apply to transit route changes within the purview of the transit operators.

1.1. Consistent with Board Policy No. 004, SANDAG staff shall hold one or more public meetings to provide the public an opportunity to comment on proposed fare changes. A minimum of two public meetings shall be held prior to first reading of any proposed fare change that affects services operating in both the MTS and NCTD service areas. At least one public meeting shall be held in the MTS service area, and at least one public meeting shall be held in the NCTD service area. If one of more public meetings are conducted by a public meeting officer pursuant to Board Policy No. 004, at least one of the public meetings shall be held with a starting time no earlier than 6:00 p.m. A public meeting for proposed fare changes that do not affect the entire region may be held exclusively within the general geographic area that is being affected by the fare change. Such public meeting shall be held at a time convenient for users and potential users of the affected service. Public meetings at which formal public
testimony will be taken shall be held at locations that are accessible by users of public transit. An official transcriber or other means of recording all public input received shall be utilized at all public hearings, meetings, workshops or open-houses at which formal public testimony is taken. A record of the input received shall be provided to the Transportation Committee or Board of Directors at the time of the first and second readings of amendments to the fare ordinance for the purpose of adjusting fare prices.

1.2. Public comments on proposed fare changes shall be accepted at the SANDAG Board or Transportation Committee meeting before any final action is taken.

1.3. Take One, Rider Alerts, or other public notices in both English and Spanish will be posted on all affected public transit vehicles within the affected area at least 15 calendar days prior to the public hearing and will include a description of the proposed fare change, the date, time, intent and location of the public meeting, and the deadline for written, email and phone comments from the public. The notices will be posted to the SANDAG and Transit Agency website(s).

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

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

1.6. A Transportation Committee and/or Board report (as appropriate) will be completed and available for public review at least 72 hours prior to the public hearing at which the fare changes are proposed for adoption and posted to the SANDAG website(s).

2. After a fare change is approved by SANDAG:

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

2.2. Take One, Rider Alerts, or other public notices in both English and Spanish will be posted on all affected transit vehicles at least 15 calendar days prior to changes going into effect and posted to the SANDAG and Transit Agency website(s).
3. SANDAG shall follow federal Title VI and environmental justice requirements when implementing transit fare changes.

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

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

F. Short Range Transit Planning

1. Public information and involvement programs for the Regional Short Range Transit Plan and the Coordinated Human Resources and Public Transit Transportation Plan shall be the responsibility of SANDAG.

2. Public information and involvement programs for transit service changes would fall under adopted policies of MTS and NCTD.

E. Native American Consultation

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

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

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

4. To facilitate effective consultation with Tribal Governments, SANDAG has established a Tribal Government Liaison. The Liaison shall serve as an initial contact for Tribal Governments and communicates with tribal governments regarding SANDAG activities.
4.1. “Consultation” is the active, affirmative process of: (1) identifying and seeking input from appropriate American Indian government bodies, community groups, and individuals; and (2) considering their interests as a necessary and integral part of the decision-making process.

Adopted March 2005
Amended January 2006
Amended December 2007
Amended ________, 2012
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
INTEREST RATE SWAP POLICY

The purpose of the Interest Rate Swap Policy of the San Diego County Regional Transportation Commission (SANDAG) is to establish guidelines for the use and management of interest rate swaps and options. The “Interest Rate Swap Policy” or the “Policy” is intended to provide general procedural direction regarding the use, procurement and execution of interest rate swaps. The Policy is intended to relate to various interest rate hedging techniques, including the contractual exchange of different fixed and variable rate payment streams through interest rate swap agreements and is not intended to relate to other derivative products that SANDAG may consider.

SANDAG is authorized under California Government Code Section 5922 to enter into interest rate swaps to manage the amount and duration of rate, spread, or risk when used in combination with the issuance of bonds or notes.

1. Scope and Authority

This Interest Rate Swap Policy shall govern SANDAG’s use and management of all interest rate swaps and options. While adherence to this Policy is required in applicable circumstances, SANDAG recognizes that changes in the capital markets, SANDAG’s programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and will require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate provided specific authorization from the Board of Directors is obtained.

The Interest Rate Swap Policy shall be reviewed and updated at least annually and presented to the Board of Directors for approval. Day-to-day responsibility for management of interest rate swaps shall fall within the responsibilities of the Director of Finance.

SANDAG shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties. The Director of Finance, in consultation with SANDAG’s bond counsel and financial advisor, shall have authority to select the counterparties, so long as the criteria set forth in the Interest Rate Swap Policy are met.

2. Approach and Objectives

Interest rate swaps and options are appropriate interest rate management tools that can help SANDAG meet important financial objectives. Properly used, these instruments can increase SANDAG’s financial flexibility, hedge exposure to interest rate risk, provide opportunities for interest rate savings or enhanced investment yields, and help SANDAG manage its balance sheet through better matching of assets and liabilities. Swaps should be integrated into SANDAG’s overall debt program and should not be used for speculation or leverage.
Swaps are appropriate to use when they achieve a specific objective consistent with SANDAG's overall financial strategies. They may be used, for example, to lock in a current market fixed rate or create additional variable rate exposure. They may also be used to produce interest rate savings, to limit or hedge variable rate exposure, to alter the pattern of debt service payments or for asset/liability matching purposes. Swaps may be used to cap, limit or hedge variable rate payments. Options granting the right to commence or cancel an underlying swap may be used to the extent the swap itself is consistent with these guidelines or SANDAG determines there are other advantages to be derived in purchasing or granting the option; however, SANDAG must determine if the use of any such option is appropriate and warranted given the potential benefit, risks, and SANDAG's objectives. SANDAG, together with SANDAG's financial advisor and bond counsel, shall periodically review SANDAG's swap guidelines and recommend appropriate changes.

3. Conditions for Use of Interest Rate Swaps and Options

3.1 Rationale

SANDAG may use interest rate swaps and options if it is reasonably determined that the proposed transaction is expected to:

3.1.1 Optimize capital structure, including schedule of debt service payments and/or fixed vs. variable rate allocations.

3.1.2 Achieve appropriate asset/liability match.

3.1.3 Reduce risk, including:

   3.1.3.1 Interest rate risk;
   3.1.3.2 Tax risk; or
   3.1.3.3 Liquidity renewal risk.

3.1.4 Provide greater financial flexibility.

3.1.5 Generate interest rate savings.

3.1.6 Enhance investment yields.

3.1.7 Manage exposure to changing markets in advance of anticipated bond issuances (through the use of anticipatory hedging instruments).

3.2 Benefit Expectation

Financial transactions, using fixed rate swaps or other derivative products, should result in debt service savings of at least 2% when compared to the projected debt service SANDAG would consider for traditional bonds or notes. This threshold will serve as a guideline and will not apply should the transaction, in SANDAG's sole judgment, meet any of the other objectives outlined herein. The debt service savings target reflects the greater complexity and higher risk of derivative financial instruments. Such comparative savings analyses shall include, where applicable, the consideration of the probability (based on historical interest rate indices, where
applicable, or other accepted analytic techniques) of the realization of savings for both the derivative and traditional structures.

For example, assuming a refunding of $100 million of existing bonds, if a traditional fixed rate advance refunding that does not use derivative products would have a present value savings threshold of $5.0 million, which is 5.0% of the refunded par, then a refunding structure utilizing a derivative product would have to achieve a threshold of $7.0 million in present value savings, or 7.0% of the refunded par. Therefore, the transaction utilizing a swap or other derivative product would have to generate an additional $2.0 million to meet the target. Such analysis should consider structural differences in comparing traditional vs. derivative alternatives, e.g., the non-callable nature of derivative transactions.

For variable rate or other swap transactions that do not result in a fixed interest rate, SANDAG will evaluate any additional value generated through the transaction in assessing the benefits of proceeding, including the ability to meet the objectives outlined herein. These benefits include, for example, managing interest rate or tax risk, optimizing the capital structure or further reducing interest expense.

In determining any benefit in implementing a fixed-to-variable swap, the cost of remarketing, in addition to the cost of credit enhancement or liquidity fees, must be added to the projected variable rate of the bonds or notes. Such a calculation should consider the trading performance of comparable bonds or notes and any trading premium resulting from a specific form of credit enhancement or liquidity and/or any impact related to broader industry trends.

3.3 Maximum Notional Amount

SANDAG will limit the total notional amount of outstanding interest rate swaps based on the proper management of risks, calculation of termination exposure, and development of a contingency plan. The total “net notional amount” of all swaps related to a bond or note issue should not exceed the outstanding or expected to be issued par amount of the related bonds or notes. For purposes of calculating the net notional amount, credit shall be given to any fixed versus variable rate swaps that offset for a specific bond or note transaction.

3.4 Maximum Maturity

SANDAG shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. In connection with the issuance or carrying of bonds or notes, the term of the swap agreement between SANDAG and a qualified swap counterparty shall not extend beyond the final maturity date of the related bonds or notes.

3.5 Liquidity Considerations

SANDAG shall consider the impact of any variable rate bonds or notes issued in combination with an interest rate swap on the availability and cost of liquidity support for other variable rate programs. SANDAG recognizes that there is a limited supply of letter of credit or liquidity facility support for SANDAG’s variable rate bonds or notes, and the usage of liquidity support in connection with an interest
rate swap may result in higher overall financing costs. SANDAG shall consider the benefits of not using liquidity when using a fixed rate bond in conjunction with a swap to variable to create synthetic variable rate debt.

3.6 Call Option Value Considerations

When considering the relative advantage of an interest rate swap to fixed rate bonds, SANDAG will consider the value of the call option on fixed rate bonds, or the cost of including a call or cancellation option in a swap. The value derived from the ability to call bonds at a future date is foregone when using a “non-callable” swap for the remaining term of the bonds. While fixed rate bonds are typically structured with a call provision at a certain time, after which the bonds may be refunded, this opportunity may be lost through the utilization of a long-dated “non-callable” swap, impairing SANDAG’s ability to reap economic savings, unless this option is specifically included under the swap.

4. Interest Rate Swap Features

4.1 Interest Rate Swap Agreement

SANDAG will use terms and conditions as set forth in the International Swap and Derivatives Association, Inc. (“ISDA”) Master Agreement. The swap agreement between SANDAG and each swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions, provisions and safeguards as SANDAG, in consultation with its bond and general counsel and financial advisor, deems necessary or desirable.

Subject to the provisions contained herein, the terms of SANDAG’s swap agreement shall use the following guidelines:

4.1.1 SANDAG’s downgrade provisions triggering termination shall in no event be worse than those affecting the counterparty.

4.1.2 Governing law for swaps will be New York or California.

4.1.3 The specified indebtedness related to credit events in any swap agreement should be narrowly defined and refer only to indebtedness of SANDAG that could have a materially adverse affect on SANDAG’s ability to perform its obligations under the swap.

4.1.4 Collateral thresholds for the swap provider, and for SANDAG if applicable, should be set on a sliding scale reflective of credit ratings of the swap provider or guarantor. Collateral should be held by an independent third party.

4.1.5 Eligible collateral is outlined in Appendix A.

4.1.6 Termination value should be set by a “market quotation” methodology, unless SANDAG deems an alternative methodology to be appropriate.
4.1.7 SANDAG will consider the use of swap insurance to mitigate possible termination risk and also to mitigate the need for SANDAG to post collateral under the Credit Support Annex.

4.2 Interest Rate Swap Counterparties

4.2.1 Credit Criteria

SANDAG will only do business with highly rated counterparties or counterparties whose obligations are supported by highly rated parties. SANDAG will structure swap agreements to protect itself from credit deterioration of counterparties, including the use of credit support annexes or other forms of credit enhancement to secure counterparty performance. Such protection shall include any terms and conditions in SANDAG's sole discretion are necessary or appropriate or in SANDAG's best interest.

SANDAG will make its best efforts to work with qualified swap counterparties that at the time of execution of a swap transaction have a general credit rating of: (i) at least “Aa3” or “AA-” by one of the nationally recognized rating agencies and not rated lower than “A2” or “A” by any nationally recognized rating agency, or (ii) have a “AAA” subsidiary as rated by at least one nationally recognized credit rating agency. The nationally recognized rating agencies are Moody's Investors Services, Inc., Standard and Poor's Rating Services, and Fitch Ratings.

For lower rated (below “AA-”) counterparties, SANDAG will seek credit enhancement in the form of:

4.2.1.1 Contingent credit support or enhancement;
4.2.1.2 Collateral consistent with the policies contained herein;
4.2.1.3 Ratings downgrade triggers; or
4.2.1.4 Guaranty of parent, if any.

In addition, qualified swap counterparties must have a demonstrated record of successfully executing swap transactions as well as creating and implementing innovative ideas in the swap market.

4.3 Limitations on Termination Exposure to a Single Counterparty

In order to diversify SANDAG's counterparty credit risk, and to limit SANDAG's credit exposure to any one counterparty, limits will be established for each counterparty based upon both the credit rating of the counterparty as well as the relative level of risk associated with each existing and proposed swap transaction. The guidelines below provide general termination exposure guidelines with respect to whether SANDAG should enter into an additional transaction with an existing counterparty. SANDAG may make exceptions to the guidelines at any time to the extent that the execution of a swap achieves one or more of the goals outlined in these guidelines or provides other benefits to SANDAG. In general, the maximum Net Termination Exposure, as defined below, to any single counterparty should be set so that it does
not exceed a prudent level as measured against the available financial resources of SANDAG.

Such guidelines will also not mandate or otherwise force automatic termination by SANDAG or the counterparty. Maximum Net Termination Exposure is not intended to impose retroactively any terms and conditions on existing transactions. Such provisions will only act as guidelines in making a determination as to whether or not a proposed transaction should be executed given certain levels of existing and projected net termination exposure to a specific counterparty. Additionally, the guidelines below are not intended to require retroactively additional collateral posting for existing transactions. Collateral posting guidelines are described in the “Collateral Requirements” section below. The calculation of net termination exposure per counterparty will take into consideration multiple transactions, some of which may offset the overall exposure to SANDAG.

Under this approach, SANDAG will set limits on individual counterparty exposure based on existing as well as new or proposed transactions. The sum of the current market value and the projected exposure shall constitute the Maximum Net Termination Exposure. For outstanding transactions, current exposure will be based on the market value as of the last quarterly swap valuation report provided by the financial advisor. Projected exposure shall be calculated based on the swap’s potential termination value taking into account possible adverse changes in interest rates as implied by historical or projected measures of potential rate changes applied over the remaining term of the swap.

For purposes of this calculation, SANDAG shall include all existing and projected transactions of an individual counterparty and all transactions will be analyzed in aggregate such that the maximum exposure will be additive.

The exposure thresholds, which will be reviewed periodically by SANDAG to ensure that they remain appropriate, will also be tied to credit ratings of the counterparties and whether or not collateral has been posted as shown in the table below. If a counterparty has more than one rating, the lowest rating will govern for purposes of the calculating the level of exposure.

The following chart provides the Maximum Net Termination Exposure to a swap counterparty given the lowest credit rating.

<table>
<thead>
<tr>
<th>Credit Rating Category</th>
<th>Maximum Collateralized Exposure</th>
<th>Maximum Uncollateralized Exposure</th>
<th>Maximum Total Termination Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Not applicable</td>
<td>$50 million</td>
<td>$100 million</td>
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<tr>
<td>AA</td>
<td>$50 million</td>
<td>$50 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>A</td>
<td>$30 million</td>
<td>$15 million</td>
<td>$45 million</td>
</tr>
<tr>
<td>Below A</td>
<td>$30 million</td>
<td>None</td>
<td>$30 million</td>
</tr>
</tbody>
</table>
If the exposure limit is exceeded by a counterparty, SANDAG shall conduct a review of the exposure limit per counterparty. SANDAG, in consultation with its bond counsel and financial advisor, shall explore remedial strategies to mitigate this exposure.

4.4 Collateral Requirements

As part of any swap agreement, SANDAG may require collateralization or other forms of credit enhancements to secure any or all swap payment obligations. As appropriate, SANDAG may require collateral or other credit enhancement to be posted by each swap counterparty under the following circumstances:

4.4.1 Each counterparty to SANDAG may be required to post collateral (subject to applicable thresholds) if the credit rating of the counterparty or parent falls below the “AA” category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the Credit Support Annex of the ISDA Agreement between each counterparty and SANDAG.

4.4.2 Threshold amounts shall be determined by SANDAG on a case-by-case basis. SANDAG will determine the reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.

4.4.3 In determining maximum uncollateralized exposure, SANDAG shall also consider and include, as applicable, financial exposure to the same corporate entities that it may have through other forms of financial dealings, such as securities lending agreements and commercial paper investments.

4.4.4 Collateral shall be deposited with a third party trustee, or as mutually agreed upon between SANDAG and the counterparty.

4.4.5 A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty. A complete list of acceptable securities and valuation percentages are included as Attachment A.

4.4.6 The market value of the collateral shall be determined on at least a weekly basis, or more frequently if SANDAG determines it is in SANDAG’s best interest given the specific collateral security.

4.4.7 SANDAG shall determine on a case-by-case basis whether other forms of credit enhancement are more beneficial to SANDAG.

4.5 Swap Insurance

If, after a cost/benefit analysis, it is determined that it would be beneficial to insure the interest rate swap, swap insurance will be pursued.

4.6 Security and Source of Repayment

SANDAG will generally use the same security and source of repayment (pledged revenues) for the interest rate swap as is used for the related bond or note issue.
4.7 Prohibited Interest Rate Swap Features

SANDAG will not use interest rate swaps that are: (i) speculative or create extraordinary leverage or risk, (ii) lack adequate liquidity to terminate without incurring a significant bid/ask spread, (iii) provide insufficient price transparency to allow reasonable valuation, or (iv) are used as investments.

5. Evaluation and Management of Interest Rate Swap Risks

Prior to the execution of any swap transaction, SANDAG’s Director of Finance, financial advisor and bond counsel shall evaluate the proposed transaction and report the findings to SANDAG’s Board. Such a review shall include the identification of the proposed benefit and potential risks. As part of this evaluation, SANDAG shall compute the Maximum Net Termination Exposure to the proposed swap counterparty.

5.1 Evaluation Methodology

SANDAG will review the following areas of potential risk for new and existing interest rate swaps:

<table>
<thead>
<tr>
<th>Type of Risk</th>
<th>Description</th>
<th>Evaluation Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basis Risk</td>
<td>The mismatch between actual variable rate debt service and variable rate indices used to determine swap payments.</td>
<td>SANDAG will review historical trading differentials between the variable rate bonds or notes and the index.</td>
</tr>
<tr>
<td>Tax Risk</td>
<td>The risk created by potential tax events that could affect swap payments.</td>
<td>SANDAG will review the tax events in proposed swap agreements. It will also evaluate the impact of potential changes in tax law on LIBOR indexed swaps.</td>
</tr>
<tr>
<td>Counterparty Risk</td>
<td>The risk that the counterparty fails to make required payments.</td>
<td>SANDAG will monitor exposure levels, ratings thresholds and collateralization requirements.</td>
</tr>
<tr>
<td>Termination Risk</td>
<td>The risk that the transaction is terminated in a market dictating termination payment by SANDAG.</td>
<td>SANDAG will compute its termination exposure for all existing and proposed swaps at market value and under a worst-case scenario. SANDAG will consider use of swap insurance to mitigate this risk.</td>
</tr>
<tr>
<td>Rollover Risk</td>
<td>The mismatch of the maturity of the swap and the maturity of the underlying bonds or notes.</td>
<td>SANDAG will determine its capacity to issue variable rate bonds or notes that may be outstanding after the maturity of the swap.</td>
</tr>
<tr>
<td>Liquidity Risk</td>
<td>The inability to continue or renew a liquidity facility.</td>
<td>SANDAG will evaluate the expected availability of liquidity support for swapped and unhedged variable rate debt and will consider the use of variable rate debt that does not require liquidity (e.g., auction rate securities)</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>The occurrence of an event modifying the credit rating of the issuer or its counterparty.</td>
<td>SANDAG will monitor the ratings of its counterparties and insurers.</td>
</tr>
</tbody>
</table>
5.2 Managing Interest Rate Swap Risks

5.2.1 Annual Report to the Board

Staff will evaluate the risks associated with outstanding interest rate swaps at least annually and provide a written evaluation to the Board of Directors. This evaluation will include the following information:

5.2.1.1 A description of all outstanding interest rate swaps, including related bond series, types of swaps, rates paid and received by SANDAG, existing notional amount, average life and remaining term of each swap agreement and the current termination value of outstanding swaps.

5.2.1.2 Separately for each swap, the actual debt service requirements versus the projected debt service on the swap transaction. For any swap used as part of a refunding, the actual cumulative savings versus the projected savings at the time the swap was executed.

5.2.1.3 The credit ratings of each swap counterparty, parent, guarantor and credit enhancer insuring the swap payments, if any.

5.2.1.4 Actual collateral posting by swap counterparty, if any, per swap agreement and in total by swap counterparty.

5.2.1.5 Information concerning any material event involving outstanding swap agreements, including a default by a swap counterparty, counterparty downgrade or termination.

5.2.1.6 An updated contingency plan to replace, or fund a termination payment in the event an outstanding swap is terminated.

5.2.1.7 The status of any liquidity support used in connection with interest rate swaps, including the remaining term and current fee.

SANDAG shall review the Interest Rate Swap Policy with the Board at least annually.

5.2.2 Contingency Plan

SANDAG shall determine the termination exposure of each of its swaps and its total swap termination payment exposure at least annually and prepare a contingency plan to either replace the swaps or fund the termination payments, if any, in the event one or more outstanding swaps are terminated. SANDAG shall assess its ability to obtain replacement swaps and identify revenue sources to fund potential termination payments.
5.3 Terminating Interest Rate Swaps

5.3.1 Optional Termination

SANDAG will structure interest rate swaps to include optional termination at the current market valuation, which would allow SANDAG to terminate a swap prior to its maturity if it is determined that it is financially advantageous to do so, but will not provide this right to the counterparty.

5.3.2 Mandatory Termination

In the event a swap is terminated as a result of a termination event such as a default or credit downgrade of either counterparty, SANDAG will evaluate whether it is financially advantageous to obtain a replacement swap or, depending on market value, make or receive a termination payment.

In the event SANDAG makes a swap termination payment, SANDAG shall attempt to follow the process identified in its swap contingency plan. SANDAG shall also evaluate the economic costs and benefits of incorporating a provision into the swap agreement that will allow SANDAG to make termination payments over time.

6. Disclosure and Financial Reporting

SANDAG will take steps to ensure that there is full and complete disclosure of all interest rate swaps to the SANDAG Board of Directors, rating agencies and in disclosure documents. With respect to its financial statements, SANDAG will adhere to the guidelines for the financial reporting of interest rate swaps as set forth by the Government Accounting Standards Board.

Adopted: November 2005
# APPENDIX A: ACCEPTABLE COLLATERAL

<table>
<thead>
<tr>
<th>SECURITY</th>
<th>VALUATION PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Cash</td>
<td>100%</td>
</tr>
<tr>
<td>(B) (x) Negotiable debt obligations issued by the U.S. Treasury Department or the Government National Mortgage Association (“Ginnie Mae”), or (y) mortgage backed securities issued by Ginnie Mae (but with respect to either (x) or (y) excluding interest only or principal only stripped securities, securities representing residual interests in mortgage pools, or securities that are not listed on a national securities exchange or regularly quoted in a national quotation service) and in each case having a remaining maturity of:</td>
<td></td>
</tr>
<tr>
<td>(i) less than one year</td>
<td>99%</td>
</tr>
<tr>
<td>(ii) greater than one year but less than 10 years</td>
<td>98%</td>
</tr>
<tr>
<td>(iii) greater than 10 years</td>
<td>95%</td>
</tr>
<tr>
<td>(C) (x) Negotiable debt obligations issued by the Federal Home Loan Mortgage Corporation (“Freddie Mac”) or the Federal Home Loan Mortgage Association (“Fannie Mae”) or (y) mortgage backed securities issued by Freddie Mac or Fannie Mae but excluding interest only or principal only stripped securities, securities representing residual interests in mortgage pools, or securities that are not listed on a national securities exchange or regularly quoted in a national quotation service.</td>
<td></td>
</tr>
<tr>
<td>(D) Any other collateral acceptable to SANDAG’s sole discretion.</td>
<td>The valuation percentage shall be determined by the Valuation Agent from time to time and in its reasonable discretion.</td>
</tr>
</tbody>
</table>

For example, if a counterparty is required to post $1.0 million of collateral and wished to use Ginnie Mae’s with five years remaining to maturity, it would be required to post $1,052,632 ($1.0 million/0.95) to satisfy the collateral requirement.
APPENDIX B: GLOSSARY OF TERMS

Asset/Liability Matching
Matching the term and amount of assets and liabilities in order to mitigate the impact of changes in interest rates.

Bid/Ask Spread
The difference between the bid price (at which a market maker is willing to buy) and the ask price (at which a market maker is willing to sell).

Call Option
The right to buy an underlying asset (e.g. a municipal bond) after a certain date at a certain price. A call option is frequently embedded in a municipal bond, giving the issuer the right to buy, or redeem, the bonds at a certain price.

Collateral
Assets pledged to secure an obligation. The assets are potentially subject to seizure in event of default.

Downgrade
A negative change in credit ratings.

Forward Starting Swap
Interest rate swap that starts at some time in the future. Used to lock-in current interest rates.

Hedge
A transaction that reduces the interest rate risk of an underlying security.

Interest Rate Exchange Agreement
An agreement detailing the contractual exchange of interest payment streams between counterparties. Often the exchange of a fixed and a floating interest rate between two parties. Also called an interest rate swap.

Interest Rate Swap
An agreement detailing the contractual exchange of interest payment streams between counterparties. Often the exchange of a fixed and a floating interest rate between two parties. Also called an interest rate exchange agreement.

Liquidity Support:
An agreement by a bank to make payment on a variable rate security to assure investors that the security can be sold.

LIBOR
London Interbank Offered Rate. Often used as an index to compute the variable rate paid on an interest rate swap.

Maximum Net Termination Exposure
The aggregate termination payment for all existing and projected swap transactions that would be paid by an individual counterparty. For purposes of this calculation, the aggregate termination payment is equal to: (i) the termination payment based on the market value of all existing swaps, plus (ii) the expected worst-case termination payment of the proposed transaction. The expected worst-case termination payment shall be calculated assuming interest rates, as measured by the appropriate index (typically the Bond Buyer Revenue Bond Index or Bond Market Association), increase (or decrease) by two standard deviations from the sample mean over a period of time corresponding to the term of the swap.

Notional Amount
The amount used to determine the interest payments on a swap.

Termination Payment
A payment made by a counterparty that is required to terminate the swap. The payment is commonly based on the market value of the swap, which is computed using the rate of the initial swap and the rate on a replacement swap.
NOVEMBER 6, 2012, BALLOT INITIATIVES

Introduction

This report provides information on the statewide and local ballot measures for the November 6, 2012, general election ballot (Attachment 1). There are 11 statewide propositions that have qualified for the November 2012 ballot. This report summarizes three ballot measures with possible state budget and budget process impacts and one ballot measure that would create new revenues for energy-related programs. Additionally, there are 27 local measures in the San Diego region that have qualified for the November ballot; these include two measures dealing with hotel taxes; one measure dealing with retirement benefits; five measures addressing medical marijuana dispensaries; 12 measures to address local school needs; and others.

Discussion

SANDAG Board Policy No. 010: Ballot Measures, includes procedures and criteria that govern the review of ballot measures by SANDAG. The purpose of the policy is to provide criteria for use by the Executive Committee and Board of Directors to determine whether SANDAG should take a position on ballot measures. The following criteria are to be applied to ballot measures under consideration by SANDAG:

- The proposition should be on the statewide or countywide ballot
- The proposition should not result in usurpation of the authority of any member agency, unless such member agency is on record in support of the proposition
- The subject matter of the proposition should be within the purview of SANDAG
- The subject matter of the proposition should have potential for substantial regional impact

Staff also reviewed the 2012 Legislative Program to determine the consistency of any applicable measure with Board approved legislative positions. As a result of this evaluation, staff is providing information on the following ballot measures for discussion and possible action by the Executive Committee.

Ballot Measures that Affect the State Budget and Budget Process

The November ballot includes two competing sales tax measures and one additional measure that could have budget and budget process impacts if approved by the voters. A summary of the three measures is provided below.
Proposition 30 is sponsored by Governor Jerry Brown and would temporarily increase the state sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. These temporary tax increases would provide additional revenue to support higher school funding, help balance the state budget, and provide tax revenues to local governments to pay for the transferred program responsibilities redirected in 2011, as further discussed below. The FY 2012-2013 budget approved by the Legislature and the Governor this year assumed the passage of this measure. The FY 2012-2013 budget also included a backup plan with spending reductions in case the voters do not approve Proposition 30.

Proposition 30 includes three main provisions: sales taxes and revenues, state spending, and local government programs.

State Taxes and Revenues

• Increases sales tax rate by one-quarter percent for a four-year period from 7.25 percent to 7.5 percent
• Increases personal income tax rates on upper-income taxpayers for a seven-year period from 9.3 percent to 10.3 percent for income over $250,000 to $300,000, from 9.3 percent to 11.3 percent for income over $300,000 to $500,000, and from 9.3 percent to 12.3 percent for income over $500,000 up to $1,000,000
• Raises about $6 billion in additional annual state revenues in FY 2012-2013 through FY 2016-2017 and smaller amounts available in FY 2011-2012, FY 2017-2018, and FY 2018-2019. For FY 2011-12, the funding amount would be dedicated to back payments to schools and community colleges.

State Spending

• If approved by voters, Proposition 30 would generate about $6 billion in additional revenues to help balance the state budget
• If rejected by voters, the FY 2012-2013 budget would be reduced by $6 billion

Local Government Programs

• Guarantees local governments receive tax revenues annually to fund program responsibilities transferred to them by the state in 2011, such as public safety realignment

Arguments For and Against Proposition 30

Proposition 30 is supported by Governor Jerry Brown, League of Women Voters of California, California Democratic Party, California Teachers Association, California State Council of Service Employees, California School Employees Association, American Federation of Teachers, California Federation of Teachers, and others. Proponents argue that without Proposition 30, schools and colleges would face additional $6 billion in cuts this year. Proponents also state that the measure would establish a guarantee for public safety funding.

1 Amounts based on single filer’s taxable income
Proposition 30 is opposed by Howard Jarvis Taxpayers Association, National Federation of Independent Business California, Small Business Action Committee, California Republican Party, and others. Opponents argue that Proposition 30 does not include guarantees that the money would be used for schools.

Proposition 30 – Our Children, Our Future: Local Schools and Early Education Investment and Bond Debt Reduction Act

This measure would raise the personal income tax for most of California taxpayers for the next 12 years, from each taxable year beginning January 1, 2013, through December 31, 2024. It is anticipated that the additional state revenues raised would be about $10 billion and would grow over time. The revenues raised by the measure would be deposited into a new fund, the California Education Trust Fund. The funds would be dedicated for three purposes: schools, Early Care and Education, and state debt payments with priority to pay off pre-kindergarten and university school facility debt.

Unlike Proposition 30, this measure would not provide additional funding to the General Fund to help balance the current state budget. Over time, the bill would provide about $3 billion in General Fund relief since the measure would dedicate funding specifically to pay for education bond debt, which is typically paid out of General Fund revenues.

Proposition 38 also differs from Proposition 30, because Proposition 38 would increase personal income taxes for all income brackets with the exception of the lowest taxpayer bracket. On the other hand, Proposition 30 would only increase taxes for the upper-income tax brackets.

Arguments For and Against Proposition 38

Proposition 38 is supported by Molly Munger, California State Parent Teachers Association, and others. Proponents argue that Proposition 38 will make schools a priority and will invest in schools instead of making cuts to education.

Proposition 38 is opposed by supporters of Proposition 30. Opponents argue that the tax increases would be instituted for too long of a time period.

What Happens if Voters Approve Both Proposition 30 and Proposition 38?

If provisions of the two similar measures approved on the same statewide ballot conflict, the California Constitution specifies that the provisions of the measure receiving more “yes” votes would prevail. Both Propositions 30 and 38 include language to clarify which provisions are to become effective if both measures pass:

- If Proposition 30 receives more “yes” votes, the proposition indicates that its provisions would prevail in their entirety and none of the provisions of any other measure to increase the personal income tax rates would go into effect.

- If Proposition 38 receives more “yes” votes, the proposition indicates that its provisions would prevail and the tax rate provisions of any other measure affecting sales or personal income tax rates would not go into effect. The spending reductions included in Proposition 30, however, would take effect if Proposition 38 receives more “yes” votes.
Proposition 31 – The Government Performance and Accountability Act

This measure would alter both the state and local budget practices and would affect other state legislative and budget adoption processes. If approved by the voters, Proposition 31 would:

- Establish a two-year state budget cycle
- Prohibit the Legislature from creating expenditures of more than $25 million unless offsetting revenues or spending cuts are identified
- Permit the Governor to make cuts to the budget unilaterally during declared fiscal emergencies if the Legislature fails to act
- Require performance reviews of all state programs
- Require performance goals in state and local budgets
- Require publication of all bills at least three days prior to a vote by the Legislature
- Provide counties with the power to alter state statutes or regulations related to spending unless the Legislature vetoes those changes within 60 days

If approved by the voters, there are a lot of unknown issues that would need to be resolved before Proposition 31 could go into effect. In theory all the reforms seem to make sense, but when examined closely, Proposition 31 would make a lot of changes to the state and local budget processes without certainty as to how they would actually work. California has historically had a one-year budget cycle. There are questions about how a two-year process would work. For example, would the Legislature convene to address any budget shortfalls in an off year or would they wait until the next budget cycle began to make changes?

Additionally, Proposition 31 would expand the Governor’s ability to reduce spending, which could result in overall state spending being lower. The measure would restrict the Legislature’s ability to pass bills to change state spending. Since both of these actions depend on future decisions by the Governor and Legislature, there is no way to measure the effects of these possible changes on the state budget at this time.

The new performance goals for state and local budgets would likely result in increases to both the state and local government budgets in order to set up systems to implement the new budgeting performance goals and to administer the new evaluation requirements. According to the Legislative Analyst’s office, the fiscal impact on governments cannot be predicted. Proposition 31 could shift additional responsibilities from the state to local governments. In 2011 with the Governor’s public safety realignment proposal, there was a shift of state responsibilities to the counties. The state is still working on securing funding for the realignment changes through Proposition 30 on the November 2012 ballot. If additional duties were shifted from the state to counties as a result of Proposition 31, it is unclear how the additional responsibilities would be funded in the future.
Arguments For and Against Proposition 31

Proposition 31 is supported by California Forward. Proponents argue that Proposition 31 would not raise taxes, increase costs to taxpayers, or set up any new government bureaucracy. Proposition 31 makes clear that its provisions should be implemented with existing resources.

Proposition 31 is opposed by California League of Conservation Voters, California Federation of Teachers, Peace Officers Research Association of California, and others. Opponents argue that Proposition 31 prevents the state from adopting improvements to programs like education or increasing funding to schools unless it raises taxes or cuts other programs. Opponents also argue that Proposition 31 would expand the power of the Governor by allowing him to cut or eliminate any existing program during a fiscal emergency.

Propositions 30, 38, and 31 will all be on the countywide ballot, are not expected to usurp the authority of any member agency, and have the potential for substantial regional impact. With regard to the remaining element of Board Policy No. 010, however, the Executive Committee may wish to discuss whether Propositions 30 and 38 fall within the purview of SANDAG. SANDAG has not traditionally acted in the field of educational funding. On the other hand, although Proposition 30 concerns funding for education, it also may provide a source of funding for public safety, which may lead the Executive Committee to determine SANDAG should take a position on the measure.

**Ballot Measure Creating New Revenues for Energy-Related Programs**

**Proposition 39 – The California Clean Energy Jobs Act**

Under this measure, beginning in 2013, multistate businesses would no longer be allowed to choose the method of determining the state taxable income that is most advantageous to them. Instead, most multistate businesses would have to determine their California taxable income using the single sales factor method. Businesses that operate solely in California would not be affected by this measure.

If approved by the voters, it is anticipated that Proposition 39 would generate approximately $1 billion in revenues annually from multistate businesses paying increased taxes. As such, Proposition 39 also includes a plan to establish a new state fund, the Clean Energy Job Creation Fund, to support projects intended to improve energy efficiency and expand the use of alternative energy. During the first five years, approximately half of the funding would be dedicated to the new state fund. The remaining revenue would be dedicated to the General Fund, which in turn would generate increased funding for schools through the Proposition 98 minimum guarantee.

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2 The single sales factor method uses only the location of the company’s sales. When using this method, the more sales the multistate business has in California, the more the business’ income is subject to state tax.

3 Proposition 98, which was passed by the voters in 1988 and modified in 1990, requires a minimum level of state and local funding each year for public schools and community colleges. The Proposition 98 guarantee can grow with increases in state General Fund revenues.
Proposition 39 states that the Clean Energy Job Creation Fund could be used to support the following:

- Energy efficiency retrofits and alternative energy projects in public schools, colleges, universities, and other public facilities
- Financial and technical assistance for energy retrofits
- Job training and workforce development programs related to energy efficiency and alternative energy

Arguments For and Against Proposition 39

Proposition 39 is sponsored by Farallon Capital Management, California Tax Reform Association, Green Chamber of Commerce, Environmental Entrepreneurs, American Lung Association California, and CleanTECH San Diego. Proponents argue that there is a loophole in the multistate business tax and that by closing the loophole, California would recover $1 billion in lost revenue every year. Proponents also argue that Proposition 39 would level the playing field by ensuring that multistate companies play by the same rules as California employers.

Proposition 39 is opposed by the California Manufacturers Technology Association, Friends of Saving California Jobs, as well as a coalition of businesses. Opponents argue that Proposition 39 is a tax increase on California job creators that would result in the loss of middle class jobs. They argue that Proposition 39 would increase California's unemployment rate.

Goal Nos. 2B and 12B of the 2012 Legislative Program support policies and/or legislation implementing climate change plans and programs that are consistent with the Regional Comprehensive Plan and the Regional Transportation Plan, and support energy-related legislation, programs, and policies that are consistent with the Regional Energy Strategy (RES). If Proposition 39 is approved, the funds could help achieve RES priority actions for energy upgrades to commercial, residential, and public buildings by augmenting funds for clean energy programs like Energy Upgrade California and the SANDAG Energy Roadmap Program for Local Governments.

The funds generated by Proposition 39 would be deposited into a newly created Clean Energy Job Creation Fund. All programs allocated moneys from this fund would have to coordinate with the California Energy Commission and the California Public Utilities Commission to avoid duplication and leverage existing energy efficiency and clean energy efforts. Currently there are limited resources for funding programs that implement energy efficiency programs.

The funding included in Proposition 39 could provide a stable source of funding for energy efficiency projects for the next five years, but beyond that it is unknown what would happen to the new fund created by Proposition 39. A question that should be asked about Proposition 39 is why should the funds be dedicated only to energy-related programs? There is no correlation between the multistate business tax and energy programs. If the Legislature were to take this proposal up during the legislative session, there could be further debate about where the funds could be dedicated, which includes programs such as energy efficiency, as well as possible General Fund relief. With Proposition 39, the funds are automatically dedicated to energy-related programs.
**Next Steps**

Staff will monitor the November ballot measures and report back to the Executive Committee at a future meeting.

KIM KAWADA  
*TransNet and Legislative Affairs Program Director*

Key Staff Contact: Genevieve Morelos, (619) 699-1994, Genevieve.Morelos@sandag.org

Attachment: 1. November 6, 2012, Statewide and Local Ballot Initiatives
November 6, 2012, Statewide and Local Ballot Initiatives

Statewide Ballot Measures

Proposition 30  The Schools and Local Public Safety Protection Act of 2012
Proposition 31  The Government Performance and Accountability Act
Proposition 32  Political Contributions by Payroll Deduction: Contributions to Candidates
Proposition 33  The 2012 Automobile Insurance Discount Act
Proposition 34  The SAFE California Act
Proposition 35  Californians Against Sexual Exploitation Act
Proposition 36  Three Strikes Reform Act of 2012
Proposition 37  The California Right to Know Genetically Engineered Food Act

Local Ballot Measures

Proposition A  City of Carlsbad: Limits on Increases in Retirement Benefits
Proposition B  City of Chula Vista: Election of City of Chula Vista Councilmembers by District
Proposition C  Cajon Valley Union School District Bond Proposition
Proposition D  Dehesa School District Bond Proposition
Proposition E  Chula Vista Elementary School District
Proposition F  City of Coronado Hotel Tax
Proposition G  Mountain Empire Unified School District Bond Proposition
Proposition H  City of Del Mar: Marijuana Dispensaries and Taxation
Proposition J  City of Del Mar: Village Specific PLAN
Proposition K  City of Encinitas: Mayoral and City Council Elections
Proposition L  City of Encinitas: Two-Year Mayoral Term
Proposition M  City of Encinitas: Four-Year Mayoral Term
Proposition N  City of Escondido: Adoption of a City Charter
Proposition P  City of Escondido: Adoption of a City Charter
Proposition Q  City of Lemon Grove Medical Marijuana Regulatory Ordinance
Proposition R  Ramona Unified School District Bond Proposition
Proposition S  City of Imperial Beach Medical Marijuana Dispensaries Act
Proposition T  City of Lemon Grove Medical Marijuana Dispensary Authorization Ordinance

1 For a copy of the full text of the statewide ballot measures visit: http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures.htm
2 For a copy of the full text of the local ballot measures visit: http://www.sdcounty.ca.gov/voters/Eng/election/2012%20NovemberProps.pdf
<table>
<thead>
<tr>
<th>Proposition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition U</td>
<td>City of Santee Hotel Tax</td>
</tr>
<tr>
<td>Proposition V</td>
<td>Grossmont-Cuyamaca Community College District Bond Proposition</td>
</tr>
<tr>
<td>Proposition W</td>
<td>City of Solana Beach Medical Marijuana Dispensaries</td>
</tr>
<tr>
<td>Proposition Y</td>
<td>South Bay Union School District Bond Proposition</td>
</tr>
<tr>
<td>Proposition Z</td>
<td>San Diego Unified School District Bonds</td>
</tr>
<tr>
<td>Proposition AA</td>
<td>San Dieguito Union School District Bonds</td>
</tr>
<tr>
<td>Proposition BB</td>
<td>Bonsall Union Unification of School District</td>
</tr>
<tr>
<td>Proposition CC</td>
<td>Del Mar Union School District Bonds</td>
</tr>
<tr>
<td>Proposition EE</td>
<td>Mira Costa Community College District Bonds</td>
</tr>
</tbody>
</table>
EXECUTIVE COMMITTEE

October 12, 2012

AGENDA ITEM NO.: 6

Action Requested: INFORMATION

SERVICE BUREAU FY 2012 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 2012, the financial performance of the Service Bureau, and plans for FY 2013.

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 a 17 percent RIS maintenance and enhancement fee. 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, 2012, the Service Bureau had revenues of $457,000 from projects begun during FY 2012 and projects carried over from the previous fiscal year. Expenses related to performing these projects were $406,300, meaning that revenues exceeded expenses by $50,700, or 12 percent. Nonrecoverable costs related to management and business development are covered by this fee as well. When those costs are taken into account, revenues exceeded expenses by $29,100, or 7 percent (see Table 1).
### 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>$247,500</td>
<td>$222,200</td>
<td>$25,300</td>
<td>11%</td>
</tr>
<tr>
<td>Transportation Modeling</td>
<td>$116,900</td>
<td>$113,700</td>
<td>$3,200</td>
<td>3%</td>
</tr>
<tr>
<td>Demographic/Economic/GIS Analysis</td>
<td>$20,000</td>
<td>$14,300</td>
<td>$5,700</td>
<td>40%</td>
</tr>
<tr>
<td>Other Services</td>
<td>$72,600</td>
<td>$56,100</td>
<td>$16,500</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Total All Projects</strong></td>
<td><strong>$457,000</strong></td>
<td><strong>$406,300</strong></td>
<td><strong>$50,700</strong></td>
<td><strong>12%</strong></td>
</tr>
<tr>
<td>Non-project Expenses</td>
<td></td>
<td>$21,500</td>
<td>($21,500)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td><strong>$457,000</strong></td>
<td><strong>$427,800</strong></td>
<td><strong>$29,200</strong></td>
<td><strong>7%</strong></td>
</tr>
</tbody>
</table>

**Non-RIS-Generating Projects***

| Construction Contract Management       | $266,100  | $266,100  | –          | –       |
| Services to Member Agencies            |           |           |            |         |

*In 2011 the City of Santee requested that SourcePoint enter into a contract with Santee to provide access to SANDAG on-call engineering contracts, conduct competitive procurements, and serve as the contract administrator for the construction of certain projects in Santee. Executive Committee approved a waiver of the RIS fee.

### Overview of FY 2012 Projects

A total of 82 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 the strategic and comprehensive plans. These multiyear projects include work with Caltrans to prepare the California-Baja California 2013 Border Master Plan Update. This study examines how planning occurs at ports of entry and the connecting transportation facilities. In addition, the Service Bureau continues to work to develop a draft habitat conservation plan for vernal pools for the City of San Diego.

The next largest revenue-generating category is transportation modeling. More than half of the projects were concentrated in this category. Net revenue in this category is 3 percent which is lower than previous years. The Service Bureau is now using the 2050 Regional Transportation Plan transportation model, which is more complicated and time consuming to run. In addition, several requests to calibrate the regional model to specific study areas were received and were quite challenging, taking longer than anticipated to complete. Therefore, expenses related to these efforts were greater than anticipated resulting in decreased net revenue. Staff has adjusted its approach to estimating workload requirements and net revenue in the future should be closer to the 17 percent level.
The demographic, economic, and GIS services category accounted for approximately one fourth of all projects. The Service Bureau provided a number of services tailored to meet clients’ needs. For instance, staff worked on a team with other local researchers to conduct an economic impact study for the region’s telecommunications industry. Also, at the request of local planning directors, the Service Bureau developed a customized package of statistical data to assist jurisdictions with their housing elements. The service was provided to three jurisdictions during FY 2012 and one more has ordered this package so far in FY 2013.

Lastly, the other services category includes services to local jurisdictions to allow access to existing SANDAG agreements with consultants and contractors to expedite local project delivery. These services include access to job order contracting and on-call visual simulation consultants, and access to environmental review services through the State Water Resources Control Board. This category also includes miscellaneous services such as a survey for the County of San Diego Aging and Independence Services regarding the needs of residents 60 years or older.

**Current and Planned FY 2013 Activities**

Requests for transportation modeling work from various private and public agencies have started strong this fiscal year. The Service Bureau and the City of San Diego executed an on-call transportation modeling agreement and negotiation on the first task order is underway. If desired by other member agencies, these types of on-call contracts could be established to expedite services. Work on the two multi-year strategic plans mentioned earlier will continue through FY 2013 and miscellaneous requests for customized demographic and GIS services have been received.

Increasing awareness of products and services, and understanding the needs of potential clients is an important part of the marketing effort. Staff will seek opportunities to meet with potential clients to discuss needs and opportunities, and will prepare scopes of work and budgets. Staff will seek to keep member agencies informed of products and services through presentations at SANDAG working group meetings. In addition, the Service Bureau always is looking for ways to improve and broaden its menu of mainstay products and services. The Service Bureau will market new and improved products as they come on-line.

KURT KRONINGER  
Director of Technical Services

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San Diego Association of Governments

EXECUTIVE COMMITTEE

October 12, 2012

AGENDA ITEM NO.: 7

Action Requested: APPROVE

REVIEW OF OCTOBER 26, 2012, DRAFT BOARD AGENDA

ITEM #                        RECOMMENDATION

+1. APPROVAL OF MEETING MINUTES
   +A. SEPTEMBER 14, 2012, BOARD POLICY MEETING MINUTES
   +B. SEPTEMBER 28, 2012, BOARD BUSINESS MEETING MINUTES

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
   Board on any issue within the jurisdiction of SANDAG 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 of the
   Board prior to speaking. Public speakers should notify the Clerk of the
   Board if they have a handout for distribution to Board members. Public
   speakers are limited to three minutes or less per person. Board members
   also may provide information and announcements under this agenda
   item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

   APPROVE

   This item summarizes the actions taken by the Borders Committee on
   September 28, the Executive Committee on October 12, and the
   Transportation and Public Safety Committees on October 19, 2012.

CONSENT (4 through X)

+4. ANNUAL MEETING CALENDAR (Kim Kawada)

   APPROVE

   The Board of Directors is asked to approve the calendar of meetings of the
   Board and the Policy Advisory Committees for the upcoming year.

+5. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY
    EXECUTIVE DIRECTOR (André Douzdjian)*

   INFORMATION

   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.
+6. 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.

7. REPORTS (8 through XX)

+8. DRAFT PUBLIC PARTICIPATION PLAN (First Vice Chair Jack Dale; Paula Zamudio)  

By federal law, SANDAG is required to prepare and maintain an agencywide Public Participation Plan (PPP) that serves as an umbrella document for all planning efforts conducted by the agency. The current PPP was adopted in 2009, and staff has prepared an updated PPP after extensive outreach efforts. The Board of Directors is asked to accept the Draft PPP for release to the public for a 45-day comment period.

+9. RECOMMENDATIONS FROM THE 2012 BINATIONAL SEMINAR: THE MECHANICS OF CROSSBORDER COLLABORATION – THE SAN DIEGO REGION AND THE TIJUANA, TECATE AND PLAYAS DE ROSARITO METROPOLITAN ZONE (Vice Mayor John Minto, Borders Committee Chair; Hector Vanegas)  

The Borders Committee recommends that the Board of Director approve the recommendations from the 2012 Binational Seminar entitled, The Mechanics of Crossborder Collaboration – The San Diego Region and the Tijuana, Tecate and Playas de Rosarito Metropolitan Zone.

+10. RESOLUTION AUTHORIZING A CONTRACT AMENDMENT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS) AND SANDAG (Melissa Coffelt)  

The Board of Directors is asked to approve Resolution No. 2013-08 authorizing an amendment to the contract between CalPERS and SANDAG to provide a second tier of retirement benefits (2% at 60 years) for all applicable employees entering membership for the first time in the miscellaneous classification after the effective date of the contract amendment.

11. FINANCIAL MARKET STATUS (André Douzdjian and Marney Cox)*  

This quarterly briefing is intended to keep the Board of Directors informed about the latest developments in the financial markets, the economy, and sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to SANDAG.
13. **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.

+14. **CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – 401 B Street (Laura Coté and Marney Cox)**

+15. **CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – 2929 Juan Street (Laura Coté and Marney Cox)**

16. **REQUEST FOR BUDGET AMENDMENT TO CONTINUE DUE DILIGENCE ON FUTURE OFFICE SPACE OPTIONS (Laura Coté)**

   **DISCUSSION/Possible Action**

   Based on the discussion of the previous items concerning SANDAG future office space options, the Board of Directors may be asked to approve a budget amendment to fund due diligence efforts.

17. **UPCOMING MEETINGS**

   **Information**

   The next Board Policy meeting is scheduled for Friday, November 2, 2012, at 10 a.m. The next Board Business meeting is scheduled for Friday, November 16, 2012, at 9 a.m. Please note these meetings will be held on the first and third Fridays of the month, respectively, due to the holiday schedule.

18. **ADJOURNMENT**

   + next to an agenda item indicates an attachment
   * next to an agenda item indicates a San Diego County Regional Transportation Commission item