Members
Steve Vaus, Chair
Mayor, City of Poway
(Representing North County Inland)

Catherine Blakespear, Vice Chair
Mayor, City of Encinitas
(Representing North County Coastal)

Georgette Gomez
Council President, City of San Diego

Jim Desmond
Vice Chair, County of San Diego
Chair, Transportation Committee

Bill Wells
Mayor, City of El Cajon
(Representing East County)

Mary Salas
Mayor, City of Chula Vista
(Representing South County)
Chair, Regional Planning Committee

Alternates
Rebecca Jones
Mayor, City of San Marcos
(Representing North County Inland)

David Zito
Councilmember, City of Solana Beach
(Representing North County Coastal)

Barbara Bry
Councilmember, City of San Diego

Monica Montgomery
Councilmember, City of San Diego

Kristin Gaspar
Supervisor, County of San Diego

John Minto
Mayor, City of Santee
(Representing East County)
Chair, Public Safety Committee

Serge Dedina
Mayor, City of Imperial Beach
(Representing South County)
Chair, Borders Committee

Hasan Ikhrata
Executive Director, SANDAG

Executive Committee
Friday, July 10, 2020
8:30 to 9:30 a.m.
**Teleconference Meeting**

Agenda Highlights

- Annual Review and Proposed Amendments to Board Policies and Bylaws
- Legislative Status Report

MEETING ANNOUNCEMENT AMIDST COVID-19 PANDEMIC:
The Executive meeting scheduled for Friday, July 10, 2020, will be conducted virtually in accordance with Governor Newsom’s State of Emergency declaration regarding the COVID-19 outbreak, Executive Order N-29-20, and the Guidance for Gatherings issued by the California Department of Public Health. Committee Members will primarily participate in the meeting virtually, while practicing social distancing, from individual remote locations.

There are a few options for public participation:
- At the time of the meeting, listen to the audio stream through sandag.org
- Observe the meeting via Zoom
- Submit comments via email to clerk@sandag.org
- To participate via Zoom webinar, click the link to join the meeting: https://zoom.us/j/97734117790
- To participate via Telephone, dial a number based on your current location (US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 929 205 6099 or +1 301 715 8962 or +1 312 626 6799). The Webinar ID is :911 6815 6786
- International numbers available: https://zoom.us/u/ac3wo6aRwQ

SANDAG is relying on commercial technology to broadcast the meeting via Zoom. With the recent increase of virtual meetings, platforms such as Microsoft Teams, WebEx, GoToMeeting, and Zoom are working to scale their systems to meet the new demand. If we experience technical difficulty or you are unexpectedly disconnected from the broadcast, please close and re-open your browser and click the link to re-join the meeting. SANDAG staff will take all possible measures to ensure a publicly accessible experience. Please note that the meeting will continue to be broadcast audio-only via the “Listen to the meeting” link on sandag.org.

Public Comments: Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerk@sandag.org (please reference: “July 10, Executive Committee Meeting” in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. on Thursday, July 9, will be provided to members prior to the meeting. If you desire to provide a live verbal comment during the meeting, please join the Zoom meeting either by computer or phone. At the time for public comments, members of the public will be advised to ‘Raise Hand’ if they wish to provide comments. The ‘Raise Hand’ feature can be found on the Zoom toolbar for those who are joining via computer or by entering *9 for those who joining via telephone only. The Chair will call on members of the public by name for those joining via a computer and by the last three digits of your telephone number for those joining via telephone. All comments received prior to the close of the meeting will be made part of the meeting record.
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Executive Committee is considering the item. Public speakers are limited to three minutes or less per person. The Executive Committee may only 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 sandag.org/meetings. Additionally, interested persons can sign up for email notifications at sandag.org/subscribe.

SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints, and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to the SANDAG General Counsel, John Kirk, at (619) 699-1997 or john.kirk@sandag.org. Any person who believes himself or herself or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.

In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact the SANDAG ADA Coordinator, the Director of Diversity and Equity, at (619) 699-1900, at least 72 hours in advance of the meeting. To request this document or related reports in an alternative format, please call (619) 699-1900 or (619) 699-1904 (TTY), or fax (619) 699-1905.

SANDAG agenda materials can be made available in alternative languages. To make a request, call (619) 699-1900 at least 72 hours in advance of the meeting.

Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

如有需要, 我们可以把SANDAG议程材料翻译成其他语言.
请在会议前至少 72 小时打电话 (619) 699-1900 提出请求.

Closed Captioning is available

To access Closed Captioning: click the closed caption icon on the toolbar at the top of your screen and follow the prompts. The closed captioning will be shown at the bottom of your screen. Or, open your browser and paste the link: https://www.streamtext.net/player?event=SANDAG-ExecComm

Message from the Clerk

In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) $100, Board of Directors (BOD) $150, and Regional Transportation Commission (RTC) $100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.

Mission Statement

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region’s quality of life.

San Diego Association of Governments · 401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900 · Fax (619) 699-1905 · sandag.org
Executive Committee  
Friday, July 10, 2020

Item No.  Action

+1. Approval of Meeting Minutes  Approve
The Executive Committee is asked to approve the minutes from its June 12, 2020, meeting.

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 SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.”

Consent

+3. FY 2019 SourcePoint Basic Financial Statements and Independent Auditors’ Report  Information
Cheryl Mason, SANDAG
This report presents the FY 2019 SourcePoint Basic Financial Statements and Independent Auditors’ Report for the year ending June 30, 2019.

Reports

+4. Review of Draft Board Agendas  Approve
Victoria Stackwick, SANDAG
The Executive Committee is asked to approve the draft agenda for the July 24, 2020, Board Business meeting. A verbal update on the August 14, 2020, Board Policy meeting will be presented.

+5. Annual Review and Proposed Amendments to Board Policies and Bylaws  Discussion/
Possible Action
Amberlynn Griffin, SANDAG
The Executive Committee is asked to discuss the proposed Bylaws and Board Policy amendments, and 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.

+6. Legislative Status Report  Information
Robyn Wapner, Hector Vanegas, and Laurie Gartrell, SANDAG
An update on SANDAG legislative and policy activities will be presented.

7. 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.
8. Upcoming Meetings

The next Executive Committee meeting is scheduled for Friday, August 14, 2020, at 9 a.m.

9. Adjournment

+ next to an item indicates an attachment
June 12, 2020, Executive Committee Meeting Minutes

Chair Steve Vaus (North County Inland) called the meeting of the Executive Committee to order at 9 a.m.

1. Approval of Meeting Minutes (Approve)

Action: Upon a motion by Supervisor Jim Desmond (County of San Diego), and a second by Chair Vaus, the Executive Committee approved the minutes from its May 8, 2020, meeting. Yes: Chair Vaus, Vice Chair Catherine Blakespear (North County Coastal), Mayor John Minto (East County), Mayor Serge Dedina (South County), and Supervisor Desmond. No: None. Abstain: None. Absent: City of San Diego.

2. Public Comments/Communications/Member Comments (Information)

None.

3. Executive Director’s Report (Discussion)

This item was deferred.

Reports

4. Review of Draft Board Agendas (Approve)

Director of Government Relations Victoria Stackwick presented the item.

Action: Upon a motion by Vice Chair Blakespear, and a second by Mayor Minto, the Executive Committee approved the draft agendas for June 26, 2020, Board Business meeting and the July 10, 2020, Board Policy meeting. Yes: Chair Vaus, Vice Chair Blakespear, Mayor Minto, Mayor Dedina, and Supervisor Desmond. No: None. Abstain: None. Absent: City of San Diego.

5. Annual Review of Committees and Working Groups (Discussion/Possible Action)

The Executive Committee was asked to review all standing and temporary committees and working groups and make recommendations to the Board of Directors for any revisions to functions or membership; and provide feedback on any needed revisions in functions or membership in the committees and working groups.

Clerk of the Board Tessa Lero presented the item.

Action: Discussion only

6. Legislative Status Report (Information)

Manager of Government Relations Robyn Wapner, Borders Program Manager Hector Vanegas, and Associate Government Relations Analyst Laurie Gartrell presented an update on SANDAG legislative and policy activities.

Action: Information only.
7. **Continued Public Comments**
None.

8. **Upcoming Meetings**
The next Executive Committee meeting is scheduled for Friday, July 10, 2020, at 9 a.m.

9. **Adjournment**
Chair Vaus adjourned the meeting at 9:27 a.m.
## Confirmed Attendance at SANDAG Executive Committee Meeting

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Member/Alternate</th>
<th>Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Inland</td>
<td>Steve Vaus, Chair</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Rebecca Jones</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>North County Coastal</td>
<td>Catherine Blakespear, Vice Chair</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>David Zito</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>South County</td>
<td>Mary Salas</td>
<td>Primary</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Serge Dedina</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>East County</td>
<td>Bill Wells</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>John Minto</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Georgette Gomez</td>
<td>Primary</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Barbara Bry</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Monica Montgomery</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>Jim Desmond</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Kristin Gaspar</td>
<td>Alternate</td>
<td>No</td>
</tr>
</tbody>
</table>
FY 2019 SourcePoint Basic Financial Statements and Independent Auditors’ Report

Overview

SourcePoint was established as a nonprofit, public-benefit corporation by SANDAG in 1982 and the Executive Committee serves as its Board of Directors. SourcePoint Bylaws require an independent audit be performed annually. The Basic Financial Statements and Independent Auditors’ Report for the year ending June 30, 2019, is included in Attachment 1. The auditors have expressed an unqualified, or clean, opinion on the basic financial statements.

Cindy Burke, Director, Research and Program Management

Key Staff Contact: Cheryl Mason, (619) 699-1951, cheryl.mason@sandag.org

Action: Information
This report presents the FY 2019 SourcePoint Basic Financial Statements and Independent Auditors’ Report for the year ending June 30, 2019.

Fiscal Impact:
The FY 2019 financial position of SourcePoint is $216,170.
SourcePoint
(A Component Unit of the San Diego Association of Governments)
San Diego, California

Basic Financial Statements and Independent Auditor’s Report
For the year ended June 30, 2019

PREPARED BY THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
FINANCE DEPARTMENT
SourcePoint
A Component Unit of the San Diego Association of Governments

Table of Contents
Year Ended June 30, 2019

INTRODUCTORY SECTION
SourcePoint Board of Directors and SANDAG Officers ................................................................. i

FINANCIAL SECTION
Independent Auditor’s Report ........................................................................................................... 1
Management’s Discussion and Analysis (Required Supplementary Information) ......................... 3
Basic Financial Statements
  Statement of Net Position ............................................................................................................. 9
  Statement of Revenues, Expenses, and Changes in Net Position .............................................. 10
  Statement of Cash Flows .............................................................................................................. 11
  Notes to the Basic Financial Statements ................................................................................... 13

STATISTICAL SECTION
Program Revenues and Net Program Revenues ........................................................................... 21
This page intentionally left blank.
This page intentionally left blank.
SOURCEPOINT

A Component Unit of the
San Diego Association of Governments

SOURCEPOINT BOARD OF DIRECTORS AND SANDAG OFFICERS

As of June 30, 2019

SourcePoint is a 501(c)(3) nonprofit public benefit corporation chartered in 1982 by the San Diego Association of Governments (SANDAG) that was created to provide regional information services and technical assistance to private clients and public agencies. SourcePoint is a complete data, research, and planning center for the San Diego region and offers the information and expertise developed by SANDAG over 20 years of solving regional planning issues and assisting governments with special projects.

BOARD OF DIRECTORS: Hon. Chair, Steve Vaus, Mayor, City of Poway
Hon. Vice Chair, Catherine Blakespear, Mayor, City of Encinitas
Hon. Georgette Gomez, Council President, City of San Diego
Hon. Jim Desmond, Supervisor, County of San Diego
Hon. Bill Wells, Mayor, City of El Cajon
Hon. Mary Salas, Mayor, City of Chula Vista

SANDAG OFFICERS: Hasan Ikhrata, Executive Director
Kim Kawada, Chief Deputy Executive Director
André Douzjian, Director of Finance
John Kirk, General Counsel
Ray Major, Director of Data, Analytics, and Modeling
Cheryl Mason, SourcePoint Manager
This page intentionally left blank.
INDEPENDENT AUDITOR’S REPORT

Board of Directors
SourcePoint
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of SourcePoint, a component unit of the San Diego Association of Governments, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise SourcePoint's basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SourcePoint, as of June 30, 2019, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

We have previously audited SourcePoint's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SourcePoint’s basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe LLP

Costa Mesa, California
December 13, 2019
Management’s Discussion and Analysis

As management of SourcePoint, we offer readers of SourcePoint’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019.

Financial Highlights

SourcePoint’s net position at June 30, 2019, increased by $2,775, or 1.30 percent, when compared to June 30, 2018. The increase in net position was mostly due to the iCommute revenues received exceeding iCommute promotional expenses during the year.

Net position restricted for iCommute activity increased 29.68 percent over the previous year, primarily due to the increase in contributions received and decrease in promotional materials spent in the iCommute program. The iCommute program, powered by the San Diego Association of Governments (SANDAG) and in cooperation with the 511 transportation information service, is the Transportation Demand Management program for the San Diego region. iCommute encourages the use of transportation alternatives to help reduce traffic congestion and greenhouse gas emissions.

Overview of the Financial Statements

The management’s discussion and analysis is intended to serve as an introduction to SourcePoint’s basic financial statements. SourcePoint’s basic financial statements include: (1) statement of net position; (2) statement of revenues, expenses, and changes in net position; (3) statement of cash flows; and (4) notes to the basic financial statements.

Basic Financial Statements. The basic financial statements are designed to provide readers with a broad overview of SourcePoint’s finances in a manner similar to a private sector business.

The statement of net position presents information on all of SourcePoint’s assets and liabilities, with the difference reported as net position. Over time, trends of increasing or decreasing net position may serve as a useful indicator of whether the financial position of SourcePoint is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how SourcePoint’s net position changed during the most recent fiscal year. It reports these changes when the underlying event occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information showing the flow of cash and cash equivalents during the most recent fiscal year. This statement reports cash receipts, cash payments, and interest received resulting from operating activities.

Financial Analysis of SourcePoint as a Whole

As noted earlier, net position may serve over time as a useful indicator of the SourcePoint financial position.
The following table is a summary of the Statement of Net Position as of June 30, 2019, and 2018:

**SourcePoint's Net Position**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$219,420</td>
<td>$218,258</td>
</tr>
<tr>
<td>Liabilities</td>
<td>3,250</td>
<td>4,863</td>
</tr>
<tr>
<td>Net position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted - iCommute</td>
<td>12,636</td>
<td>9,744</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>203,534</td>
<td>203,651</td>
</tr>
<tr>
<td>Total net position</td>
<td>$216,170</td>
<td>$213,395</td>
</tr>
</tbody>
</table>

Unrestricted net position of $203,534 represents fees that are available for spending at the discretion of SourcePoint. The $1,613 decrease in total liabilities was due to less spending of iCommute promotional items this year.

The following table is a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2019, and 2018:

**SourcePoint's Change in Net Position**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,880</td>
<td>$1,882</td>
</tr>
<tr>
<td>iCommute promotions</td>
<td>10,000</td>
<td>7,500</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>11,880</td>
<td>9,382</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>$5,891</td>
<td>$6,734</td>
</tr>
<tr>
<td>iCommute</td>
<td>7,108</td>
<td>9,831</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>12,999</td>
<td>16,565</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(1,119)</td>
<td>(7,183)</td>
</tr>
<tr>
<td>Nonoperating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,894</td>
<td>3,597</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>2,775</td>
<td>(3,586)</td>
</tr>
<tr>
<td>Total net position - beginning of year</td>
<td>213,395</td>
<td>216,981</td>
</tr>
<tr>
<td>Total net position - end of year</td>
<td>$216,170</td>
<td>$213,395</td>
</tr>
</tbody>
</table>

Total operating revenues increased $2,498, or 27 percent, and total operating expenses decreased $3,566, or 22 percent. The changes resulted from an increase in donations from iCommute sponsors, which are
paid through SourcePoint to utilize the 501(c)(3) status. These donations were used to purchase promotional materials encouraging participation in the iCommute program.

Economic Factors and Next Year’s Budget

It is anticipated that all new projects will be provided through the SANDAG Service Bureau rather than SourcePoint. Service Bureau offers fee-base products and services in the same manner as SourcePoint, but without a nonprofit exemption. Only projects for clients having a desire or requirement to conduct business with a nonprofit agency are performed through SourcePoint.

For fiscal year 2020, SourcePoint is equipped to provide professional products and services in the areas of strategic planning, geographic information systems mapping, demographic data and analysis, economic services, transportation modeling and analysis, and survey design and analysis to established and new clients. This could also include providing interested member agencies access to on-call consultants and contractors for professional, construction management, and engineering services.

Contacting SourcePoint’s Financial Management

This financial report was designed to provide a general overview of SourcePoint’s finances for all those interested. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Director of Finance, SourcePoint, 401 B Street, Suite 800, San Diego, California, 92101; (619) 699-1931, or emailed to Cheryl Mason, SourcePoint Manager, at cheryl.mason@sandag.org.
**SourcePoint**  
A Component Unit of the San Diego Association of Governments  
Statement of Net Position  
June 30, 2019  
(With comparative information for the prior year)

<table>
<thead>
<tr>
<th>Totals</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments - unrestricted</td>
<td>$193,614</td>
<td>$197,359</td>
</tr>
<tr>
<td>Cash and investments - restricted</td>
<td>13,886</td>
<td>12,310</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>10,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Due from SANDAG</td>
<td>-</td>
<td>298</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>1,920</td>
<td>791</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>219,420</td>
<td>218,258</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,000</td>
<td>4,542</td>
</tr>
<tr>
<td>Due to SANDAG</td>
<td>1,250</td>
<td>-</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>-</td>
<td>321</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>3,250</td>
<td>4,863</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted - iCommute</td>
<td>12,636</td>
<td>9,744</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>203,534</td>
<td>203,651</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$216,170</td>
<td>$213,395</td>
</tr>
</tbody>
</table>

See accompanying Notes to the Basic Financial Statements.
SourcePoint  
A Component Unit of the San Diego Association of Governments  
Statement of Revenues, Expenses, and Changes in Net Position  
For the year ended June 30, 2019  
(With comparative information for the prior year)

<table>
<thead>
<tr>
<th></th>
<th>Totals</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,880</td>
<td>$1,882</td>
</tr>
<tr>
<td>iCommute promotions</td>
<td>10,000</td>
<td>7,500</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>11,880</td>
<td>9,382</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>5,891</td>
<td>6,734</td>
</tr>
<tr>
<td>iCommute</td>
<td>7,108</td>
<td>9,831</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>12,999</td>
<td>16,565</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(1,119)</td>
<td>(7,183)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,894</td>
<td>3,597</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues</strong></td>
<td>3,894</td>
<td>3,597</td>
</tr>
<tr>
<td><strong>CHANGES IN NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>213,395</td>
<td>216,981</td>
</tr>
<tr>
<td>End of year</td>
<td>$216,170</td>
<td>$213,395</td>
</tr>
</tbody>
</table>

See accompanying Notes to the Basic Financial Statements.
## Statement of Cash Flows

**For the year ended June 30, 2019**

*(With comparative information for the prior year)*

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$ 9,678</td>
<td>$ 1,584</td>
</tr>
<tr>
<td>Payments for suppliers</td>
<td>(14,612)</td>
<td>(12,800)</td>
</tr>
<tr>
<td></td>
<td><strong>(4,934)</strong></td>
<td><strong>(11,216)</strong></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>2,765</td>
<td>3,314</td>
</tr>
<tr>
<td></td>
<td><strong>2,765</strong></td>
<td><strong>3,314</strong></td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2,765</strong></td>
<td><strong>3,314</strong></td>
</tr>
<tr>
<td><strong>Net decrease in cash and investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(2,169)</strong></td>
<td><strong>(7,902)</strong></td>
</tr>
<tr>
<td><strong>CASH AND INVESTMENTS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>209,669</td>
<td>217,571</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 207,500</td>
<td>$ 209,669</td>
</tr>
<tr>
<td><strong>RECONCILIATION OF OPERATING INCOME TO NET CASH USED FOR OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>$ (1,119)</td>
<td>$ (7,183)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used for operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from SANDAG</td>
<td>298</td>
<td>(298)</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>5,000</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(7,500)</td>
<td>(2,500)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(2,542)</td>
<td>3,444</td>
</tr>
<tr>
<td>Due to SANDAG</td>
<td>1,250</td>
<td>-</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>(321)</td>
<td>321</td>
</tr>
<tr>
<td><strong>Net cash used for operating activities</strong></td>
<td>$ (4,934)</td>
<td>$ (11,216)</td>
</tr>
</tbody>
</table>

There were no noncash financing or investing activities for the years ended June 30, 2019 and 2018.

See accompanying Notes to the Basic Financial Statements.
This page intentionally left blank.
I. **Organization and Operations**

SourcePoint was established as a 501(c)(3) nonprofit public benefit corporation by SANDAG on April 15, 1982. SourcePoint was created to provide fee-based 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 Regional Information System. The SourcePoint governing board is the SANDAG Executive Committee, which is made up of six voting members from among the primary voting members of the SANDAG governing board.

SourcePoint is an integral part of the reporting entity of SANDAG, where it is classified as a blended component unit. The accounts and activities of SourcePoint have been included within the scope of the basic financial statements of SANDAG, because SANDAG has financial accountability and continuing oversight responsibility over SourcePoint. The SourcePoint financial statements should be read in conjunction with those of SANDAG. Only the accounts and activities of SourcePoint are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of SANDAG as a whole.

SourcePoint has received notice from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and is exempt from state income taxes on related income pursuant to California Revenue and Taxation Code Section 23701(d).

Effective July 1, 2005, SourcePoint began doing business under SANDAG as an option for clients who are required or prefer to contract with a nonprofit agency. All other clients contract through the SANDAG Service Bureau.

II. **Summary of Significant Accounting Policies**

The accounting policies of SourcePoint conform to Generally Accepted Accounting Principles in the United States as applicable to governmental units. The following is a summary of the significant policies:

A. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The SourcePoint basic financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Estimated unbilled revenues are recognized at the end of each fiscal year.

Proprietary fund types are used to account for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. SourcePoint is accounted for as an enterprise fund, as it is SourcePoint’s policy to establish charges designed to recover the cost of providing services.
B. Revenue Recognition

Revenue from iCommute sponsors is recognized when donations are received and the conditions are met.

C. Cash and Cash Equivalents

SourcePoint’s cash and cash equivalents are demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

SourcePoint’s investment policies are consistent with SANDAG policies and in accordance with California Government Code Section 53601. SourcePoint is authorized to invest in the following:

- Treasury obligations
- Federal agencies and United States government-sponsored enterprises
- State obligations
- Local agency obligations
- Repurchase agreements
- Bankers’ acceptances
- Commercial paper
- Medium-term notes
- Negotiable and nonnegotiable certificates of deposit
- State of California’s Local Agency Investment Fund
- San Diego County Treasurer’s pooled investment fund
- Savings/money market accounts
- California Asset Management Program
- Money market funds
- Mortgage and asset-backed obligations
- Supranationals
SourcePoint
A Component Unit of the San Diego Association of Governments
Notes to the Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Authorized Investment Type</th>
<th>Maximum Effective Maturity</th>
<th>Maximum Percentage of Portfolio</th>
<th>Maximum Investment in One Issuer</th>
<th>Minimum Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Federal agencies and U.S. government sponsored enterprises</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>State municipal obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>A-1/AA</td>
</tr>
<tr>
<td>Local agency obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>A-1/AA</td>
<td></td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>90 Days</td>
<td>N/A</td>
<td>A-1</td>
<td></td>
</tr>
<tr>
<td>Bankers’ acceptances</td>
<td>180 Days</td>
<td>40%</td>
<td>10%</td>
<td>A-1</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>270 Days</td>
<td>25%</td>
<td>10%</td>
<td>A-1</td>
</tr>
<tr>
<td>Medium-Term notes</td>
<td>5 Years</td>
<td>30%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Negotiable certificates of deposits</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Nonnegotiable certificates of deposit</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>State of California’s Local agency investment fund (LAIF)</td>
<td>N/A</td>
<td>Set by LAIF</td>
<td>Set by LAIF</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego county treasurer’s pooled investment fund</td>
<td>N/A</td>
<td>Set by LAIF</td>
<td>Set by LAIF</td>
<td>N/A</td>
</tr>
<tr>
<td>Savings/money market accounts</td>
<td>5 Years</td>
<td>Not to exceed equity</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>California asset management program</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>AA/A-2</td>
</tr>
<tr>
<td>Money market funds</td>
<td>5 Years</td>
<td>20%</td>
<td>N/A</td>
<td>AAA</td>
</tr>
<tr>
<td>Mortgage and asset-backed obligations</td>
<td>5 Years</td>
<td>20%</td>
<td>N/A</td>
<td>AA</td>
</tr>
<tr>
<td>Supranationals</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>AA</td>
</tr>
</tbody>
</table>

SourcePoint is a voluntary participant in the San Diego County Treasurer’s Pooled Money Fund (Pool), which is administered by the Treasurer-Tax Collector’s Office. The fair value of SourcePoint’s investment in the Pool is reported at amounts based upon SourcePoint’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). Earnings realized on investments based on amortized cost are distributed to Investment Pool participants. Section 27013 of the California Government Code authorizes the Treasurer’s Office to deduct administrative fees related to investments. The net realized earnings on investments are apportioned to Pool participants quarterly based on the participants’ average daily balances. The County’s annual financial report for the Pool can be obtained from the Treasurer-Tax Collector at 1600 Pacific Highway, Room 162, San Diego, California, 92101 and can also be accessed at sdttc.com.
D. Net Position

The difference between fund assets and liabilities is “Net Position” on the Statement of Net Position.

Net position is reported as restricted when constraints are placed on net position use by creditors or by law or enabling legislation. The following terms are used in the reporting of net position:

Restricted – iCommute – Certain iCommute activities are performed through SourcePoint. iCommute provides regional information services, promotions, and programs for commuter services. The majority of iCommute activities are performed through SANDAG; however, cash donations that are made by iCommute sponsors are paid to SourcePoint to utilize the 501(c)(3) status. Those cash donations are used to purchase promotional items to encourage participation in the iCommute program.

The balance of the iCommute funding at June 30, 2019, was $12,636.

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,744</td>
<td>$ 10,000</td>
<td>$ (7,108)</td>
<td>$ 12,636</td>
</tr>
</tbody>
</table>

Unrestricted net position – Unrestricted net position is the net amount of the assets and liabilities that is not included in the above restricted category of net position.

It is SourcePoint’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

E. Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SourcePoint are donations from iCommute program. Operating expenses for SourcePoint include iCommute promotional items and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities and related reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Management believes that the estimates are reasonable.
G. Prior Year Comparative Information

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with SourcePoint’s prior year financial statements, from which this selected financial data was derived.

III. Cash and Cash Equivalents

A summary of cash and cash equivalents at June 30, 2019, is as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
<th>Weighted Average Maturity (Days)</th>
<th>NRSRO Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash - demand deposits</td>
<td>$31,993</td>
<td>1</td>
<td>Not Rated</td>
</tr>
<tr>
<td>San Diego County Treasurer’s Pooled Money Fund</td>
<td>175,507</td>
<td>528</td>
<td>AAAf/S1</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>$207,500</td>
<td>447</td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2019, SourcePoint’s carrying amount of deposits and bank balance was $31,993. This balance was covered by federal depository insurance.

A. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit losses from interest rate risk, investments are generally limited to a maturity of five years or less, unless express authority is granted by the board. Furthermore, SourcePoint does not have callable step up United States Agency securities and holds investments in liquidity to sustain operations for the next six months. SourcePoint is in compliance with all provisions of the investment policy.
B. **Credit Risk**

Investments are subject to credit risk, which is the chance that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer’s ability to make these payments will cause price to decline. SourcePoint maintains policies to manage credit risks, which include requiring minimum credit ratings issued by nationally recognized statistical rating organizations for its investments. SourcePoint is in compliance with all minimum rating requirements of the investment policy and did not experience any credit rating changes that brought a security below the minimum required credit ratings.

C. **Concentration of Credit Risk**

Concentration of credit risk is the risk associated with a lack of diversification or having too much invested in a few individual shares. SourcePoint maintains investment policies that establish thresholds for holdings of individual securities. SourcePoint did not have any holdings meeting or exceeding the allowable threshold levels as of June 30, 2019. SourcePoint did not have any investments in one issuer greater than 5 percent of total investments.

D. **Custodial Credit Risk**

The California Government Code requires California banks and savings and loan associations to secure SourcePoint cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the SANDAG name.

The market value of pledged securities must equal at least 110 percent of SourcePoint cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the SourcePoint total cash deposits. SourcePoint, per direction of the SANDAG investment policy, may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. SourcePoint, however, has not waived the collateralization requirements.
STATISTICAL SECTION
(UNAUDITED)
This page intentionally left blank.
*Note: To better reflect SourcePoint's program revenues, note the following:

FY 2002 is shown net of a $150,000 one-time contribution to SANDAG for public outreach;
FY 2004 and FY 2005 are shown net of $61,991 and $73,814, respectively, of marketing-related labor expenses not recovered with services revenue;
Beginning in FY 2006 with the introduction of RideLink into SourcePoint, revenues and net assets are shown net of RideLink activities;
FY 2008 is shown net of a $69,340 contribution to SANDAG for two projects to enhance the agency's Regional Information System;
Beginning in FY 2012, program revenues increased due to contract management work within Redevelopment Project Areas in the City of Santee;
FY 2013 is shown program revenues of $1,245,644 as the City of Santee project moves into the construction phase;
FY 2014 is shown program revenues of $4,639,644 as the City of Santee project approaches the completion of the construction phase;
FY 2015 is shown program revenues of $11,865,422 as construction work for one of the City of Santee projects was completed;
FY 2016 is shown program revenues of $1,425,513 as construction work for the City of Santee project was complete.
July 10, 2020

Draft July 24, 2020, Board of Directors Meeting Agenda

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Public Comments/Communications/Member Comments</td>
</tr>
<tr>
<td></td>
<td>Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda.</td>
</tr>
<tr>
<td>2.</td>
<td>Policy Advisory Committee Chairs' Report</td>
</tr>
<tr>
<td></td>
<td>Policy Advisory Committee Chairs will provide updates on key committee activities.</td>
</tr>
<tr>
<td>3.</td>
<td>Executive Director's Report</td>
</tr>
<tr>
<td></td>
<td>Hasan Ikhrata, SANDAG</td>
</tr>
<tr>
<td></td>
<td>An update on key programs, projects, and agency initiatives, including San Diego Forward: The 2021 Regional Plan, the Airport Connectivity project, and the agency’s response to COVID-19, will be presented.</td>
</tr>
<tr>
<td>+4.</td>
<td>Approval of Meeting Minutes</td>
</tr>
<tr>
<td>+4A.</td>
<td>June 12, 2020, Board Policy meeting</td>
</tr>
<tr>
<td>+4B.</td>
<td>June 26, 2020, Board Business meeting</td>
</tr>
<tr>
<td>+5.</td>
<td>Approval of Proposed Solicitations and Contract Awards</td>
</tr>
<tr>
<td></td>
<td>Julie Wiley, SANDAG</td>
</tr>
<tr>
<td></td>
<td>The Board of Directors is asked to approve the proposed solicitations and contract awards.</td>
</tr>
<tr>
<td>+6.</td>
<td>Policy Advisory Committee Actions</td>
</tr>
<tr>
<td></td>
<td>Tessa Lero, SANDAG</td>
</tr>
<tr>
<td></td>
<td>The Board of Directors is asked to ratify the delegated actions taken by the Policy Advisory Committees since the last Board meeting.</td>
</tr>
<tr>
<td>+7.</td>
<td>Proposed FY 2021 Program Budget Amendment: Caltrans Planning Grants</td>
</tr>
<tr>
<td></td>
<td>April Petonak, SANDAG</td>
</tr>
<tr>
<td></td>
<td>The Board of Directors is asked to approve a proposed amendment to the FY 2021 Program Budget, accepting approximately $1.8 million in Caltrans planning grant funding.</td>
</tr>
</tbody>
</table>
+8. Executive Director Delegated Actions*  
*André Douzdjian, SANDAG

In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Executive Director since the last Board Business meeting.

+9. Meetings and Events Attended on Behalf of SANDAG  
*Tessa Lero, SANDAG

Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board Business meeting.

**Reports**

+10. Specialized Transportation Grant Program: Evaluation Criteria and Call for Projects*  
*Supervisor Jim Desmond, Transportation Committee Chair; Brian Lane, SANDAG

The Transportation Committee recommends that the Board of Directors approve the evaluation criteria for the Cycle 11 Specialized Transportation Grant Program Call for Projects.

+11. TransNet Debt Financing Program: Memorandums of Agreement*  
*Supervisor Jim Desmond, Transportation Committee Chair; Dawn Vettese and Linda Culp, SANDAG

+11A. North County Transit District

The Transportation Committee recommends that the Board of Directors authorize the Executive Director to execute a Memorandum of Agreement with the North County Transit District to issue $46 million in Commercial Paper through the TransNet Debt Financing program.

+11B. City of Imperial Beach

The Transportation Committee recommends that the Board of Directors authorize the Executive Director to execute a Memorandum of Agreement with the City of Imperial Beach to issue $600,000 in Commercial Paper through the TransNet Debt Financing program.

+12. COVID-19 Impacts on Transportation Planning in the San Diego Region  
*Elisa Arias, Antoinette Meier, Ray Major, SANDAG

An overview of regional economic and transportation impacts of COVID-19 will be presented.

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. **Upcoming Meetings**

   The next Board Policy meeting is scheduled for Friday, August 14, 2020, at 10 a.m.
   The next Board Business meeting is scheduled for Friday, August 28, 2020, at 9 a.m.

15. **Adjournment**

   + next to an agenda item indicates an attachment
   *
   next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item
Annual Review and Proposed Amendments to Board Policies and Bylaws

Overview
The Office of General Counsel annually reviews Board Policies and Bylaws with staff and leadership to determine if updates should be recommended to the Board of Directors.

Key Considerations
The proposed amendments are summarized below and shown in tracked changes in Attachments 1 through 9.

SANDAG Bylaws (Attachment 1)

Article III, Section 5: Clarify criteria for receipt of stipend allowance for attendance at Board and Policy Advisory Committee meetings, Working Group meetings, and other events.

Article IV, Section 2: Update noticing process to make consistent with agency practice.

Article V, Section 4: Authorize the Executive Director to use an alternative title (see Organization Changes section below).

Article VI, Section 3: Authorize Director of Finance to use an alternative title (see Organization Changes section below).

Article VI, Section 5: Update to reflect authority currently granted to Executive Director by SANDAG Board Policy No. 017.

SANDAG Board Policy No. 001: Allocation of Responsibilities (Attachment 2)

Section 4: Clarify the authority of the Transportation Committee regarding oversight of TransNet compliance audits, consistent with the TransNet Ordinance.

SANDAG Board Policy No. 003: Investment Policy (Attachment 3)

Section 11: Update investment policy reporting requirements, consistent with state law.

SANDAG Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies (Attachment 4)

Section 4: Clarify responsibilities for members of SANDAG legislative bodies regarding Statement of Economic Interests filings.

Section 7: Update to make consistent with existing delegated authority provisions of Board Policy No. 001.

SANDAG Board Policy No. 011: Travel Expenses (Attachment 5)

Revise to make consistent with federal General Services Administration travel guidelines, particularly as to per diem rates and meal and lodging reimbursement.

SANDAG Board Policy No. 016: Procurement of Services (Attachment 6)

Section 1, 2, 3, and 6: Revise procurement thresholds to align with current law.

Section 3: Refine language to reflect current internal practices for major service agreements.
Section 5: Add reference to the special requirements for projects funded by Caltrans or the Federal Highway Administration (FHWA), in accordance with state law.

Sections 6, 9, and 12: Update to reflect the approval authority of the Executive Director, consistent with the budget thresholds set forth in Board Policy No. 017.

Section 11: Refine language to better reflect requirements of state and federal discrimination laws.

**SANDAG Board Policy No. 023: Procurement and Contracting – Equipment and Supplies (Attachment 7)**

Section 2, 4, 5, 6, 7, and 8: Revise procurement thresholds to align with current law.

Section 4: Add reference to the special requirements for projects funded by Caltrans or FHWA, in accordance with state law.

**SANDAG Board Policy No. 024: Procurement and Contracting – Construction (Attachment 8)**

Section 1: Revise procurement thresholds to align with current law.

Section 1: Update to reflect current nomenclature and internal administrative process.

Section 2: Refine language to better reflect requirements of state and federal discrimination laws.

**SANDAG Board Policy No. 025: Public Participation Policy (Attachment 9)**

Update to make consistent with federal and state laws and regulations regarding the establishment of a Public Participation Plan.

**SANDAG Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities (Attachment 10)**

The Audit Committee has requested various amendments to the policy governing the committee.

Section 2: Requests that either the Chair or Vice Chair position be held by a public member of the Audit Committee.

Section 4.1.4: Proposes to eliminate term limits for Board members appointed to the Audit Committee.

Section 4.2.8: Proposes to increase the terms of the public members from two years to four years and limit public members to two consecutive terms.

**Organization Changes**

SANDAG is currently undergoing changes to its organizational structure, resulting in modifications to certain job titles referenced throughout its Board Policies. Staff seeks the authority to revise staff titles in the impacted Board Policies, as reflected in the chart below:

<table>
<thead>
<tr>
<th>Current Title</th>
<th>Revised Title</th>
<th>Board Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>Chief Executive Officer</td>
<td>1, 3, 4, 5, 7, 8, 9, 11, 12, 13, 15, 16, 17, 21, 23, 26, 27, 28, 34, 35, 36, 37, 40</td>
</tr>
<tr>
<td>Chief Deputy Executive Director</td>
<td>Senior Executive Team member</td>
<td>3, 9, 11, 17</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>Chief Financial Officer</td>
<td>3, 11, 17, 32, 36, 37, 39</td>
</tr>
<tr>
<td>Director of Administration</td>
<td>Director of Organization Effectiveness</td>
<td>7</td>
</tr>
<tr>
<td>Contracts Manager</td>
<td>Director of Contracts and Grants</td>
<td>16, 23</td>
</tr>
<tr>
<td>Communications Director</td>
<td>Director of Strategic Communications</td>
<td>34</td>
</tr>
</tbody>
</table>
Next Steps
Staff will return to the Executive Committee to address any requested revisions and seek a recommendation for approval by the Board at a future meeting.

John Kirk, General Counsel
Key Staff Contact:  Amberlynn Griffin, (619) 595-1405, Amberlynn.Griffin@sandag.org
Attachments:  1. SANDAG Bylaws  
2. Board Policy No. 001: Allocation of Responsibilities  
3. Board Policy No. 003: Investment Policy  
4. Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory Committees and Other Legislative Bodies  
5. Board Policy No. 011: Travel Expenses  
6. Board Policy No. 016: Procurement of Services  
7. Board Policy No. 023: Procurement and Contracting – Equipment and Supplies  
8. Board Policy No. 024: Procurement and Contracting – Construction  
9. Board Policy No. 025: Public Participation Policy  
10. Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities
SAN DIEGO ASSOCIATION OF GOVERNMENTS 
BYLAWS

ARTICLE I

NAME AND PURPOSE

Section 1
The name of this organization shall be the San Diego Association of Governments (hereinafter referred to as SANDAG).

Section 2
The purposes of this organization are as set forth in the San Diego Regional Transportation Consolidation Act (the “Act”1), as established by state and federal law, and as approved by the Board of Directors. The primary purpose for which this organization is created is to engage in regional cooperative comprehensive planning, programming and where authorized, implementation thereof, and to assist the Member Agencies.

ARTICLE II

DEFINITIONS

The following terms shall have the meanings ascribed to them within this section unless the content of their use dictates otherwise:

a. “Board Member” shall mean a voting member of the Board of Directors.

b. “Region” shall mean that territory physically lying within the boundaries of San Diego County.

c. “Population” of any Member Agency shall mean that population as defined in SB 1703.

d. “Fiscal Year” shall mean that year beginning July 1 and ending June 30.

d. “Member Agencies” shall mean the cities within San Diego County and the County of San Diego collectively.

e. “Subregion” shall mean one of the following six geographic areas: San Diego County; the City of San Diego; “North County Coastal,” which includes the cities of Del Mar, Solana Beach, Encinitas, Carlsbad, and Oceanside; “North County Inland,” which includes the cities of Vista, San Marcos, Escondido, and Poway; “South County,” which includes the cities of Chula Vista, National City, Imperial Beach, and Coronado; and “East County,” which includes the cities of El Cajon, Santee, La Mesa, and Lemon Grove.

ARTICLE III

MEMBERSHIP AND ORGANIZATION

Section 1
Membership in this organization shall be as provided in state law, Board Policies, and these Bylaws.

Section 2

1 Public Utilities Code §132350 et seq.
a. All powers of SANDAG shall be exercised by the Board of Directors. The Board of Directors may choose to delegate several of its responsibilities from time to time in accordance with Board policy.

b. Only the duly selected official representative(s), or in his or her absence, his or her duly selected alternate or alternates, shall be entitled to represent his or her Member Agency in the deliberations of the Board of Directors.

c. When changes occur, names of the official representatives and alternates shall be communicated in writing to the SANDAG Clerk of the Board by each participating Member Agency.

Section 3

There shall be at least six standing committees which shall be known as Policy Advisory Committees with the membership set forth in the Act or Board Policy.

a. The procedure for subregional appointments to the Policy Advisory Committees shall be established by Board policy. In the case of the subregional appointments, the policy shall ensure a noticed, formal process wherein all Board Members (including alternates) from each subregion are provided an opportunity to participate in the selection process. Each subregion shall ensure that SANDAG staff is notified of the date, time, and location for that subregion’s meeting. After the meeting for each subregion is set by the primary Board Members, SANDAG staff shall provide Board alternates from each subregion advance notice of the meeting. A majority of the primary members present at the subregion meeting shall make a selection by January 31. An alternate member may vote in the absence of the primary member. In appointing persons to the Transportation Committee, to the extent possible, the subregions and other agencies should avoid duplication of representation from any city other than the City of San Diego.

b. Procedures for Policy Advisory Committee attendance and voting shall be established by Board policy. The policy shall ensure the formal delineation of the voting membership at each meeting.

c. The Board Chair and Vice Chair may serve as ex-officio, non-voting members of the Policy Advisory Committees.

d. The Board Chair shall select the Chair and Vice Chair of all Policy Advisory Committees except the Executive Committee and Audit Committee, annually in or around February.

e. The Board Chair shall serve as the chair of the Executive Committee. The Board Vice Chair shall serve as the Vice Chair of the Executive Committee.

f. The Chair and Vice Chair of the Audit Committee shall be selected as set forth in Board Policy No. 039.

Section 4

The Board of Directors or a Policy Advisory Committee with delegated authority shall have the authority to appoint all additional committees or working groups and may provide for the appointment of alternates to these committees if permitted by a Board Policy.

a. Additional Policy Advisory Committees may be appointed by the Board of Directors as may be required to carry out general and continuing functions and may be abolished only upon specific action by the Board of Directors.

b. Ad hoc specialized subcommittees or working groups may be appointed by the Board of
Directors as the need arises to accomplish specific tasks. The Policy Advisory Committees may appoint working groups to advise them. Upon completion of its assignment, each ad hoc subcommittee or working group shall disband.

Section 5

In addition to any compensation mandated by state law for Board meetings, the rates below shall apply. Persons must be present for at least 1/2 of the time set for the meeting or the duration of the meeting, whichever is less, in order to be eligible for compensation.

a. For attendance by Board Members, or alternates in their absence, at Board meetings or Board subcommittee meetings, $150 per meeting.

b. For attendance by all voting members and their alternates when serving as a member or alternate of a Policy Advisory Committee, $100 per meeting.

c. For attendance by Board Members and alternates, or advisory Board members when serving as a chair of a Working Group, $100 per meeting.

d. The limit on the total number of paid Board, Policy Advisory Committee, and Working Group meetings is six meetings per individual per month. In no event shall a member of a Policy Advisory Committee or Working Group receive more than one stipend for attendance at a concurrent meeting.

d. For attendance by Board Members at meetings or events other than those described above when serving as an official representative of SANDAG or from which SANDAG will derive a specific benefit through the attendance of a representative, $100 per each day of the meeting or event in which business is conducted if within the County of San Diego, or $150 per each day of the meeting or event in which business is conducted if outside of the County of San Diego. Ethics training and similar classes of an educational nature shall not constitute an event for which compensation will be paid unless the Board Member is attending the training as an official representative of SANDAG.

e. The limit on the total number of paid Board, Policy Advisory Committee, and Working Group meetings is six meetings per individual per month.

f. The Chair of the Board shall receive additional monthly compensation of $700 per month, which shall include compensation for attendance at one in-person staff briefing per scheduled meeting of the Board. Any additional meetings or events attended in-person by the Chair of the Board shall be compensated in accordance with the requirements of Article III, section 5(h).

f. The Vice Chair of the Board shall receive additional monthly compensation of $350 per month, which shall include compensation for attendance at one in-person staff briefing per scheduled meeting of the Board. Any additional meetings or events attended in-person by the Vice Chair of the Board shall be compensated in accordance with the requirements of Article III, section 5(h).

g. The Chair and Vice Chair of a Policy Advisory Committee shall receive compensation of $100 for attendance at one in-person staff briefing per scheduled meeting of their respective Policy Advisory Committee. Any additional meetings or events attended in-person by the Chair or Vice Chair of a Policy Advisory Committee shall be compensated in accordance with the requirements of Article III, section 5(h).

h. For attendance by Board Members at meetings or events other than those described above when serving as an official representative of SANDAG or from which SANDAG will, at the discretion of the Chair of the Board, derive a specific benefit through the in-person attendance of a representative, $100 per each day of the meeting or event in which business is conducted if within the County of San Diego, or $150 per each day of the meeting or event in which business
is conducted if outside of the County of San Diego. Ethics training and similar classes of an educational nature shall not constitute an event for which compensation will be paid unless the Board Member is attending the training as an official representative of SANDAG.

ARTICLE IV
MEETINGS

Section 1
a. A quorum for a meeting of the Board of Directors shall be as provided for in Section 5 of this Article.

b. A quorum shall be required for the conduct of any business of a committee. No business shall be conducted by a committee without a quorum. A simple majority of the appointed members of a committee shall constitute a quorum. All decisions by a committee shall be by simple majority of the quorum.

Section 2
Parliamentary procedure at all meetings shall be governed by Roberts Rules of Order except as otherwise modified by state law, Board Policy, or these Bylaws. SANDAG shall forward notice of the meetings of the Board of Directors and each Policy Advisory Committee, stating the time, location, and the agenda of business to each Board Member’s agency and to the respective members and alternates of the Board of Directors or the Policy Advisory Committees, at the earliest time possible, but in no event less than 72 hours prior to meetings, except that such written notice of regular Board of Directors’ meetings may be forwarded by first class mail or other appropriate means not less than seven days prior to such meeting.

Section 3
All meetings of a SANDAG legislative body, including without limitation regular, adjourned regular, and special meetings of the Board of Directors, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code). Closed session items should be heard by the Board of Directors unless timeliness requires consideration by the Executive Committee or, for transportation matters the Transportation Committee. The Audit Committee may hold closed sessions on matters within its purview. In any event, the Transportation Committee is authorized to convene closed sessions and make final decisions with regard to real property transactions related to transportation projects, however, this delegation does not include the authority to make a Resolution of Necessity or to commence litigation. The Transportation Committee will report real property transaction purchase amounts at the next regular meeting of the Board occurring after final execution of the purchase documents.

Section 4
The Board and committees shall meet according to the following schedule:

a. The Board of Directors and Policy Advisory Committees shall hold their regular meetings on Fridays unless otherwise determined from time to time by the Board of Directors or Policy Advisory Committee. Regular meetings of the Board of Directors shall be held on the second and fourth Friday mornings of the month at the SANDAG offices or at other locations within San Diego County, unless otherwise provided by the Board. Special meetings of the Board of Directors or Policy Advisory Committees may be called from time to time by their respective Chair.
b. Other committees shall meet whenever called by their respective Chair.

Section 5 (Sections 132351.2 and 132352.1 of the Public Utilities Code)

a. There are 19 Member Agencies on the Board and a majority of the Member Agencies constitutes a quorum for the transaction of business. In order to take final action on any item, except the final vote(s) electing the Chair and Vice Chair of the Board, which shall require use of the weighted vote procedure as described below in subsection b, a majority vote of the Board Members present on the basis of one vote per agency (tally vote) is required. After the tally vote of the Board Members is taken, a weighted vote may be called by the Board Members of any two Member Agencies unless otherwise required by law. Approval under the weighted vote procedure requires the vote of not less than four Board Members representing separate Member Agencies and not less than 51 percent of the total weighted vote to supersede the original action of the Board.

b. The election of the Chair and Vice Chair of the Board shall require use of the weighted vote procedure set forth in Public Utilities Code Section 132351.2(e) without a prior tally vote requirement. In the event approval using the procedure in Public Utilities Code Section 132351.2(e) cannot be obtained to allow final action on the election, one or more preliminary votes may be taken using the tally vote method in order to narrow the options sufficiently to obtain approval on the final action as required by Public Utilities Code Section 132351.2(e).

c. The City and County of San Diego shall each determine how to allocate their tally vote between their two members by resolution and shall provide their resolutions to the SANDAG Clerk of the Board. The City and County of San Diego shall allocate their weighted votes equally.

d. For the weighted vote, there shall be a total of 100 votes, except additional votes shall be allowed pursuant to subdivision (h). Each Member Agency shall have that number of votes determined by the following apportionment formula, provided that each agency shall have at least one vote, no agency shall have more than 50 votes, and there shall be no fractional votes in the allocation of votes to each Member Agency:

(1) If any agency has 50 percent or more of the total population of the San Diego County region, allocate 50 votes to that agency and follow paragraph (2), if not, follow paragraph (3).

(2) Total the population of the remaining agencies determined in paragraph (1) and compute the percentage of this total that each agency has.

(A) Multiply each percentage derived above by 50 to determine fractional shares.

(B) Boost fractions that are less than one, to one and add the whole numbers.

(C) If the answer to subparagraph (B) is 50, drop all fractions and the whole numbers are the votes for each Member Agency.

(D) If the answer to subparagraph (B) is less than 50, the remaining vote(s) is allocated one each to the Member Agency having the highest fraction excepting those whose vote was increased to one pursuant to subparagraph (B) above.

(E) If the answer to subparagraph (B) is more than 50, the excess vote is taken one each from the Member Agency with the lowest fraction. In no case shall a Member Agency's vote be reduced to less than one.

(3) Total the population determined in paragraph (1) and compute the percentage of this total that each Member Agency has.

(A) Boost fractions that are less than one to one and add the whole numbers.
(B) If the answer to subparagraph (A) is 100, drop all fractions and the whole numbers are the votes for each Member Agency.

(C) If the answer to subparagraph (A) is less than 100, the remaining vote(s) is allocated one each to the Member Agency having the highest fraction excepting those whose vote was increased to one pursuant to subparagraph (A) above.

(D) If the answer to subparagraph (A) is more than 100, the excess vote(s) is taken one each from the agency with the lowest fraction. In no case shall a Member Agency’s vote be reduced to less than one.

e. When a weighted vote is taken on any item that requires more than a majority vote of the Board, it shall also require the supermajority percentage of the weighted vote.

f. The weighted vote formula shall be recomputed in the above manner every July 1.

g. For purposes of subsection d, the population of the County of San Diego is the population in the unincorporated area of the county. In those years when the primary representative of the San Diego County Board of Supervisors to the SANDAG Board of Directors is from a district that is substantially an incorporated area, a supervisor who represents a district that is substantially an unincorporated area shall be appointed to the Board as the secondary representative. Alternatively, in those years when the primary representative of the San Diego County Board of Supervisors is from a district that is substantially an unincorporated area, a supervisor who represents a district that is substantially an incorporated area shall be appointed to the Board as the secondary representative.

h. Any newly incorporated city shall receive one vote under the weighted vote procedure specified above until the next recomputation of the weighted vote formula, at which time the new agency shall receive votes in accordance with the recomputed formula. Until this recomputation, the total weighted vote may exceed 100.

ARTICLE V
OFFICERS AND THEIR DUTIES

Section 1
The Board of Directors shall have as officers a Chair and Vice Chair who are primary members of the Board. Policy Advisory Committees shall have as officers a Chair and Vice Chair, who are primary or alternate members of the Board and primary members of their respective committees. The Executive Director shall be the Secretary of the Board and each Policy Advisory Committee.

a. The Chair shall preside over Board and committee meetings and have general supervision of Board and committee affairs. The Chair shall sign all official documents when directed to do so by the Board and committees respectively.

b. The Vice Chair shall perform the duties of the Chair in his or her absence and perform any duties that the Chair may require.

c. In the event of the absence of both officers of the Board of Directors or Executive Committee at a meeting or otherwise, a Chair of a Policy Advisory Committee shall serve as Chair Pro Tempore and perform the duties of the Chair according to the following schedule: first quarter of calendar year: Chair of Borders Committee; second quarter of calendar year: Chair of Public Safety Committee; third quarter of calendar year: Chair of Regional Planning Committee; fourth quarter of calendar year: Chair of Transportation Committee.
d. In the event of the absence of both officers of a Policy Advisory Committee, or in the case of a Board of Directors or Executive Committee meeting, the absence of all officers including the then-current Chair Pro Tempore as designated above, the Immediate Past Chair may preside or the Board Chair may appoint a voting member of the Board or committee in advance to act as acting chair of the body for that meeting.

**Section 2**

The Board may delegate authority to the Board Chair for action consistent with Board approved criteria on categories of items.

**Section 3**

Election of officers of the Board of Directors shall be held every two years during a regular meeting in or around December. A majority of the Board Members may approve variations to the schedule in this Section in the event of a vacancy or other exigency. The Chair and Vice Chair shall not be from the same subregion. Officers for the Board of Directors shall be elected in the following manner:

a. In or around July of an election year, application forms will be made available on the Board of Directors page of the SANDAG website for persons interested in applying for the Chair or Vice Chair position on the Board of Directors. Applications shall be structured to screen for the best regional leaders from among the primary members and shall include questions concerning the candidate’s vision statement for SANDAG and his/her qualifications. Applications shall be due within 30 days after the application forms are posted. Only candidates who submit an application by the deadline or who are primary members nominated from the floor on the day of election will be considered for office.

b. The Chair shall appoint up to a six-person nominating committee, who shall be members of the Board from each of the subregions. The nominating committee appointments shall be announced at a regular meeting in or around September of each year. The nominating committee shall not, however, include Board Members from Member Agencies that have applicants for the Chair or Vice Chair position on the Board of Directors.

c. If more than one candidate has applied for a particular office, the nominating committee shall interview the candidates. The nominating committee shall submit a slate of nominees for the two Board offices in writing for mailing to Board Members in or around November. Additional nominations for any office may be made by Board Members at the election meeting.

d. In the event that the nominating committee is unable to recommend any of the applicants for any or all chair positions, either because an applicant is or is reasonably expected to be unavailable to serve, or for any other reason, the nominating committee may recommend a supplemental process, subject to Board approval. The constraints set forth in the normal nomination process, apart from the prohibition of a jurisdiction of a candidate for office serving on the nominating committee, shall not be mandated to apply to the supplemental process.

e. In choosing the nominees from the Board Members, the nominating committee shall take into account the nominee’s availability, experience, skills, geographic diversity, and the benefits associated with having the Vice Chair succeed the outgoing Chair. The nominating committee also shall take into account the prohibition against both officers being from the same subregion in determining which nominees to present to the Board.

f. The officers shall be elected pursuant to the weighted vote process set forth in Article IV, Section 5(b) of these Bylaws.
g. All officers shall be elected for a term(s) of two years or until their successors are elected. They shall begin their term of office on January 1.

h. In the event that the Board Member who has been elected Chair or Vice Chair is no longer a primary member of the Board of Directors, the office shall be considered vacant.

i. Any vacated office of Chair or Vice Chair may be filled at the next regular Board meeting by nominations from the floor, and the election shall be carried out pursuant to the weighted vote process set forth in Article IV, Section 5(b) of these Bylaws. A member must be a primary member to be nominated from the floor.

Section 4

a. The Board of Directors shall appoint an Executive Director who shall hold office until he or she resigns or is removed by the Board of Directors. The Executive Director shall be the chief executive officer of SANDAG and shall be permitted to utilize the title of Executive Director and/or Chief Executive Officer interchangeably with equal force and effect. The Executive Director shall have charge of all projects and property of SANDAG. The Executive Director and if she or he is an employee, the independent performance auditor, shall file with the Director of Finance of SANDAG an official bond in the minimum amount of $100,000 or such larger amount as the Board of Directors specifies, guaranteeing faithful performance of his or her duties.

b. The Executive Director will be responsible to the SANDAG Board of Directors as set out in Board Policies and administrative policies and manuals for the administration of SANDAG’s business, including: (1) development of program objectives, definition, directions and priorities; (2) management of SANDAG programs and coordination of staff and support services; (3) the development of financial support programs for SANDAG activities; (4) the recommendation and submission of an annual SANDAG program budget to the Board of Directors; (5) execution of the adopted personnel, purchasing, and budgetary systems; and (6) development of a recommended administrative policy that includes a process to conduct staff performance evaluations on a regular basis to determine if the knowledge, skills, and abilities of staff members are sufficient to perform their respective functions, and which is brought to the Board for review on an annual basis. The Executive Director shall perform such other and additional duties as is necessary to carry out the objectives and function of SANDAG and as directed by the Board of Directors.

c. Any additional staff support services provided by Member Agencies or others shall be coordinated by the Executive Director.

d. The Executive Director is hereby enabled to promulgate an employee manual, as well as all other administrative policies governing the administrative procedures of SANDAG.

ARTICLE VI
FINANCIAL

Section 1

The Board of Directors shall consider a draft budget for approval no later than April 1 of each year, and again during the month of May. Upon initial consideration, the Board of Directors may approve the draft budget as presented, or direct staff to either make specified revisions to the draft budget or provide the Board with additional information regarding projected revenues or proposed expenditures in the draft budget. After approval of a draft budget, the Board of Directors shall adopt a final budget no later than June 30 of each year. A copy of the draft budget when approved and a copy of the final budget when adopted shall be filed with each Member Agency.
Section 2
Responsibility for supplying funds for that portion of the budget for SANDAG, which is to be supplied by the Member Agencies, as adopted by the Board of Directors, shall be divided among the Member Agencies based on their population with each Member Agency including within its budget as funds to be supplied to SANDAG that sum of money determined by taking the ratio its population bears to the total population of the region and multiplying it by that portion of the approved budget to be supplied by the Member Agencies. Payment of this determined sum of money shall be made by each Member Agency by July 15 of each year. If payment by a Member Agency has not been made by September 1 of each year, that Member Agency shall no longer vote as a member of the Board of Directors. A delinquent Member Agency will be allowed to vote when full payment has been made, including interest computed from July 15 at the established legal rate.

Section 3
The Director of Finance of SANDAG, who shall be permitted to use the title of Chief Financial Officer with equal force and effect, shall establish and maintain such funds and accounts as may be required by good accounting practice, state and federal law, and these Bylaws. The books and records of SANDAG in the hands of the Director of Finance shall be open to inspection at all reasonable times by representatives of the Member Agencies. The Director of Finance of SANDAG shall issue a Comprehensive Annual Financial Report by December 31 after the close of each fiscal year and a copy shall be provided to each of the Member Agencies.

Section 4
The Director of Finance of SANDAG shall receive, have the custody of, and disburse SANDAG funds upon the warrant or check-warrant of the Finance Manager pursuant to the accounting procedures developed under Section 3 above, and shall make the disbursements required to carry out any of the provisions or purposes of SANDAG. The Director of Finance of SANDAG may invest SANDAG funds in accordance with state and federal law. All interest collected on SANDAG funds shall be accounted for and posted to the account of such funds.

Section 5
Delegation of authority from the Board of Directors for final financial/contracting approvals, including selection of vendors, acceptance of funding, stipulations of any nature, and any resulting budget amendment to serve as a limitation applicable to a particular job or program (not to be exceeded on a serial basis), shall be as follows:

a. Up to $1,000,000 to the Executive Director, subject to increase by Board action, or as may be modified in Board Policy No. 017 concerning delegation of authority to the Executive Director.
b. Up to $500,000 to the Executive Committee for any item, subject to increase by Board action.
c. Up to $500,000 to the Transportation Committee for transportation items, subject to increase by Board action.
d. Up to $500,000 to the Public Safety Committee for ARJIS and Criminal Justice Division items, subject to increase by Board action.
e. The Executive Director, Executive Committee, Public Safety Committee, and Transportation Committee shall report approvals under this section to the Board of Directors at least quarterly.
Section 6

The amount budgeted for Member Assessments related to Criminal Justice database access shall be as adopted by the Board of Directors and divided among the Member Agencies using a formula based on population. Payment of this determined sum of money shall be made by each Member Agency by July 15 of each year. If payment by a Member Agency has not been made by September 1 of each year, that Member Agency shall no longer vote as a member of the Board of Directors. A delinquent Member Agency will be allowed to vote when full payment has been made, including interest computed from July 15 at the established legal rate.
ARTICLE VII  
RELATIONSHIPS AND RULES OF PROCEDURE

Section 1  
The functions of the Board of Directors and Policy Advisory Committees shall be established by Board policy. The Board of Directors may delegate functions to the Policy Advisory Committees as it deems appropriate.

Section 2  
The Board of Directors shall provide guidance to committees and working groups. The Board may advise Member Agencies on the coordination of general plans, or on the resolution of conflicts between the general plans of agencies in the San Diego region.

Section 3  
Conflicts between governmental agencies should be resolved among the affected agencies. In matters affecting more than one local government, and where requested by the affected agencies, SANDAG shall have the authority to hear and make recommendations if the conflicts are not resolved to the satisfaction of each affected agency. Regional plans should serve as the guideline for the resolution of conflicts.

Section 4  
Each action taken by SANDAG that requires implementation should include designation of the agency or agencies directly responsible for such implementation.

Section 5  
The general and specific references to the construction authority of SANDAG in SB 1703 shall be interpreted as applicable solely to its responsibilities for project development and construction of transit projects which were previously within the purview of the transit development boards and are consolidated under the authority of SANDAG.

ARTICLE VIII  
INFORMATION AND EVALUATION

Section 1  
a. SANDAG shall disseminate information concerning its work program and activities. The required information system should be organized and categorized so that it will continue to allow full and efficient use of information by the public and private sectors.

b. Adequate provision for public participation shall be provided as required by law and as directed by the Board of Directors.

c. The Board shall perform an annual evaluation of SANDAG’s goals, purpose, structure, and performance, directed toward continually improving the planning, coordination, and implementation process.
ARTICLE IX
AMENDMENTS

Section 1
The Board of Directors shall be responsible for making all amendments to these Bylaws.

a. Proposed amendments may be originated by the Board of Directors, the Executive Committee, or any member of the Board of Directors.

b. Prior to being taken to the Board of Directors for approval, proposed amendments should be taken to the Executive Committee preliminarily for review and discussion and then brought to the Executive Committee at a subsequent meeting for a recommendation for approval to the Board.

c. A copy of any proposed amendments shall be forwarded by the Clerk of the Board to the official representative of each Member Agency, his or her alternate and the Member Agency itself, at the same time as the proposed amendments are mailed as a report attachment to the agenda for the preliminary Executive Committee meeting referred to in subsection b of this section.

d. Amendments to these Bylaws (except those provisions mandated by state law) shall require the vote of a majority of the Member Agencies using the voting process described in Article IV, Section 5(a) of these Bylaws.

Adopted July 2003 by the SANDAG Board of Directors
Revised November 2003 by the SANDAG Board of Directors
Amended November 2004 by the SANDAG Board of Directors
Amended January 2006 by the SANDAG Board of Directors
Amended July 2007 by the SANDAG Board of Directors
Amended December 2008 by the SANDAG Board of Directors
Amended January 2010 by the SANDAG Board of Directors
Amended March 2014 by the SANDAG Board of Directors
Amended November 2014 by the SANDAG Board of Directors
Amended December 2015 by the SANDAG Board of Directors
Amended January 2017 by the SANDAG Board of Directors
Amended February 2018 by the SANDAG Board of Directors
Amended January 2019 by the SANDAG Board of Directors
Amended April 2020 by the SANDAG Board of Directors
Amended XXXX 2020 by the SANDAG Board of Directors
ALLOCATION OF RESPONSIBILITIES

1. Board and Policy Advisory Committees Responsibilities

Shown below are responsibilities for the Board of Directors and each of the six Policy Advisory Committees (Executive, Transportation, Regional Planning, Borders, Public Safety, and Audit). Selected responsibilities are delegated by the Board to the Policy Advisory Committees to allow SANDAG to effectively address key public policy and funding responsibilities. All items delegated to the Policy Advisory Committees are subject to Board ratification.

All functions not specifically delegated by the Board to a Policy Advisory Committee may be delegated to a Policy Advisory Committee on a one-time basis upon request by the Executive Director and approval by the Chair. Such actions shall be reported to the Board at its next regular meeting.

2. Board Responsibilities

2.1 Approve the Regional Plan, which merges the Regional Comprehensive Plan (RCP), the Regional Transportation Plan, and the Sustainable Communities Strategy as well as plan components and other regional plans (e.g., Regional Energy Plan, MHCP, etc.)

2.2 Approve Regional Transportation Improvement Program (RTIP) and corridor studies

2.3 Fulfill responsibilities of the consolidated agency as set forth in the San Diego Regional Transportation Consolidation Act (Public Utilities Code §132350 et seq.)

2.4 Fulfill the responsibilities of the San Diego Regional Transportation Commission (RTC)

2.5 Approve programming of funds (TDA, CMAQ, STIP, etc.)

2.6 Certify/adopt project environmental documents pursuant to the National Environmental Policy Act or the California Environmental Quality Act

2.7 Approve Overall Work Program and Program Budget

2.8 Approve amendments to the Program Budget and Overall Work Program and authorize contracts with consultants for amounts equal to or greater than the amounts to be determined for administrative and policy committee authorization.

2.9 Approve the annual legislative agenda

2.10 Provide policy direction through Policy Development Board meetings

2.11 Appoint Committees and Board officers

2.12 Delegate responsibilities to Policy Advisory Committees and ratify Committee actions. All items delegated to the five Policy Advisory Committees are subject to direct Board action upon request of any members.
2.13 Delegate responsibilities to Board Chair consistent with Board criteria. Conference sponsorships and proclamations are hereby delegated subject to current or subsequently approved criteria.

2.14 Develop and adopt an administration policy that includes a process to conduct staff performance evaluations on a regular basis to determine if the knowledge, skills, and abilities of staff members are sufficient to perform their respective functions and monitor the evaluation process on a regular basis.

2.15 Provide a report, developed by the Transportation Committee, to the Legislature consistent with Government Code section 9795 on or before July 1 of each year that outlines the public transit needs, transit funding criteria, recommended transit funding levels, and additional work on public transit, as delegated to the Transportation Committee by the Board, and specifying the funds spent explicitly on public transportation.

2.16 Develop and adopt internal control guidelines based on recommendations from the Audit Committee to prevent and detect financial errors and fraud based on the internal control guidelines developed by the state Controller pursuant to Government Code section 12422.5 and the standards adopted by the American Institute of Certified Public Accountants.

2.17 Vote on whether to remove the independent performance auditor for cause, such removal being subject to an approving vote by two-thirds of the Audit Committee and the Board.

2.18 Approve which firm to contract with to conduct the annual financial statement audits.

2.19 Approve the individual or firm to hire to carry out independent performance auditor responsibilities.

2.20 Approve the budget needed to carry out the annual audit plan of the independent performance auditor.

3. **Executive Committee Membership and Responsibilities**

3.1 The Executive Committee shall consist of six voting members with board members representing East County, North County Coastal, North County Inland, South County, and the representative, or the representative’s alternate in their absence, from the City of San Diego and the County. The Chair and Vice Chair of the Board shall serve as voting members of the Executive Committee. Additionally, any Chair of any other Policy Advisory Committee who is not otherwise a member of the Executive Committee shall serve as an advisory, non-voting member of the Executive Committee.

3.1.1 Set agenda for Board. Any Board member requesting that an item be considered for inclusion on the agenda must present such request in writing to the Chairperson prior to the Executive Committee’s consideration of such agenda.

3.1.2 Review and recommend Overall Work Program and Program Budget

3.1.3 Approve amendments to the Program Budget and Overall Work Program and authorize contracts up to amount approved by the Board
3.1.4 Review and act on state and federal legislation

3.1.5 Comment on behalf of SANDAG or provide recommendations to the Board regarding comments on third party environmental documents

3.1.6 Act upon and evaluate dispute resolution

3.1.7 Advise on personnel actions

3.1.8 Act on behalf of Board when timing requires

3.1.9 Make policy recommendations to the Board

3.1.10 Perform other duties as assigned by the Board

3.1.11 Approve financial/contracting transactions, including selection of vendors, acceptance of funding, stipulations of any nature, and any resulting budget amendment up to $500,000, subject to increase by Board action.

3.1.12 Annually review a list of all the SANDAG lower-level committees and working groups to determine the need to maintain the committee or working group and approve any revisions in functions or membership.

3.1.13 Review all proposed amendments to the Bylaws or Board Policies and make recommendations to the Board regarding those amendments.

3.1.14 Conduct expedited reviews and approvals of Energy Working Group actions on an as-needed basis.

4. **Transportation Committee Membership and Responsibilities**

4.1 The Transportation Committee shall consist of ten voting members with board members or alternates representing East County, North County Coastal, North County Inland, South County and the mayor or a council member from the City of San Diego, a supervisor from the County of San Diego, a member of the board of the MTS appointed by the board of the MTS, a member of the board of the NCTD appointed by the board of the NCTD, a member of the board of the San Diego County Regional Airport Authority appointed by the board of the Airport Authority, and a member of the board of the San Diego Unified Port District appointed by the board of the Port District.

4.1.1 Provide oversight for consolidated transit responsibilities

4.1.2 Provide policy oversight for transportation plans and corridor and systems studies

4.1.3 Establish/approve transportation prioritization criteria for SANDAG programs

4.1.4 Approve of SANDAG submitting grant applications for SANDAG transportation projects.

4.1.5 Approve TDA and STA claim amendments and RTIP and STIP amendments

4.1.6 Recommend funding allocations to the Board

4.1.7 Approve transit operator budgets for funding

4.1.8 Approve Regional Short Range Transit Plan and Coordinated Human Service and Public Transportation Plan
4.1.9 Make recommendations regarding changes to Board Policy No. 018: Transit Service Policy and Board Policy No. 029: Regional Fare Policy and Comprehensive Fare Ordinance

4.1.10 Conduct public hearings as delegated by Board

4.1.11 Approve contracts for transit up to amount approved by the Board

4.1.12 Advise Board on other transportation policy-level issues

4.1.13 Recommend legislative program for transportation and transit

4.1.14 Approve financial/contracting transactions, including selection of vendors, acceptance of funding, stipulations of any nature, and any resulting budget amendment up to $500,000 for transportation items, subject to increase by Board action

4.1.15 Convene closed sessions and make final decisions with regard to real property transactions related to transportation projects; however, this delegation does not include the authority to make a Resolution of Necessity or to commence litigation

4.1.16 Conduct hearings and authorize additional public meetings when appropriate pursuant to Board Policy No. 025 to hear official testimony from the public regarding Comprehensive Fare Ordinance amendments

4.1.17 Approve amendments to the Comprehensive Fare Ordinance

4.1.18 Accept for distribution, hold public hearings regarding, and adopt/certify environmental documents for projects within the Transportation Committee’s Responsibilities

4.1.19 Approve loans of TransNet funds when such loans are incorporated into an RTIP amendment requiring an exchange of TransNet funds for funds from another source

4.1.20 Provide oversight and approvals for Coordinated Transportation Services Agency (CTSA) matters and appoint Transportation Committee representative to the CTSA Board

4.1.21 Approve revisions to funding allocations for Federal Transit Administration Section 5311 funding

4.1.22 Approve Review the draft TransNet compliance audits consistent with Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules

4.1.23 Provide input on project selection criteria for, and recommend projects for funding under, the statewide and TransNet active transportation programs, and other TransNet grant programs such as the Smart Growth Incentive Program and Environmental Mitigation Program

4.1.24 Provide oversight for Service Authority for Freeway Emergencies responsibilities and related motorist aid programs
4.1.25 Provide coordinated oversight with the Regional Planning Committee for recommendations on the preparation and implementation of components of the Regional Plan

4.1.26 Develop a report by July 1 of each year that specifies the funds spent explicitly on public transportation, outlines the public transit needs, transit funding criteria, recommended transit funding levels, and additional work on public transit, and recommend acceptance of such report to the Board.

5. Regional Planning Committee Membership and Responsibilities

5.1 The Regional Planning Committee shall consist of six voting members with board members or alternates representing East County, North County Coastal, North County Inland, South County, and the mayor or a council member from the City of San Diego, and a supervisor from the County of San Diego.

5.1.1 Provide coordinated oversight with the Transportation Committee for recommendations on the preparation and implementation of components of the Regional Plan

5.1.2 Recommend regional infrastructure financing strategies to the Board

5.1.3 Represent the Board for outreach and public information on the Regional Plan and its components

5.1.4 Advise Board on regional planning policy issues

5.1.5 Approve distribution of funds from the California Coastal Commission Beach Sand Mitigation Fund and California Coastal Commission Public Recreational Beach Impact Mitigation Fund.

5.1.6 Recommend project selection criteria for, and recommend projects for funding under, the TransNet Smart Growth Incentive Program and Environmental Mitigation Program

6. Borders Committee Membership and Responsibilities

6.1 The Borders Committee shall consist of seven voting members with board members or alternates representing East County, North County Coastal, North County Inland, South County and the mayor or a council member from the City of San Diego, a supervisor from the County of San Diego, and a mayor, council member, or supervisor from the County of Imperial.

6.1.1 Provide oversight for planning activities that impact the borders

6.1.2 Provide oversight for the preparation of binational, interregional, and tribal planning programs

6.1.3 Recommend border infrastructure financing strategies to the Board

6.1.4 Establish closer SANDAG working relations with surrounding counties, Mexico, and the region’s tribal nations

6.1.5 Advise Board on binational, interregional, and tribal policy-level issues

6.1.6 Review and comment on regionally significant projects in adjoining counties
7. **Audit Committee Membership and Responsibilities**
   The membership, authority and responsibilities for this committee are set forth in Board Policy No. 039.

8. **Public Safety Committee Membership and Responsibilities**
   The membership, authority and responsibilities for this committee are set forth in Board Policy No. 026.

9. **Distribution of Meeting Materials**
   9.1 All agendas for meetings of the Board of Directors, Policy Advisory Committees, and all other SANDAG legislative bodies covered by the Brown Act (Government Code § 54950 et seq.) shall be posted on the SANDAG website, and copies of such agendas will be available for viewing by the public in the SANDAG business office reception area.

   9.2 All closed session items shall be provided to appropriate Board and/or Policy Advisory Committee members prior to the closed session. Closed session meeting materials will be sent by a secure method and clearly labeled as confidential. If a representative will not be able to attend a meeting he/she should ensure the closed session materials are forwarded to the appropriate alternate to review prior to the meeting. All closed session meeting materials must be deleted or returned to the Office of General Counsel at the end of the closed session.

10. **Work Assigned to Staff**
    Requests for staff to perform work on a project that is not specified in the Overall Work Program or Program Budget shall only be conducted following approval by the Board if the work is estimated to exceed four hours of staff time.

Adopted January 2003
Amended November 2004
Amended January 2006
Amended December 2006
Amended January 2010
Amended December 2012
Amended October 2013
Amended March 2014
Amended November 2014
Amended December 2015
Amended January 2017
Amended February 2018
Amended January 2019
Amended XXXX 2020
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
- TransNet Department Director
- 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:** notes, bonds, bills, or certificates of indebtedness, or those 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 or its equivalent or better short-term; or in a rating category of AA or its equivalent 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 or its equivalent or better short-term; or in a rating category of AA or its equivalent 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 of 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 in a rating category of “A” or its equivalent 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 its equivalent 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 in a rating category of “A” or its equivalent 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 five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of “A” or its equivalent or higher rating for the issuer’s debt as provided by an NRSRO and rated in a rating category of “AA” or its equivalent or better by an NRSRO. 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. **Supranationals:** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the SANDAG funds that may be invested pursuant to this section.

8.18. **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. Any change in the investment policy shall also be considered by the Board 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
Amended October 2013
Amended November 2014
Amended November 2015
Amended February 2018
Amended XXXX 2020
RULES OF PROCEDURE FOR BOARD OF DIRECTORS, POLICY ADVISORY COMMITTEES, AND OTHER LEGISLATIVE BODIES

This policy is intended to define and clarify Rules of Procedure for the Board of Directors and Policy Advisory Committees (PACs).

Procedures for the Board and Policy Advisory Committees

1. Ordinances

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

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

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

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

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

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

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

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

2. Board Policies

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

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

3. Public Comment and Public Meetings

3.1 Persons wishing to provide comment or testimony shall be permitted to address the Board or PAC after submitting a written request to speak, identifying themselves and the agenda item on which they want to be heard. Ordinarily, each speaker will be allowed no more than three minutes. The Chair, however, may extend or limit the time for each presentation or may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony or for other reasons that are in the best interest of the Board or committee in the Chair’s discretion. Testimony must be limited to issues relevant to the agenda item.

3.2 The Board wishes to maximize the number of people who can address SANDAG legislative bodies within the time limits set for the meeting while a quorum is present. The Board believes that meetings that last longer than the time set for meeting adjournment can discourage public participation and can hinder the conduct of government business due to
loss of a quorum. Therefore, meetings of SANDAG legislative bodies shall be adjourned by 
the end time set forth in the agenda, unless extended to a specific time by a majority vote 
of the legislative body. The meeting shall be extended no more than once and may be 
adjourned to a later date. The Board of Directors wishes to maximize the number of 
people who can address SANDAG legislative bodies within the time limits set for the 
meeting while a quorum is present. Accordingly, the chair of a SANDAG legislative body 
may reduce the speaking time allocated for each speaker or establish a time certain for 
completion of one or more agenda items when the number of speakers and/or number of 
items on the agenda are reasonably likely to prevent the conclusion of business prior to 
the time the meeting is set to adjourn. Decisions by the chair shall be based on the time 
allocated for the meeting, the number of agenda items, the complexity of each item, and 
the number of persons wishing to address the legislative body on each item.

3.3 Public comment on matters not on the agenda will be permitted on items of interest to 
the public that are within the subject matter jurisdiction of the Board or committee. 
Persons wishing to comment during the general public comment period must submit a 
written request in advance identifying themselves and the subject matter on which they 
wish to speak. The Chair may limit the time for each speaker. Ordinarily, each speaker will 
be allowed no more than three minutes.

3.4 The Board or a PAC Chair, as applicable, will determine with staff’s assistance whether 
additional public meetings at which formal public testimony will be taken outside of 
regularly scheduled Board or PAC meetings are appropriate. Such additional public 
meetings may take the form of scoping meetings, focus group meetings, open houses, 
workshops or similar alternative formats. The applicable Chair will appoint one or more 
members of the relevant legislative body to act as public meeting officer(s) at SANDAG 
public meetings that are not held during a meeting of a SANDAG legislative body. If no 
Board or PAC members are available to serve as public meeting officers, the Chair may 
appoint the Executive Director or his/her delegate to serve as the public meeting officer. 
When a public meeting occurs before a public meeting officer, the public meeting officer 
or Clerk of the Board shall ensure that all official public testimony given at the public 
regarding the subject matter of the public meeting are accurately included in the written 
records, and ensure those written records are forwarded to the Board of Directors or PAC 
for review prior to the time designated for the relevant legislative body to render its 
recommendation or final decision.

3.5 The public meeting officer’s written records regarding the public meeting must include, at 
least, the following elements:

3.5.1 An objective description of the subject matter of the public meeting.

3.5.2 The public comments received by proponents and opponents of the meeting’s 
subject matter. The records shall indicate the hour and minute when the public 
meeting was opened and closed.

3.5.3 A list of the notices that were published, mailed, or Internet-posted, including the 
date of mailing or publication, the name of any newspaper, Internet address or web 
site, and a list of addresses and entities to which the notice was delivered. If multiple
public meetings at which official public testimony is taken regarding the same subject matter are held throughout San Diego County, information regarding the notices and agendas for each public meeting shall be included in the public meeting records.

3.5.4 A copy of the agenda for the public meeting, including the time period during which public testimony was heard. The agenda also shall list contact information for the transcriber attending the public meeting.

3.5.5 A reference to the location where an audio and/or video recording, or transcript of the public meeting is archived, and where all original written comments submitted to the public meeting officer are available for viewing.

3.6 Before the Board of Directors or PAC takes action on the item that was the subject of a public meeting conducted by a public meeting officer, it will allow additional public comment at a regularly scheduled meeting of the legislative body.

3.7 By voting at a meeting where a public meeting officer's records will be relied upon, each voting member of the legislative body will be affirming that he or she has:

3.7.1 Thoroughly reviewed the public meeting officer’s records of any minutes or transcript from, or listened to an audio or watched a sound video recording of, the public meeting(s); and

3.7.2 Given due consideration to any letters, emails, voicemails, or other comments submitted by the public that are part of the public meeting record.

3.8 If a voting member of a legislative body cannot attest that he or she has met the criteria listed in Section 3.6, he or she may participate in the discussion regarding the subject matter of the public meeting, and need not leave the legislative body meeting room, but should not vote on the matter.

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

4.1 This policy shall be supplemental to the SANDAG Conflict of Interest Code and is not intended to supersede such Code or any provisions thereof. All Board and PAC members, and all other members of committees or working groups covered by the Brown Act, including alternates and advisory members, shall file a Statement of Economic Interests in accordance with the California Fair Political Practices Commission guidelines and deadlines imposed by the Political Reform Act. Failure to file a Statement of Economic Interests by the deadlines imposed by the Political Reform Act shall result in a loss of voting privileges for the member.

4.2 Each Board member and alternate occupies a position of public trust that demands the highest moral and ethical standards of conduct. All references to “Board members” in Section 4 of this Policy shall be read to include all Board and PAC members, and all other members of committees or working groups covered by the Brown Act, including ex officio members and alternates.
4.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent that is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

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

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

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

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

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

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

4.5 Prohibited Interests

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

4.5.2 It is unlawful for any current SANDAG Board member to make, participate in making, or use his or her Board member position to influence a decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.
4.5.3 It is unlawful for any current SANDAG Board Member to be financially interested in any contract made by them in their Board member capacity. It is also unlawful for any contract to be made by SANDAG or any board or commission established by SANDAG if any individual member of the body has a financial interest in the contract.

4.5.4 Definitions

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

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

4.5.4.3 For purposes of this section, "render a decision" means to take part personally and substantially in the project by rendering a decision, approval, or disapproval; by making a formal written recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.

4.5.4.4 For purposes of this section, "project" means any matter where a private business has made an application to SANDAG for discretionary funding or discretionary entitlements, or where SANDAG exercises discretion to enter into a lease, agreement, or contract with a private business.

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

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

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

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

36
4.5.6.1.2 any business entity for which a SANDAG Board member or a member of the SANDAG Board member’s immediate family is a director, officer, partner, trustee, employee, or holds any position of management; and

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

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

4.5.6.1.5 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received gifts that total $420¹ or more within twelve months prior to the decision;

4.5.6.1.6 the personal expenses, income, assets, or liabilities of a SANDAG Board member or a member of SANDAG Board member’s immediate family.

4.5.7 Prohibitions Applicable to Former Board Members

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

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

4.6 Lobbying and Campaign-Related Activities

4.6.1 It is unlawful for any SANDAG Board Member to engage in campaign-related activities, such as fund-raising, the development of electronic or written materials, or research, for a campaign for any elective office using SANDAG facilities, equipment, supplies, or other SANDAG resources. Nothing in this section, however,

¹ This amount is subject to adjustment by the Fair Political Practices Commission.
shall prohibit the use of SANDAG resources to provide information to the public about the possible effects of any bond issue or other ballot measure relating to SANDAG activities, operations, or policies, provided that:

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

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

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

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

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

4.6.2.3 the former SANDAG Board Member is receiving compensation from a private business to engage in the direct communication with SANDAG.

4.6.3 The prohibitions contained in 4.6.2 shall not apply:

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

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

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

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

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

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

4.8 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member must state that he or she has a conflict of interest and shall be disqualified and shall leave the room during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the decision or discussion. In the case of uncertainty, the Board member must request a binding determination from the Board’s legal counsel. In accordance with the Brown Act, any Board member who is disqualified shall be entitled to any information that is publicly reported. The Board member will not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.

4.9 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

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

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

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

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

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

4.15 Pursuant to Section 18944.1 and 18944.2 of Title 2 of the California Code of Regulations, certain procedures must be followed in order for a gift (travel, tickets, seats at an event, food, etc.) to be considered a gift to SANDAG instead of to an individual SANDAG public official or designated employee. A document entitled “Guidance Regarding Gifts” shall be posted on the SANDAG Web site to provide information regarding SANDAG practices, which are intended to assist public officials and designated employees in complying with regulations promulgated by the California Fair Political Practices Commission.

5. **Additional Advisory Membership on Board and PACs**

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

5.2 In determining whether to supplement the Board with additional regular or temporary advisory members, the Board will first review whether the existing Board and PAC membership structures provide the opportunity for beneficial advice and information to SANDAG on matters of interest to the region.

5.2.1 The Board will consider adding a new regular advisory member to the Board or a PAC if it finds that the additional advisory member would provide beneficial advice and information to the Board or PAC, and that such advice/information cannot be provided by the existing Board and PAC membership structures. The agency/group wishing to become a regular advisory member shall submit a written request to the Board Chair or PAC Chair. For new regular advisory Board or PAC members, the finding and review required by this Section 5.2.1 as well as the selection criteria in Section 5.3 shall apply.

5.2.2 From time to time, the Board or a PAC may determine it is in best interest of SANDAG to provide an agency/group with temporary advisory “seat” at the Board or at one of its PACs when specific agenda items arise. The agency/group wishing to obtain a temporary advisory seat shall meet the criteria listed in Section 5.3 and shall submit a written request to the Board Chair or PAC Chair at least three days prior to the meeting, identifying the reasons for its request and the specific agenda item(s) to be considered. The decision about whether to fulfill the request shall be at the sole discretion of the Board Chair or PAC Chair.

5.3 The following criteria for selection of additional advisory members also apply:

5.3.1 Agency/group has land use and/or eminent domain authority;

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

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

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

6. Agenda Creation for PACs

6.1 PAC agendas will be developed jointly by the Committee’s Chair and SANDAG staff.

6.2 Any request by a primary member of the Board or PAC to add an item to a PAC agenda shall be presented in writing to the PAC Chair and the Board Chair for consideration.

7. Procedures Applicable to All SANDAG Legislative Bodies

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

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

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

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

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

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

7.1.1.6 An attendance registration, or sign-in sheet may be used at public meetings to document the presence of persons other than the members of the legislative body, however, the sheet must clearly state that its completion is voluntary and not a precondition for attendance.

7.1.1.7 Meetings may not be held in facilities that are inaccessible to disabled persons or in facilities that prohibit the admittance of any persons on the basis of race, religious creed, color, national origin, ancestry or sex.

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

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

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

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

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

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

7.2.3 A quorum shall be a majority of the voting members of a legislative body. A majority of the quorum must approve all actions taken by the legislative body.
7.2.4 Unless otherwise provided by the Board or PAC, each legislative body should select a chair and vice chair by a vote of the majority of a quorum on an annual basis.

7.2.5 Roberts Rules of Order should be used by legislative bodies for guidance on procedural matters such as the making of motions and voting.

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

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

7.3 The scope of topics within the jurisdiction of the legislative body shall be limited to those issues delegated to the legislative body by the Board or relevant PAC.

7.4 Legislative bodies created by the Board or a PAC do not have authority to take action on behalf of SANDAG, make a final determination on behalf of SANDAG, and/or take a position on behalf of SANDAG, unless that authority has been specifically delegated and ratified by an action of the Board.

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

7.6 New committees shall not be created by SANDAG staff without approval of either (1) the Board, (2) a PAC, or (3) the Executive Director with the concurrence of the Chair of the Board. A PAC or the Board must approve all charter or membership changes for committees that are created by ordinance, resolution, or formal action of the Board or one of the PACs.

7.6.1 When appointing new committees or working groups, PACs may provide for the appointment of alternates.

7.6.2 As the Board creates standing subcommittees, it shall specify the method for appointing persons to those subcommittees.

7.6.3 Ad hoc working groups may be appointed by the Board or PACs as the need arises to accomplish specific tasks. Upon completion of its assignment, each working group shall disband. Standing subcommittees may be appointed by the Board as may be required to carry out general and continuing functions and may be abolished only upon specific action by the Board.

7.6.4 An informational report shall be provided to the Board on an annual basis concerning the status of all standing and ad hoc committees and working groups.
7.7 A quorum shall be required for the conduct of any business. A simple majority of members (either primary or alternates) shall constitute a quorum.

7.8 Primary members vote on all legislative body action items. Alternates vote only when their corresponding primary member from their area is absent. A simple majority of the quorum of primary and eligible alternate members voting constitutes approval.

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

Adopted June 2003
Amended November 2004
Amended January 2006
Amended December 2006
Amended July 2007
Amended December 2007
Amended September 2008
Amended January 2010
Amended February 2012
Amended November 2015
Amended XXXX 2020
TRAVEL EXPENSES

This policy is intended to establish policies regulating Out-of-Town Travel by SANDAG Board and Committee members and employees while on SANDAG business, and to provide a basis for budgeting Board and Committee 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 and Committee 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 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 Revenue Procedure 2011-47 Section 5.
expenditure guidelines in the current IRS Revenue Procedure Notice 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 will be reimbursed up to a maximum daily rate of $350 per day for lodging and food expenses and Washington, D.C. will be reimbursed up to a maximum daily rate of $380 per day for lodging and food expenses, instead of the amounts listed in the current IRS Revenue Procedure Notice.

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 only will reimburse for the cost of renting the least expensive size vehicle necessary for the number of people traveling, as well as liability insurance.

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 the most recent IRS Notice regarding per diem rates 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.

1. Definitions Applicable to Policy

1.1 Out-of-Town Travel – Any travel outside San Diego County.

1.1.1 One-day trips not exceeding 200 miles one-way will be treated as in
town expenses and not Out-of-Town Travel.

1.2. **Authorizing Authority** – SANDAG Board Chair for Board and Committee member travel, or SANDAG Executive Director and those delegated authority by the Executive Director to ensure SANDAG compliance with this Policy, but not to include positions lower than a Director for SANDAG employee travel.

1.3. **U.S. General Services Administration (GSA)** – GSA establishes the per diem rates for the lower 48 Continental United States (CONUS), which are the maximum allowances that federal employees are reimbursed for expenses incurred while on official travel. (See www.gsa.gov.) The GSA’s Federal Travel Regulation shall be used in interpreting this Policy.

2. **Budgeting**

2.1. Each year the Executive Director will survey the Board and Committee 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 which Board and Committee members 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.

2.2. Employees may attend conferences related to their respective disciplines consistent with this Policy’s procedures. The Executive Director or his/her designee 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.

2.3. Board and Committee 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 and Committee members and employees at any one conference is not excessive.

2.3. **Procedures**

3.1. Requests for Out-of-Town Travel in all cases shall be limited to SANDAG business, conferences, and meetings, legislative hearings, and training classes from which SANDAG will derive a specific benefit through the attendance of a representative and must be approved in advance by an Authorizing Authority.

2.1.3.2. Out-of-Town conference Travel by SANDAG employees in excess of 200 miles one-way shall be limited to positions of a highly technical or professional nature as designated by the Authorizing Authority.

2.2.3.3. Any reimbursable Out-of-Town Travel expenses must be properly documented in accordance with a travel request form and shall be submitted for reimbursement within 10 (ten) business days following the completion of
2.3.3.4. 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 Authorizing Authority prior to travel arrangements being made.

2.4.3.5. For Board member and Committee member travel, the Clerk of the Board or Executive Assistant will fill out the top portion of the travel request form and the Chair of the Board, or upon his/her written delegation the Executive Director, shall determine whether to approve it based upon the standards in this Policy.

3.6. Basic travel arrangements for flights, hotels, and rental cars will be made by the Clerk of the Board, Executive Assistant, or other designated staff. Board and Committee members and employees are responsible for contacting the Clerk of the Board, Executive Assistant, or other designated staff if itinerary changes are needed. Board and/or Committee 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 costs for the basic trip.

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

2.6.3.8. Use of air, train, private vehicle, bus, SANDAG vehicle, or other travel mode shall be selected on the basis of the lowest reasonable cost to SANDAG after all expense items are tabulated, including but not limited to travel time salary costs. The responsibility for this consideration rests with the respective Authorizing Authority in approving the proposed travel and may be based upon the assessment of the Clerk of the Board, Executive Assistant, or other staff member or agency charged with making travel arrangements.

2.7.3.9. When the use of public air carrier transportation is approved, travel expense will only be reimbursed for the equivalent of reserved coach class service. Airfare will be reimbursed for actual expenses; the use of personal mileage or vouchers for airfare will not be reimbursed.

2.8.3.10. Authorized travel time shall be based on that required by the most appropriate mode of transportation. Should an employee desire travel time in excess of the above, such time must be approved by the respective Authorizing Authority.

2.9.3.11. Additional fees such as luggage fees will be reimbursed on the basis of one luggage bag fee per traveler. Extended travel that requires extra luggage may be approved by the respective Authorizing Authority and in accordance with applicable employee leave policies.

2.10.3.12. Employees, Board members, and Committee members and employees will be reimbursed for meals and incidentals using the per diem rates established by the GSA. There are circumstances where these guidelines may not be appropriate. Examples of these circumstances include, but are not
limited to the following, and such exceptions must be approved by the Authorizing Authority for reimbursement at actual expense:

3.12.1. Meal costs incurred in connection with training, travel, civic/professional group meetings, etc., which have a set price and for which the individual has little or no choice in the amount paid. These costs usually include speaker, facility, and meal costs.

2.10.1-3.12.2. Circumstances specifically identified in the GSA’s Federal Travel Regulation as allowing actual expense reimbursement instead of per diem rates.

3.13. Lodging will be reimbursed at actual expenses, not to exceed the guidelines set by the GSA, www.gsa.gov. Exceptions will be granted in at the discretion of the Authorizing Authority for hotels included with training, travel, civic/professional group meetings, etc., which have a set price and for which the individual has little or no choice in the amount paid, or where specifically allowed in the GSA’s Federal Travel Regulation. The use of personal mileage/points or vouchers for lodging will not be reimbursed.

3.14. It is the responsibility of SANDAG Board members, and Committee members, and employees to ensure that expenses are within the guidelines of this Policy.

2.11.3.15. 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.

3.16. The Executive Director shall develop and implement administrative travel policies and procedures consistent with this Policy.

2.12.3.17. The Executive Director shall report any exceptions granted under this Policy to the Board of Directors on a regular basis.

Adopted June 2003
Amended January 2006
Amended December 2006
Amended December 2008
Amended January 2010
Amended November 2012
Amended November 2015
Amended February 2018
Amended XXXX 2020
PROCUREMENT OF SERVICES

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

Procedures

1. **Micro Purchase Agreements ($3,500 or less).** For purposes of this policy, the term “micro purchase amount” shall mean an amount that will not exceed the ceiling amount for micro purchases set by the applicable funding agency(ies) for the procurement. These procedures apply to the procurement of all services at or below the micro purchase amount.

   1.1 For purchases at or below the micro purchase amount, a micro purchase procurement method may be used. A micro purchase procurement is a noncompetitive purchase technique; however, the price of the service item must still be fair and reasonable.

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

   1.3 A bid is only required from the vendor of choice and a purchase order, invoice, or simple letter agreement may be used instead of the standard services agreement when the risk to SANDAG is considered low, in the discretion of the Manager of Contracts and Procurements.

2. **Small Purchase Agreements (in excess of micro purchase amount $3,501 - $100,000).** These procedures apply to the procurement of all services excluding Section 4525 Services.

   2.1 If the estimated value of the contract is $100,000 or less, staff may select a qualified proposer whose proposal is most advantageous to the Board, price and all other factors considered, with the approval of their division director or department director.
2.2 The Executive Director shall determine the selection procedure for contracts valued between $3,501 and $100,000, to distribute work in a fair and equitable manner. Prior approval of the selection procedure shall be obtained from the applicable level of management. An informal competitive process shall be followed with price, rate quotations or best value obtained from an adequate number of qualified sources to ensure that SANDAG is obtaining a fair and reasonable price. The informal competitive process must be documented by staff. In obtaining price or rate quotations, a scope of work shall be developed and supplied to all bidders.

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

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

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

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

3.1.1.2 All evaluation factors and their relative importance.

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

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

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

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

3.1.5.1 For Section 4525 Services, separately bound or sealed cost proposals shall be submitted as part of the process and shall not be opened until after the evaluation committee has ranked the proposers. Cost proposals shall be excluded as an evaluation factor and will only be used by the Executive Director, when negotiating within the prescribed budget, except as provided in 3.1.5.2 below.

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

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

3.2 The top-ranked firm(s) shall then be interviewed, if deemed necessary. The final list of qualified firms shall be based on the response to the RFP/RFQ, references, the interview, and other relevant factors. Selection may be based on a best value determination. “Best value” means a value determined by objective criteria and may include, but is not limited to, price, features, functions, life-cycle costs, and other criteria deemed appropriate by SANDAG. The project manager will summarize a summary of the findings of the evaluation committee will be included in a recommendation memo to the Executive Director. The memo shall include the evaluation committee’s recommendation for negotiations with one or more firms in the competitive range.

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

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

3.2.2.1 For contracts for Section 4525 Services, the separately submitted cost proposal shall be used as a basis for negotiation. Negotiations will be conducted by the Executive Director, and can include factors other than cost, such as staffing levels, project schedule, etc. Should negotiations fail, the Executive Director, will enter into negotiations with the next ranked firm. Once negotiations are complete, a contract incorporating the negotiated terms and conditions will be prepared for the approval of the Executive Director. Only the cost proposal of the firm in negotiations shall be opened. At the end of the process, all
unopened cost proposals shall be disposed of or returned unopened to the respective companies via certified mail. Alternatively, companies may, at their option, arrange to pick up their sealed cost proposals in person by contacting the SANDAG staff—Contract Administrator.

3.2.2.2 For all other service contracts, the cost proposals from the firm(s) in the competitive range shall be used as a basis for negotiation. Negotiations will be conducted by the Executive Director, and can include factors other than cost, such as staffing levels, project schedule, etc. If negotiations are only conducted with one firm and those negotiations fail, staff will enter into negotiations with the next ranked firm. If negotiations are conducted with more than one firm in the competitive range, then staff may attempt to obtain the most favorable terms by negotiating with all of the firms. Once negotiations are complete, a contract incorporating the negotiated terms and conditions will be prepared for the approval of the Executive Director.

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

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

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

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

3.4.3 Requests for LOIs/SOQs may be sent to firms or individuals previously known to be interested in or capable of providing the required services. Reasonable effort shall be made to send requests to minority firms known to be capable of providing the required services.
"Pass/fail" criteria will be established by staff and clearly stated in the LOI/SOQ to be used as a screening of responses. Such criteria shall include, but not be limited to: adherence to project budget, insurance requirements, and DBE participation.

3.4.4 An evaluation committee will be formed, which should consist of SANDAG staff and at least one person from outside the agency.

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

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

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

5. 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 $100,000. 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.

5.1 When the project will be paid for in whole or in part by federal funds, one of the conditions allowing a limited competition or sole source procurement set forth in the latest version of Federal Transit Administration Circular 4220.1, or the equivalent from other federal funding agencies, must be met. For projects funded in whole or in part by Caltrans or Federal Highway Administration funds, the applicable provisions in the Caltrans Local Assistance Procedures Manual must be met.

5.2 When there are no federal funds involved one of the following additional factors may be utilized to justify a limited competition or sole source procurement:

5.2.1 There is only one consultant capable of providing the services because the services are unique or highly specialized.
5.2.2 The services should be purchased from a particular consultant in the interest of economy or efficiency as a logical follow-on to services already in progress under a competitively awarded contract.

5.2.3 The cost to prepare for a competitive procurement exceeds the cost of the services.

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

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

6. General Conditions

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

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

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

6.4 The Executive Director may approve contract amendments that exceed the project budget totaling up to $3,500,000 that are necessary to complete services originally contemplated subject to the limitations set forth in Section 12.2 of this policy. The Board will be notified of all such amendments. Contract amendments that will cause the project budget to be exceeded by more than $3100,000 or those contemplating a significant change in the original scope of services must be processed in accordance with the SANDAG procurement manual and policies.

6.5 For purchases in excess of the micro purchase amount $3,500 involving federal funds, all applicable federal requirements and certifications must be attached to the purchase order or contract. For purchases that exceed $50,000, a contract may be used in order to ensure provisions are included to protect the interests of SANDAG.

6.6 The Board's Equal Employment Opportunity Program and adequate audit provisions to allow the SANDAG independent performance auditor access to the contracted entity's records needed to verify compliance with the terms specified in the contract will be incorporated by reference in all SANDAG service contract templates. The Board's Disadvantaged Business Enterprise (DBE) Program shall be incorporated by reference in all services contracts that are federally funded. DBEs shall have every
possible opportunity to participate in the procurement of services as set forth in the Board’s DBE program.

7. Conflicts of Interest

7.1 A consultant is eligible for award of service contracts by SANDAG so long as the contract in question does not create an actual, potential, or apparent conflict of interest. A prohibited conflict of interest exists when 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 unless otherwise authorized by applicable federal or state law:

7.1.1 Except in cases of design-build contracting, any firm that provides design services to SANDAG will be ineligible for award of a construction contract to construct the improvements, which are the subject of the design services.

7.1.2 Any firm that provides design services to SANDAG will be ineligible for award of any contract to provide construction management services resulting from the specific project for which design services were provided.

7.1.3 Any firm that provides construction management services to SANDAG will be ineligible for award of a construction contract for which construction management services were or will be provided.

7.1.4 Any firm that assists SANDAG or any of its member or affiliated agencies in the preparation of a construction RFP or RFQ document will not be allowed to participate as an offeror or join a team submitting a proposal in response to the that RFP or RFQ. SANDAG may in its sole discretion, however, determine there is not an organizational conflict of interest for a prospective firm where:

7.1.4.1 The role of the firm was limited to provision of preliminary design, reports, or similar “low-level” documents that will be incorporated into the construction RFP or RFQ, and did not include assistance in development of instructions to offerors or evaluation criteria; or

7.1.4.2 Where all relevant documents and reports delivered to the agency by the firm are made available to all offerors; or

7.1.4.3 The role of the firm was limited to preparation of a California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) document related to the project where the CEQA and NEPA processes have been completed prior to issuance of the RFP and RFQ.
7.1.5 SANDAG shall not contract with, and will reject any bid or proposal submitted by, the following persons or entities, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

7.1.5.1 Persons employed by SANDAG;

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

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

7.1.5.4 Profit-making firms or businesses in which the former employees described in subsection 7.1.5.3 serve as officers, principals, partners or major shareholders.

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

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

7.4 A “firm” shall be defined as any company or family of companies where there is a single parent board of directors or staff of officers who can influence the policies and actions of the design company, construction management company, and the construction company. A “firm” also shall include any partnership, corporation, association, or other legal entity or any member of a joint venture that meets the above-stated definition.

7.5 “Ineligible” firms shall include the prime consultant for the services, subconsultants for portions of the services, and affiliates of either. An affiliate is a firm that is subject to the control of the same persons through joint ownership or otherwise.
7.6 If there is any doubt by a firm regarding a potential conflict of interest for a specific project or function, the appropriate member of management staff, depending on type of project, will, upon written request, provide a written ruling. This procedure is encouraged prior to submittal of proposals or bids. In the event a conflict of interest is determined to exist, a written appeal may be made by the affected firm to the Executive Director within five calendar days of notice from SANDAG the conflict. The Executive Director shall determine the adequacy of the appeal and make a subsequent final decision. No further appeal shall be considered.

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

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

8. Protests to Solicitation, Bid, or Award

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

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

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

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

8.1.4 Requirements for submittal of protest reconsideration.

8.1.5 A statement regarding review of the initial protest by a protest review committee and review of protest reconsiderations by the Executive Director, as appropriate.

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

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

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

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

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

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

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

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

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

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

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

9.5 If a contract amendment proposed for the settlement of a claim causes a budget impact over $3100,000, the amendment must be sent to the Board for approval.
9.6 Federal Transit Administration review and concurrence may be required for claim settlements that exceed $100,000 if federal funds are involved.

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

10. Debarment Procedures for Service Contracts

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

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

10.1.2 unsatisfactory performance of contract;

10.1.3 excessive and/or unreasonable claims while performing work for SANDAG;

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

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

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

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

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

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

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

10.2 SANDAG may permanently debar a firm for a conviction under federal or state antitrust statutes involving public contracts or the submission of bid proposals, for any corrupt practices involving the administration or award of a contract with SANDAG, or permanent debarment of the bidder or consultant by another governmental agency, as permitted by law.
10.3 The proposer or consultant shall be provided notice and an opportunity to present evidence and show cause before the Board why such ineligibility should not be declared after the Executive Director has established a factual basis for debarment.

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

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

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

11. Contract Administration and Consultant Assurances

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

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

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

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

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

11.6 Labor compliance requirements on SANDAG contracts shall be consistent with the California Labor Code.

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

11.8 Consultants shall comply with Sections 1421 and 1735 of the Labor Code and all other California laws prohibiting discrimination based on protected class status. Sections 300 and 317 through 323 of Title 8 of the California Administrative Code, which prohibits
labor discrimination and requires the consultant to submit an Equal Opportunity Program and certification fee to the Fair Employment Practice Commission for contracts over $200,000.

12. Amendments to Service Contracts

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

12.2 The Executive Committee or Transportation Committee or, if not practical, the Board Chair, Vice Chair, or the Policy Advisory Committee Chair currently acting as the Chair Pro Tempore in the absence of the Chair, are hereby authorized to approve amendments that will cause the project budget to be changed in an amount exceeding $3,400,000 when waiting for Board approval could potentially delay a project or increase the cost of the change. Approval of such items by the Board Chair, Vice Chair, or Chair Pro Tempore, is not the preferred practice and should only be used if a regular or special meeting of an authorized legislative body is infeasible or impractical. In such an instance, the Executive Director shall notify the Board of the action at the next regular Board meeting.

12.3 All amendments that impact or potentially impact Board-adopted policies shall be brought before the Board for decision.

12.4 All amendments which utilize federal funds shall conform to the Code of Federal Regulations, Volume 249, Part 20018 and the most recent version of Federal Transit Administration Circular 4220.1 or the equivalent from other federal funding agencies.

Adopted October 2003
Amended November 2004
Amended December 2006
Amended December 2007
Amended December 2008
Amended January 2010
Amended November 2010
Amended March 2014
Amended November 2014
Amended December 2015
Amended January 2017
Amended February 2018
Amended XXXX 2020
BOARD POLICY NO. 023

PROCUREMENT AND CONTRACTING – EQUIPMENT & SUPPLIES

Purpose

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

Background

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

Policy

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

1.2. For purposes of this policy, the term “micro purchase amount” shall mean an amount that will not exceed the ceiling amount for micro purchases set by the applicable funding agency(ies) for the procurement.

23. For purchases in excess of the micro purchase amount $3,500 involving federal funds, all applicable federal requirements and certifications must be attached to the purchase order or contract. For purchases that exceed $50,000, a purchase order or a contract must be used in order to ensure provisions are included to protect the interests of SANDAG.

43. 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.
When there are no federal funds involved the following additional factors may make limited competition or sole source procurement within the best interest of SANDAG. Therefore, a limited competition or sole source for these types of procurements may be permitted when one of the conditions in this section (3.1) is met:

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

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

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

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

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

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

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

When the project will be paid for in whole or in part by federal funds one of the conditions allowing a limited competition or sole source procurement set forth in the latest version of FTA Circular 4220.1, or the equivalent from other federal funding agencies, must be met. For projects funded in whole or in part by Caltrans or Federal Highway Administration funds, the applicable provisions in the Caltrans Local Assistance Procedures Manual must be met.

For purchases below the micro purchase amount, $3,500 a micro purchase procurement method may be used. A micro purchase is a noncompetitive purchase technique; however, the price of the item must still be fair and reasonable. There should be equitable distribution among qualified suppliers in the local area and no splitting of procurements to avoid competition. A bid is only required from the vendor of choice and no contract is required.

For purchases between in excess of the micro purchase amount, $3,501 and $50,000, a simplified competitive procurement method may be used:

Staff shall obtain written bids or document oral bids from at least three suppliers in a manner that permits prices and other terms to be compared.

Staff shall recommend the supplier that will provide the best value to SANDAG, taking into account the possible range of competing product and materials available, fitness of purpose, manufacturer's warranty, and other similar factors in addition to price.
56.3 Staff shall obtain approval as required in the administrative delegation of authority policy and the small procurement procedures for use of the recommended supplier.

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

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

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

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

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

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

78.3 The article(s) to be procured is undergoing rapid technological changes and it is in the public's interest to issue an RFP so that the broadest possible range of competing product and materials available, fitness of purpose, manufacturer’s warranty, and other similar factors in addition to price, can be taken into consideration.

98. If staff seeks authorization to utilize an alternate procurement process under section 7, documentation setting forth the reasons a deviation from the typical competitive bidding process is warranted, and a technical evaluation of the articles, prices, and suppliers shall be submitted in the requisition packet.

109. The Board's Equal Employment Opportunity Program and adequate audit provisions to allow the SANDAG independent performance auditor access to the contracted entity's records needed to verify compliance with the terms specified in the contract will be incorporated by reference in all SANDAG equipment and supplies contract templates.

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

11.1.1 Persons employed by SANDAG;

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

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

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

11.2 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.

11.3 A Notice of Potential for Conflict of Interest shall be included when relevant in any procurement issued by SANDAG. The Notice shall include 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.

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

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

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

Adopted November 2003
Amended December 2006
Amended December 2007
Amended December 2008
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 492, Part 18200, and Federal Transit Administration Circular 4220.1F, and the Caltrans Local Assistance Procedures Manual 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 purposes of this policy, the term “micro purchase amount” shall mean an amount that will not exceed the ceiling amount for micro purchases set by the applicable funding agency(ies) for the procurement. For construction contracts estimated to cost $3,500 or an amount equal to or less than the micro purchase amount, 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 $3,500 in excess of the micro purchase amount, 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 applicable 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, with the first publication occurring 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 minority or community newspapers as appropriate to best meet SANDAG’s DBE goals.

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 Prequalifications

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 as a sealed bid, which shall mean either submission in a sealed envelope or electronically through the use of SANDAG’s web-based solicitation system. All bids shall be 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, which may be in either hard copy or electronic format. 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), and if electronic bids are accepted then also immediately post the bid results on the SANDAG web-based solicitation system.

1.5. Review of Bids

1.5.1 After the bids are publicly opened, the applicable 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" 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 Bid Booklet - with all 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" generally means that the bidder is able to demonstrate that it possesses: (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 the project:

1.5.6.1 Financial Requirements:

1.5.6.1.1 ContractorBidders shall have evidence of the availability of sufficient working capital;

1.5.6.1.2 For design-bid-build projects, 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; or in the case of a Job Order Contract, the value of the maximum amount of the Job Order Contract; and
1.5.6.1.3 For design-bid-build projects, 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, or in the case of a Job Order Contract, at least 50 percent of the maximum amount of the Job Order Contract; and

1.5.6.1.4 For design-bid-build projects, the contractorbidder 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 contractorbidder 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 that the contractorbidder provides to be considered in determining its requisite experience. The list shall contain a name, title, email address, and phone number for staff to contact to verify the contract details;

1.5.6.2.2 The contractorbidder shall demonstrate individual experience by submitting a list of all key personnel, including project managers, who will be involved in the SANDAG contract. These key personnel shall have at least three years of 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. For each individual listed, the contractorbidder 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 contractorbidder 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 contractorbidder shall state whether or not it has defaulted on a construction project within the last two years;

1.5.6.2.5 The contractorbidder shall list any violation of the Apprenticeship Requirements under the State Business and Professions Code or Labor Code found by an appropriate authority within the last two years;
1.5.6.2.6 The contractorbidder shall state whether it has 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 contractorbidder shall state whether it has 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 contractorbidder shall list how many construction projects it the bidder will be working on concurrently with the SANDAG project;

1.5.6.2.9 The contractorbidder shall state whether it has 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 contractorbidder shall state whether a surety ever completed any portion of the work of the bidder's projects within the last five years;

1.5.6.2.11 The contractorbidder shall state whether the bidder, any of its officers of such bidder, or any of its employees 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 contractorbidder shall provide name of owner, title of project, contract amount, location of project, date of contract, and name of the bonding company.

1.5.6.3 Reporting Forms: In order to demonstrate that the SANDAG financial and experience requirements are met, the contractorbidder 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 contractorbidder 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 determined to be nonresponsible, it shall be afforded an administrative hearing upon the submission of a timely protest of such issue. Any additional evidence submitted in the course of the protest procedure shall be considered 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 Executive 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 Labor compliance requirements on SANDAG contracts shall be consistent with the California Labor Code.

2.1.6 Contracts including construction services in excess of $1 million shall include a provision requiring the entity contracting with SANDAG to commit that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all construction work on the project consistent with Public Utilities Code Section 132354.7 unless one of the exceptions in Section 132354.7(a) are met.

2.1.7 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.

2.1.8 The contractor shall also comply with Sections 1431 and 1735 of the Labor Code and all other California laws prohibiting discrimination based on protected class status. 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.

2.1.9 The Board's Equal Employment Opportunity Program and adequate audit provisions to allow the SANDAG independent performance auditor access to the contracted entity's records needed to verify compliance with the terms specified in the contract will be incorporated by reference in all SANDAG construction contract templates.

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 492, Part 18200 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 allowing a limited competition or sole source procurement set forth in the latest version of FTA Circular 4220.1, or the equivalent from other federal funding agencies, must be met.

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 such work on behalf of the Board and shall report to the Board all 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 unless otherwise authorized by applicable federal or state law:

6.1.1 Except in the case of design-build contracting, any firm that provides design services or project management services to SANDAG 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 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 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 construction procurement document will not be allowed to participate as a bidder/offeree or join a team submitting a bid/offer in response to that 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; 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

6.2.3 Profit-making firms or businesses in which the former employees described in subsection 6.2.32 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” contracting is a project delivery method 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 22160 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. Selection criteria for design-build procurements shall be subject to Board approval.

9. Construction Manager/General Contractor Contracting
Construction Manager/General Contractor (CM/GC) contracting is a project delivery method using a best value procurement process in which a construction manager is procured to provide pre-construction services during the design phase of the project and construction services during the construction phase of the project. Notwithstanding Section 1 of this Policy, SANDAG is permitted to use the CM/GC contracting method on transit projects in accordance with Public Contracts Code §§6950-6958. A competitive negotiation process similar to the process described in Board Policy No. 016 for the procurement of services will be used to procure CM/GC services. Selection criteria for CM/GC procurements shall be subject to Board approval.

10. **Design Sequencing Contracting**

"Design sequencing" contracting is a method of project delivery that enables the sequencing of design activities to permit each construction phase to commence when the design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction. This is a variation of the design-bid-build project delivery method. SANDAG is permitted to use the design sequencing contracting method on transit projects in accordance with Public Contracts Code §§6950-6958.

Adopted November 2003
Amended December 2006
Amended December 2007
Amended December 2008
Amended January 2010
Amended November 2010
Amended February 2012
Amended November 2012
Amended October 2013
Amended November 2014
Amended January 2017
Amended February 2018
Amended January 2019
Amended XXXX 2020
PUBLIC PARTICIPATION 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 its Public Participation Plan and this policy periodically as required by law, but no less often than every five years. Various federal and state laws and regulations require that an agency such as SANDAG conduct and establish a 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. SANDAG recognizes that the public has a right to expect the business of SANDAG to be conducted with efficiency, fairness, impartiality, and integrity. SANDAG’s work carries with it an obligation to the public interest. SANDAG officials and employees are expected to have high standards of honesty and professionalism, as well as a straightforward and transparent communication approach, in order to promote and maintain public confidence and trust.

This policy is consistent with the requirements of 23 CFR Section 450.316(a)(1)(x) of Title 23 in the Code of Federal Regulations, 40 CFR Section 93.105, and Public Utility Code Section 132360.1, and Government Code Section 65080 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 populations based on income, race, color, national origin, or culture—low-income and minority communities.

**Data Collection**

SANDAG collects and uses racial and ethnic data showing the extent to which different population groups based on race, color, and national origin—members of minority groups—are beneficiaries of programs receiving Federal financial assistance through SANDAG programs and projects. The agency uses the data to confirm that populations protected by Title VI are not subject to discrimination or disparate impacts by SANDAG.

**Title VI Training**

SANDAG provides training on Title VI, social equity, and environmental justice matters to its employees near the time of hire. Updates to Title VI training are provided periodically thereafter on an as-needed basis.

**Complaint Process and Title VI Compliance Officer Contact Information**

When conducting government business, SANDAG does not discriminate on the basis of race, color, religion (all aspects of religious beliefs, observance, or practice, including religious dress and grooming practices), national origin (including language use), ancestry, age (40 and above), gender identity or expression (including transgender, gender fluid, or gender transition status), sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), medical condition (including cancer, or a record or history of cancer), physical disability, mental disability, genetic information, sexual orientation, marital status, registered domestic partner status, veteran status or current or prospective service in the uniformed services, or any other category protected under federal, state, or local law, in accordance with all applicable laws and regulations. Included in the definition of each protected category is the perception of membership in a protected category and an individual’s association with an actual or perceived member of a protected category—race, color, sex, creed, religion, national origin, age, marital status, ancestry, medical condition, disability, veteran status, or sexual orientation—in conducting government business. Persons who believe they have been subjected to discrimination or have been denied access to services or accommodations required by law, have the right to use the discrimination complaint procedures in Board Policy No. 009. The SANDAG Office of General Counsel—Director of Diversity and Equity—is the Title VI Compliance Officer for this policy and is responsible for administering this complaint procedure, as well as ensuring compliance with applicable laws. The Compliance Officer can be reached at: SANDAG, 401 B Street, Suite 800, San Diego, California 92101; (619) 699-1900.

**Scope of Public Participation Efforts**

The policy addresses public participation policies and public information efforts in the following areas:

A. Overall Public Participation Plan
B. Long- and Short-Range Planning Programs—Regional Transportation Improvement Program
C. Development Planning
Overall Public Participation Plan -- Unless otherwise noted or required, the Public Participation Plan provides SANDAG general policies for public participation for major planning initiatives such as the Regional 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 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 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. Board and Board Committee meetings broadcast or accessible on the web will be provided with closed captioning. Spanish language interpreters shall be available at every Board meeting and upon request three (3) business days in advance of Board Committee meetings. Interpreters in other languages shall be available on request at Board or Board Committee meetings upon three (3) business days in advance.

4. The SANDAG Public Participation/Involvement Program shall comply with the Americans with Disabilities Act (ADA). SANDAG shall hold public meetings in buildings, rooms, or locations that are accessible to persons with disabilities. SANDAG shall provide public meeting information in alternate formats and shall provide special accommodations at public meetings including, but not limited to documents in large print and/or Braille, sign language interpreters, or hearing assistive devices within three (3) business days notice.
5. The SANDAG Public Participation 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 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, text messaging, the SANDAG social media channels, 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.

8. SANDAG shall regularly inform local print, online, and broadcast media about SANDAG decisions, events, research, and other issues. SANDAG shall regularly distribute press releases to news services, Daily Transcript, East County Californian, El Latino, La Prensa, Los Angeles Times, San Diego Business Journal, San Diego Metropolitan, San Diego Union-Tribune, San Diego Voice & Viewpoint, The Star News, and numerous community newspapers. SANDAG shall also distribute information to local and Mexico radio and television stations.

9. SANDAG shall use its website and social media channels to provide the public with useful and timely information, including: project updates and construction information; 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 and interpreters shall be hired as outlined in the most recent SANDAG Language Assistance Plan 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 inquirycustomer 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. Comments received via SANDAG social media channels will be addressed as stated in the SANDAG Social Media Policy.

B. Long- and Short-Range Regional Planning Programs

Regional Plan – This document, which is typically updated every four years, includes the federal and state mandated Regional Transportation Plan (RTP) elements, the Regional Comprehensive Plan (RCP), and the region’s Sustainable Communities Strategy (SCS). Public participation activities will be performed in compliance with California Government Code section 65080 and 23 CFR 450.316 as applicable.

1. The following policies specifically concern Regional Plan development by SANDAG and will be implemented when required pursuant to applicable state and federal law. These policies supplement the general policies for public participation described in Section A and provide a framework for any tailored public involvement plan developed to provide a more detailed strategy for the Regional Plan.

2. Outreach efforts for the sustainable communities strategy and alternative planning strategy, if any, will encourage active participation of a broad range of stakeholder groups in the planning process, including but not limited to affordable housing advocates, transportation advocates, neighborhood and community groups, environmental advocates, home builder representatives, broad-based business organizations, landowners, commercial property interests, and homeowner associations.

3. In development of the Regional Plan, SANDAG will consult and coordinate with other agencies and officials responsible for planning activities within the region that are affected by transportation such as tribal nations; local, state, and federal land management authorities; transit operators; congestion management agencies; transportation agencies; and transportation commissions in adjoining counties. SANDAG will also consider economic development, tourism, natural disaster risk reduction, environmental protection, airport operations, and freight movements during the development of the Regional Plan.
4. SANDAG will hold at least three workshops throughout the region to provide the public with the information and tools necessary to provide a clear understanding of the issues and policy choices. Each workshop, to the extent practicable, shall employ visualization techniques, including but not limited to urban simulation computer modeling to create visual representations of the sustainable communities strategy and alternative planning strategy, if any.

5. At least two public hearings on the draft sustainable communities strategy and alternative planning strategy, if any, will also be conducted in different parts of the region to maximize the opportunity for participation by members of the public throughout the region.

6. SANDAG will prepare and circulate a draft sustainable communities strategy and an alternative planning strategy, if any, at least 55 days before adoption of the final Regional Plan.

7. Should the final Regional Plan differ significantly from the version that was made available for public comment and raise new material issues that interested parties could not have reasonably foreseen from the public involvement efforts, SANDAG will provide an additional opportunity for public comment.

8. SANDAG will maintain an email newsletter providing members of the public who subscribe with notices, information, and updates related to the Regional Plan.

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

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

10. 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 Plan, including participating in public outreach efforts, providing adequate public notice (legal notice publications), employing visualization techniques, and holding public meetings at convenient and accessible locations.

11. 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).

12. 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.

13. During the amendment cycle, SANDAG will provide a draft of the amendment to all interested parties for a 15-day comment period.
CC. 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 will 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 website. Persons and organizations on the project mailing list and social media channels 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, outreach via social media, 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.

| DD. 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.

**EE. Fare Changes**

1. SANDAG has adopted Board Policy No. 029 to provide policy guidance for fare changes. This section of this 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 the 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 or 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 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 also 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 meetings at which formal public testimony will be taken 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 adoption of fare changes.

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 meeting 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.

**FF. 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 will fall under adopted policies of MTS and NCTD.

**GG. 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 November 2004
Amended March 2005
Amended January 2006
Amended December 2007
Amended December 2008
Amended January 2010
Amended November 2012
Amended September 2017
Amended February 2018
Amended XXXX 2020
Audit Policy Advisory Committee and Audit Activities

1. Purpose

The purpose of this policy is to specify the functions of the Audit Committee and the SANDAG Independent Performance Auditor.

2. Governance and Role of the Audit Committee

2.1 The Audit Committee shall be overseen by the SANDAG Board of Directors and shall govern itself in accordance with Public Utilities Code Sections 132351.4 and 132354.1, and the policies and procedures applicable to all SANDAG Policy Advisory Committees.

2.2 Membership of the Audit Committee shall be as set forth in Board Policy No. 002:

2.3 Policy Advisory Committee Membership. The Audit Committee shall consist of five voting members with two members of the Board of Directors and three members of the public, all of which shall be appointed by the Board of Directors. Due to the qualification requirements and selection process described in this policy, Audit Committee members and alternates shall be selected according to the processes below.

2.4 The Chair of the Board will select which members of the Audit Committee will hold the Chair and Vice Chair positions on the Audit Committee every two years or whenever a position is vacant. A member of the public shall be selected for either the Chair or Vice Chair position.

2.5 The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities and provide a forum for pursuing the opportunities for improvements in operations, financial reporting and internal controls identified through the agency’s audit products.

3. Authority of the Audit Committee

3.1 The Audit Committee may hear items within the subject areas of audits, internal controls and investigations into fraud, waste, or impropriety, and may be asked to provide actions or recommendations on other matters within the Audit Committee’s purview. The responsibilities of the Audit Committee include:

3.1.1 Recommend to the Board which firm to contract with to conduct the annual financial statement audits and oversee the conduct of such audits.

3.1.2 Meet with management and the independent performance auditor to review and discuss SANDAG’s annual financial statement audits, internal control reports and other audits performed by external auditors.

3.1.3 Review and oversee the implementation of corrective action to address noted audit deficiencies.

3.1.4 Based on the Board’s direction regarding whether to hire an individual or firm, recommend to the Board which individual or firm to hire to carry out independent performance auditor responsibilities.
3.1.5 Recommend to the Board the annual compensation of the independent performance auditor.

3.1.6 Oversee the work of the independent performance auditor in preparing and issuing audit and investigative reports and other audit, review or attest activities.

3.1.7 Approve the annual audit plan after discussion with the independent performance auditor, pursuant to Public Utilities Code Section 132354.1(b), and make recommendations to the Board regarding the budget needed to carry out the annual audit plan of the independent performance auditor.

3.1.8 Monitor the implementation of the annual audit plan and provide an annual report to the Board.

3.1.9 Monitor the implementation of corrective action identified in audit and investigative reports and inform the Board when corrective action is insufficient or untimely.

3.1.10 Independently communicate with the IPA consistent with the limitations set forth in the Brown Act.

3.1.11 Conduct the independent performance auditor’s annual performance evaluation against performance measures established and adopted by the Audit Committee.

3.1.12 Vote on whether to remove the independent performance auditor for cause including, but not limited to incompetence, dishonesty, unethical behavior, violation of state or federal laws, or failure to maintain required professional certifications; such removal being subject to an approving vote by two-thirds of the Audit Committee and the Board.

3.1.13 Recommend internal control guidelines to be adopted by the Board to prevent and detect financial errors and fraud based on the internal control guidelines developed by the State Controller pursuant to Government Code Section 12422.5 and the standards adopted by the American Institute of Certified Public Accountants.

4. Selection of Audit Committee Members

4.1 The Board members serving on the Audit Committee shall be appointed by the Board using the procedures in this subsection 4.1.

4.1.1 The two Board members and any Board member alternates serving on the Audit Committee shall be recommended for appointment by the Chair of the Board. The Chair of the Board shall select Board members to recommend to the Board based on the following criteria:

4.1.1.1 The Board member shall have served on the Board for at least three years;

4.1.1.2 The Board member shall have a basic understanding of the role of the Audit Committee; and

4.1.1.3 The Board member shall express a willingness to work through the Audit Committee to pursue opportunities for improvements in operations, financial reporting, and internal controls identified through the agency’s audit products.

4.1.2 The Board members recommended by the Chair of the Board shall be subject to approval by a majority vote of the Board.
4.1.3 Audit Committee members shall serve until their successors are appointed. In the event that the Board member who has been appointed to serve on the Audit Committee is no longer a primary or alternate member of the Board of Directors, the position shall be considered vacant. If and when vacancies in the voting membership of the Audit Committee occur, the same selection process as outlined above shall be followed to select a replacement.

4.1.4 Board members appointed to the Audit Committee shall serve a term of two years. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term. In no case shall any member serve more than five years on the Audit Committee.

4.2 The public members serving on the Audit Committee shall be appointed by the Board using the procedures in this Subsection 4.2.

4.2.1 Whenever there is a vacancy for a public member seat on the Audit Committee, application forms will be made available on the SANDAG website for persons interested in applying for an Audit Committee position. Applications shall be due within 30 days after the application forms are posted. Only candidates who submit an application by the deadline will be considered.

4.2.2 Applicants shall possess the independence, experience, and technical expertise necessary to carry out the duties of the Audit Committee. This expertise includes, but is not limited to, knowledge of accounting, auditing, and financial reporting. The minimum professional standards for public members shall include at least ten years of experience as a certified public accountant or as a certified internal auditor, or ten years of other professional accounting, financial, or legal experience in audit management.

4.2.3 The candidates shall be recommended by a majority vote of a screening committee composed of a member of the Board selected by the Chair of the Board, the chief financial officer or finance director of a SANDAG member agency, and at least one outside financial expert appointed by the other two members of the screening committee and confirmed by the Board. Persons serving on the screening committee shall sign a declaration establishing that they do not have a conflict of interest.

4.2.4 The screening committee may interview one or more of the candidates. The screening committee shall submit its recommended nominee(s) for the position(s). The screening committee also may nominate alternates from among the applicants.

4.2.5 In the event that the screening committee is unable to recommend any of the applicants for any or all positions, or an insufficient number of applications have been received, the screening committee may recommend a supplemental process, subject to Board approval. The constraints set forth in the normal nomination process shall not be mandated to apply to the supplemental process.

4.2.6 The public members nominated by the screening committee shall be subject to approval by a majority vote of the Board.

4.2.7 Audit Committee members shall serve until their successors are appointed. If and when vacancies in the voting membership of the Audit Committee occur, the same selection process as outlined above shall be followed to select a replacement to fill the remainder of the term.
4.2.8 Public members appointed to the Audit Committee shall serve a term of two-four years. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term. In no case shall any member serve more than five years two consecutive terms on the Audit Committee.

5. Selection of Independent Performance Auditor

5.1 The independent performance auditor shall serve a two-year term and shall be selected by the Board on the basis of qualifications and experience, which include, but are not limited to:

5.1.1 At least ten years of experience performing audits under Government Audit Standards;

5.1.2 At least five years of management experience;

5.1.3 A Bachelors or higher degree in business, public administration, finance, accounting or a related field; and

5.1.4 Possession of a Certified Public Accountant or Certified Internal Auditor license or certificate.

6. Scope of Authority and Responsibilities of Independent Performance Auditor

6.1 The independent performance auditor shall report to the Audit Committee and shall be independent of SANDAG’s internal management and administration, except that SANDAG’s Director of Finance role shall maintain administrative oversight of the IPA’s monthly timesheets and tracking of annual leave.

6.2 The objective of the IPA is to serve as the Board of Directors oversight function that objectively evaluates and recommends improvements to SANDAG including prioritizing its efforts by continuously facilitating an objective risk assessment. The Independent Performance Auditor’s audit functions are designed to include timely reporting of significant issues to appropriate oversight authorities.

6.3 The IPA may facilitate and conduct a risk assessment process to assist management to logically identify key risks within SANDAG and its components and shall annually present and discuss risk with the Committee to receive input and feedback. As part of the aforementioned process, the IPA shall receive input from SANDAG’s executive management and staff, the Committee, and the Board of Directors as to the risk factors that the Committee deems most important to SANDAG.

6.4 Based upon the results of the risk assessment, the independent performance auditor shall annually prepare an audit plan and conduct audits in accordance therewith. The independent performance auditor shall have authority to conduct, or to cause to be conducted, performance audits of SANDAG departments, offices, boards, activities, agencies, and programs and perform those other duties as may be required by the Board or as provided by the California Constitution and general laws of the state.

6.5 The IPA will oversee and conduct independent examinations, including audits, of SANDAG programs, functions, operations, or management systems and procedures. In performing such audits, the IPA will independently and objectively assess whether:

6.5.1 Activities and programs being implemented have been authorized by the appropriate governing laws or codes, state or local law, or applicable federal law or regulations.

6.5.2 Activities and programs are in compliance, properly conducted, and funds expended in accordance with the applicable laws.
6.5.3 The departments, divisions, or agencies are acquiring, managing, protecting, and using its resources, including public funds, personnel, property, equipment, and space, economically, efficiently, equitably, and effectively, and in a manner consistent with the objectives intended by the authorizing entity or enabling legislation.

6.5.4 The entity, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices.

6.5.5 The desired result or benefits are being achieved.

6.5.6 Financial and other reports are being provided that disclose fairly, accurately, and fully all information required by law, to ascertain the nature and scope of programs and activities, and to establish a proper basis for evaluating the programs and activities including the collection of, accounting for, and depositing of revenues and other resources.

6.5.7 Management has established adequate operating and administrative procedures and practices, fiscal and accounting systems, and an adequate system of controls or internal management controls.

6.5.8 Indications of fraud, abuse, waste, misappropriation, or illegal acts are valid and need further investigation.

6.6 The IPA may also perform external reviews of contracts or service programs of entities that are awarded funds overseen by SANDAG.

6.7 The independent performance auditor shall from time to time advise the Audit Committee on existing and evolving governance practices that may be best suited for SANDAG.

6.8 The independent performance auditor shall follow the most recent version of Generally Accepted Government Auditing Standards as published by the United States Government Accountability Office.

6.9 The Committee shall approve the processes pertaining to follow-up audit procedures, if appropriate. The IPA shall have procedures in place to track, monitor, and evaluate the status of identified control issues with a tracking mechanism and with consideration to the risk of each issue and the cost and benefit of various audit procedure alternatives.

All officers and employees of SANDAG shall furnish to the independent performance auditor unrestricted access to employees, information, and records, including electronic data, within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business required to conduct an audit or otherwise perform audit duties. It is also the duty of any consolidated agency officer, employee, or agent to fully cooperate with the auditor, and to make full disclosure of all pertinent information, with the exception of information that is protected by law from disclosure.

6.10 The IPA shall hold data and information obtained during the course of its audit activities with due care and the appropriate level of confidentiality. Unless otherwise mandated by law, the IPA shall have authority to grant, limit, and restrict access to work papers and records.

6.11 The IPA shall communicate results of its work and otherwise known issues to management and the Committee. The IPA shall form and report appropriate opinions based on audit evidence. Management shall provide responses to issues in a prompt and efficient manner. Written reports may be distributed to the Committee, SANDAG’s Management, and if appropriate for reports containing significant issues or when there is a disagreement with management other than minor in nature, to the Board of Directors. The IPA shall provide summary information to the Committee pertaining to issues resulting from audit procedures as well as known issues outside of the audit scope of review. Additionally, the IPA shall provide the Committee with an annual
assessment as to the effectiveness of management’s attention to resolving identified control issues.

6.12 The independent performance auditor shall prepare a proposed budget and submit it to the Audit Committee for a recommendation to the Board of Directors for its approval 180 days prior to the beginning of each fiscal year or as otherwise requested by the Director of Finance.

6.13 The independent performance auditor shall have the power to appoint, employ, and remove assistants, employees, and personnel as deemed necessary for the efficient and effective administration of the affairs of the independent performance auditor. The independent performance auditor may prescribe the duties, scope of authority, and qualifications of employees and consultants overseen by the independent performance auditor. The independent performance auditor’s authority shall be subject to the annual audit plan and the budget approved by the Board, SANDAG rules and policies related to the management and hiring of SANDAG employees and consultants, and the scope of the independent performance auditor’s purview as determined by the Board.

6.14 The independent performance auditor may investigate any material claim of financial fraud, waste, or impropriety within SANDAG and for that purpose may summon any officer, agent, or employee of the consolidated agency, any claimant, or other person, and examine him or her upon oath or affirmation relative thereto. The independent performance auditor will conduct investigations generally following the procedures recommended by the Association of Certified Fraud Examiners’ Fraud Examiners Manual for any allegations of financial fraud, waste or impropriety. Prior to questioning any person under oath, the independent performance auditor shall advise the members of the Audit Committee of that intention, seek legal counsel from the Office of General Counsel or outside counsel under contract to SANDAG regarding the relevant legal issues, and document the reasons why the questioning must be done under oath instead of by some other form of affirmation.

6.15 The independent performance auditor shall coordinate audit functions such that there is no duplication of effort between the audits undertaken by the independent performance auditor and audits undertaken by the Independent Taxpayer Oversight Committee.

6.16 Pursuant to Government Code section 8546.7, when the amount of a contract will exceed $10,000, SANDAG and the State Auditor, at the request of SANDAG or as part of any audit of SANDAG, have authority to examine and audit a contracting party for a period of three years after SANDAG’s final payment on the contract, whether or not audit language is included in the contract document. As an additional measure, all SANDAG contracts with consultants, vendors, or agencies in excess of $25,000 in aggregate within a fiscal year, which call for a contracting party to provide goods or services to SANDAG over a period of time, will be prepared with an adequate audit provision to allow the independent performance auditor access to the entity’s records needed to verify compliance with the terms specified in the contract. The intent of this provision is to put parties contracting with SANDAG on notice that the independent performance auditor will have the right to audit both the party’s accounting methods and performance on such contracts.

6.17 Results of all audits and reports shall be made available to the public in accordance with the requirements of the California Public Records Act (Chapter 3.5 [commencing with Section 6250] of Division 7 of the Title 1 of the Government Code). Final versions of formal reports also shall be posted on the SANDAG website.
6.18 All materials or services needed by the independent performance auditor shall be procured using an open and competitive basis with solicitation of proposals from the widest possible number of qualified firms as prescribed by SANDAG procedures for procurement. The scope of work of all such consultant work shall be subject to approval by the independent performance auditor prior to any such solicitation.

Adopted: December 2017
Amended: January 2019
Amended: September 2019
Amended: XXXX 2020
Legislative Status Report

Status reports on SANDAG legislative activities are provided to the Executive Committee on a regular basis. Attachments 1 and 2 include summaries from Ellison Wilson Advocacy, LLC on state legislative activity, and from Peyser Associates LLC on federal legislative activity related to SANDAG for June 2020.

Victoria Stackwick, Director of Government Relations

Key Staff Contacts:  Robyn Wapner, (619) 699-1994, robyn.wapner@sandag.org
                    Hector Vanegas, (619) 699-1972, hector.vanegas@sandag.org
                    Laurie Gartrell, (619) 595-5388, laurie.gartrell@sandag.org

Attachments:  1. Report from Ellison Wilson Advocacy
              2. Report from Peyser Associates LLC

Action: Information
An update on SANDAG legislative and policy activities will be presented.
LEGISLATIVE UPDATE

Legislative Overview

In light of the current pandemic, the legislative calendar has been modified considerably. Below is the revised legislative calendar:

June 5 – ASM: Last day for Assembly fiscal committees to hear and report to the floor bills introduced in the Assembly
June 5 – SEN: Last day for Senate policy committees to hear and report to the floor non-fiscal bills introduced in their house
June 19 – ASM: Last day for the Assembly to pass bills introduced in that house; Summer Recess begins for the Assembly upon adjournment
June 19 – SEN: Last day for Senate fiscal committees to hear and report to the floor bills introduced in their house
June 26 – SEN: Last day for Senate to pass bills introduced in that house
July 2 – SEN: Summer Recess begins upon adjournment
July 13 – Legislature reconvenes from Summer Recess
July 31 – Last day for policy committees to hear and report fiscal bills to fiscal committees
August 7 – Last day for policy committees to meet and report bills
August 14 – Last day for fiscal committees to meet and report bills
August 21 – Last day to amend bills on the floor
August 31 – Last day for each house to pass bills

AB 2731 (Gloria) Passed by the Assembly

AB 2731, authored by Assembly Member Todd Gloria, clarifies and strengthens certain public participation provisions and government transparency in the California Environmental Quality Act (CEQA) process for a major transit and transportation facilities project in San Diego. The bill was unanimously passed by the Assembly Appropriations Committee on June 2, 18-0. Subsequently, the bill was unanimously passed off the Assembly Floor on June 10, 77-0. It will now head to the Senate, where it will be heard next by the Senate Environmental Quality Committee.
State Budget

On June 15, while the Governor and legislative leadership continued negotiating a budget deal, the Legislature passed a placeholder budget bill that anticipated $14 billion of additional federal support that was not included in the Governor’s proposal. Under this bill, if this federal money did not arrive by October 1, 2020, a number of “trigger solutions” would be implemented.

Ultimately, the Governor and legislative leadership announced a $202.1 billion budget deal on June 22, which maintained key new investments from the Legislature’s 6/15 version, including a $300 million increase in homelessness funding, but also included the following changes to the Legislature’s 6/15 version:

The final version of the budget does not rely on additional Rainy-Day Funds, Safety Net Reserve Funds, or the PERS deferrals that were included in the Legislature’s 6/15 version if additional federal funds did not materialize. Instead, the final version relies upon updated baseline forecast adjustments to revenues and expenditures and an increased Prop 98 deferral. Additionally, the final version changes from the Legislature’s “trigger down” approach, to a “trigger up approach.” Under this approach, the following “trigger ups” will occur:

- The additional Prop 98 Deferrals will be paid off.
- $2.9 billion will reverse state employee payroll reductions.
- $970 million will be restored to the UC and CSU ($770 million was subject to trigger cuts in Legislature’s 6/15 version).
- $150 million will restore courts reductions ($100 million was subject to trigger in Legislature’s 6/15 version).
- $250 million will restore low income and moderate-income housing reductions.
- $250 million will augment the $750 million county realignment backfill, for a total of $1 billion to backfill county realignment.
- $88 million will restore the reductions to Golden State Teacher Grant.
- $45 million will restore cut to local child support program.

The deal is expected to be passed by the Legislature and signed by the Governor prior to July 1.

ACTIVITY REPORT

6/1: Provided SANDAG staff with updates on pertinent legislation.
6/2: Monitored Assembly Appropriations Committee for passage of AB 2731; communicated with SANDAG staff on matter with State Water Resources Control Board.
6/3: Provided SANDAG staff with updates on AB 2731 and state budget.
6/4: Conference call with SANDAG staff on CEQA legislation; provided SANDAG staff with updates on AB 2731 and state budget.
6/5: Conference call on toll road legislation; communicated with SANDAG staff on AB 2731 and other pertinent CEQA legislation.
6/8: Communicated with SANDAG staff and legislative staff on other pertinent CEQA legislation.
6/10: Monitored Assembly Floor for passage of AB 2731; conference call with SANDAG staff on AB 2731 and other pertinent CEQA legislation; reviewed SANDAG opposition letter on mobility device legislation.
6/11: Reviewed proposed amendments to pertinent CEQA legislation; provided SANDAG staff with updates on the state budget; communicated with SANDAG staff and State Water Resources Control Board staff on matter with State Water Resources Control Board.
6/12: Communicated with SANDAG staff and State Water Resources Control Board staff on matter with State Water Resources Control Board; provided SANDAG staff with updates on the state budget and other
pertinent legislation; reviewed SANDAG letter requesting an extension for Housing Element Submissions and LEAP.


6/15: Communicated with SANDAG staff and Navy representatives on AB 2731.

6/16: Provided SANDAG staff with updates on the state budget; communicated with SANDAG staff and legislative staff on AB 2731.

6/17: Conference call with SANDAG staff and legislative staff on AB 2731.

6/19: Reviewed/analyzed amendments to pertinent legislation and provided update to SANDAG staff.

6/22: Provided SANDAG staff with a comprehensive list of active pertinent legislation; communicated with SANDAG staff on AB 2731.

6/23: Provided SANDAG staff with pertinent budget trailer bills; communicated with SANDAG staff and legislative staff on AB 2731; reviewed/analyzed proposed amendments to AB 2731 and amendments to other pertinent legislation.

6/24: Conference call with SANDAG staff on toll road legislation; provided SANDAG staff with updates on the state budget; communicated with SANDAG staff and legislative staff on AB 2731; reviewed/analyzed proposed amendments to AB 2731; drafted/assembled AB 2731 background documents for committee staff; communicated with SANDAG staff on Defense Critical Infrastructure Program application.

6/25: Conference call with SANDAG staff and legislative staff on AB 2731; communicated with Legislative Counsel on proposed amendments to AB 2731.

6/26: Conference call on toll road legislation; communicated with SANDAG staff and Legislative Counsel on proposed amendments to AB 2731.
Transportation Update from Peyser Associates

June 5, 2020

House T&I Committee Democrats Release Five-Year Reauthorization for Surface Transportation Programs

House Transportation & Infrastructure (T&I) Committee chair Peter DeFazio (D-OR) on Wednesday released a five-year reauthorization of federal surface transportation programs. As presaged in the January release of House Democrat’s framework for a larger infrastructure bill, the measure would invest $494 billion over five years in highway, transit or rail programs. This funding level represents significant increases over FAST Act authorization levels. For highways, the increase is 42%, for transit 72% and for rail 431%.

The bill has provisions intended as COVID-19 response, but it does not increase funding levels that were proposed in January, before the dimensions of the COVID-19 crisis were known. The bill front-loads some highway and transit money to provide a shot-in-the-arm for those modes in FY 2021. For transit, the bill also contains provisions authorizing the Federal Transit Administration (FTA) to increase the federal share of CIG projects already under Full Funding Grant Agreements (FFGAs), allowing the deferral of local match on those projects and providing ongoing flexibility to use Section 5307 formula funds for operating assistance in large urbanized areas.

High level summaries of the transit and rail titles of the bill, with detailed funding charts, are attached to this report. The committee’s detailed section-by-section summary can be found HERE.

Committee Republicans were quick to announce their opposition to the bill on the basis that they were not consulted in its development, and that it is too expensive.

The T&I Committee plans to consider the bill on June 17. It will almost certainly pass with minimal changes on a party-line vote. What happens next is hard to predict. The House Ways and Means Committee has no plan for providing resources to shore-up the Highway Trust Fund. The option of funding the programs from the General Fund by selling Treasury Bonds is not completely off the table, but given the competing claims on General Fund support from state and city governments, small businesses, and social programs to respond to COVID-19, it will be a challenge to find support for a $500 billion allocation to surface transportation.

House Leadership Lays out Timing for Infrastructure Legislation and Other Matters

After this report went to press last Friday, House Majority Leader Steny Hoyer announced the House schedule for the balance of the year. In a letter to his caucus, Hoyer indicated that he expects most of June to be devoted to committee work on a variety of measures, including an infrastructure package with a FAST Act reauthorization. July will be devoted to passage of appropriations measures, the infrastructure bill, a water resources bill, the Defense Authorization, and other matters. As of now, the House is still planning on a full August recess. The Leader also announced plans for a “lame duck” session after the election.

Spending Bill Schedule Points to a Stopgap Measure in September

The Majority Leader’s schedule plans, referenced above, call for House action on appropriations bills for fiscal 2021 to be taken in committee in late June and early July and on the floor for the balance of July. This is about a month behind last year’s schedule for appropriations bills.
Hoyer’s schedule from Friday slipped by Wednesday of this week when House Appropriations Committee Chair Nita Lowey (D-NY) sent a letter to colleagues saying subcommittee and full committee mark-ups would take place during the weeks of July 6 and July 13. That would leave time to rush the bills through the floor before the August recess, but it will be a push.

Given this schedule, it appears unlikely that a significant number – if any – of the appropriations bills will be ready for the President’s signature by the end of the fiscal year on September 30. A stopgap spending bill to bridge until Congress returns for a “lame-duck” session in mid-November is a strong likelihood.

**FTA Awards Lo-No Emissions Bus Grants**

The FTA on Tuesday announced the award of $130 million in Lo-No Emissions bus grants for FY 2020. The awards fund 41 projects in 40 states. Click [HERE](#) for a link to the FTA press release and a list of project awards.

**INVEST in America Act Summaries**

See the following pages for summaries of the transit and rail titles of the proposed INVEST in America Act.

**SUMMARY OF TRANSIT PROVISIONS OF INVEST IN AMERICA ACT**

This high-level summary pulls from the Bill Text and the Section-by-Section Summary the key elements of the transit provisions in the Invest in America Act.

**COVID-19 Response**

Adds $5.8 billion transit programs funded by the trust fund and $958 million from the general fund to the FY 2020 authorization levels. The annual increase amounts to 53%.

Formula funds may be used for operating expenses incurred after January 20, 2020.

Capital Investment Grant (CIG) additional funds may be used to increase by up to 30% of total project cost the federal share of New Starts projects that are either in Engineering or has a FFGA entered into after January 1, 2017.

For FFGAs entered into before January 1, 2017, that are still awaiting funds, the additional CIG funds may be used to accelerate their receipt of FFGA funds.

New funding added to CIG projects comes with a 100% federal share.

New Starts or Core Capacity project may defer the contribution of local share.

**Capital Investment Grant Program Changes**

Project Development Phase – FTA cannot require cost and risk assessments.

Engineering Phase – Gives grantees three years to move through the Engineering phase.

Federal Share – Re-establishes 80% federal share cap. Projects under 60% federal share may set contingency amounts themselves, self-certify adequate funds to continue existing service, and execute FFGA with only 75% of non-federal funds secured.

Warrants – Projects under $1 billion with a federal cost share below 60% get automatic ratings.

Interrelated Projects – Allows a rating improvement in mobility for projects that have another related project in the planning process that has secured initial NEPA guidance and will boost ridership on the current project seeking a rating.

Core Capacity – adds station expansion eligibility. Allows planning to start ten years before the corridor reaches capacity as opposed to five.
Transit Formula Grant Program Changes

FY 2019 data will be used for FY 2021 apportionments.

Incentive Tier of Bus State of Good Repair (SOGR) formula changed to incentivize vehicles per hour on most heavily traveled routes instead of low operating cost.

New Discretionary Grants of Interest

Projects of National and Regional Significance – $9 billion over five years. Similar to BUILD grants.

Community Transportation Investment Grants – $600 million/year for local government projects.

Community Climate Innovation Grants – $250 million/year.

Metro Performance Program – $750 million per year to MPO’s. Grants between $10 and $50 million.

Gridlock Reduction Grants – $250 million per year with half set-aside for freight.

Bus Frequency and Competitiveness – $100 million per year to increase bus frequency and ridership.

INVEST IN AMERICA ACT TRANSIT FUNDING

<table>
<thead>
<tr>
<th></th>
<th>FY20 Approps</th>
<th>FY20 FAST Act</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula and Bus Grants</td>
<td>10,800.0</td>
<td>10,150.3</td>
<td>15,940.3</td>
<td>16,185.8</td>
<td>16,437.6</td>
<td>16,700.6</td>
<td>16,963.6</td>
</tr>
<tr>
<td>CIG</td>
<td>1,958.0</td>
<td>2,301.8</td>
<td>3,259.8</td>
<td>3,500.0</td>
<td>4,250.0</td>
<td>5,000.0</td>
<td>5,500.0</td>
</tr>
<tr>
<td>WMATA</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>155.0</td>
<td>160.0</td>
<td>165.0</td>
<td>170.0</td>
</tr>
<tr>
<td>TOTAL (dollars)</td>
<td>12,908.0</td>
<td>12,602.1</td>
<td>19,350.1</td>
<td>19,840.8</td>
<td>20,847.6</td>
<td>21,865.6</td>
<td>22,633.6</td>
</tr>
</tbody>
</table>

SUMMARY OF RAIL PROVISIONS IN INVEST IN AMERICA ACT

AMTRAK

Funding is roughly triple overall, with a four-fold increase for the Northeast Corridor.

Amtrak’s goals are changed in this bill to focus on reliability of passenger rail service, not on cost effectiveness.

DISCRETIONARY GRANTS

A new program called Passenger Rail Improvement, Modernization and Expansion (PRIME), is authorized at $19 billion over five years. Projects can be for state of good repair, new railroad construction, or service improvement. Of available funds, 40% are reserved for the Northeast Corridor, 40% for other projects, and 20% is up for grabs. Preference in awarding grants goes to projects with support from more than one state and projects with environmental benefits such as GHG reduction.

CRISI grants get almost a five-fold increase to $1.4 billion per year.

RRIF

For the first time, the bill would make available funding to pay the Credit Risk Premium on RRIF Loans. The benefit would be limited to public sector project sponsors.

The bill repeals the sunset to the Transit Oriented Development authority in RRIF.
DISCRETIONARY GRANTS OF INTEREST IN THE HIGHWAY TITLE

A $9 billion-over-five-years Projects of Regional & National Significance program would replace the BUILD program. Large highway, transit, freight and passenger rail projects would be eligible to apply.

A $250 million/year Community Climate Innovation Grants program would be created to fund projects that contribute to greenhouse gas emissions reductions.

<table>
<thead>
<tr>
<th>RAIL FUNDING IN INVEST IN AMERICA ACT ($ in Millions)</th>
<th>FY20 Approps</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMTRAK NEC ADA Compliance</td>
<td>50.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMTRAK NEC</td>
<td>650.0</td>
<td>2,900.0</td>
<td>2,700.0</td>
<td>2,500.0</td>
<td>2,500.0</td>
<td>2,500.0</td>
</tr>
<tr>
<td>AMTRAK Nat. Network - ADA Compliance</td>
<td>50.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMTRAK Nat. Network - Replace Cars</td>
<td>100.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMTRAK Nat. Network - Tech and PTC</td>
<td>50.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMTAK Nat. Network - General</td>
<td>1,100.0</td>
<td>3,600.0</td>
<td>3,400.0</td>
<td>3,200.0</td>
<td>3,000.0</td>
<td>3,000.0</td>
</tr>
<tr>
<td>AMTRAK Long-Distance Routes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRIME Grants</td>
<td>3,800.0</td>
<td>3,800.0</td>
<td>3,800.0</td>
<td>3,800.0</td>
<td>3,800.0</td>
<td>3,800.0</td>
</tr>
<tr>
<td>CRISI - New Intercity Rail Corridors</td>
<td>45.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRISI - Commuter Auth. w/Accidents '08-'18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRISI - General</td>
<td>280.0</td>
<td>1,400.0</td>
<td>1,400.0</td>
<td>1,400.0</td>
<td>1,400.0</td>
<td>1,400.0</td>
</tr>
<tr>
<td>F-S Partnership for SOGR</td>
<td>200.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restoration and Enhancement</td>
<td>2.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Grade Crossing Separation Grants</td>
<td>450.0</td>
<td>475.0</td>
<td>500.0</td>
<td>525.0</td>
<td>550.0</td>
<td></td>
</tr>
<tr>
<td>RRIF Credit Subsidy</td>
<td>30.0</td>
<td>30.0</td>
<td>30.0</td>
<td>30.0</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>MagLev Deployment Program</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,529.0</strong></td>
<td><strong>12,200.0</strong></td>
<td><strong>11,825.0</strong></td>
<td><strong>11,450.0</strong></td>
<td><strong>11,275.0</strong></td>
<td><strong>11,300.0</strong></td>
</tr>
</tbody>
</table>

June 12, 2020

**Police Reform Measures Roil Congressional Agenda**

Until this week, congressional leaders had in mind a rough outline of the congressional agenda until the October recess. Spending bills would work their way through both bodies in July, with the hope they would be ready for final action in September. Another COVID-19 response package would be passed by the Senate in July and finalized for presidential signature before the August recess. The House would work on infrastructure, a Defense Authorization, and other matters in July so the Senate could take them up in September.
Much of that schedule is now called into question because of the swift emergence of police reform onto the congressional agenda. House Democratic leaders this week released a sweeping police reform agenda and Senate Majority Leader Mitch McConnell (R-KY) tasked Senator Tim Scott (R-SC) to develop a proposal for Senate consideration. A measure like this could easily tie the Senate in knots for at least a week. This will require a re-thinking of the congressional agenda.

**Trump Administration Appears to Soften on Additional COVID-19 Response Aid**

After a few weeks when senior Trump Administration officials have been backing away from supporting additional funding for COVID-19 response, Treasury Secretary Stephen Mnuchin on Wednesday signaled a softening in the Administration’s position.

Testifying at a hearing of the Senate Committee on Small Business, Mnuchin indicated he thought further government spending was going to be needed to “put more money into the economy.” He referenced the need to address unemployment and the needs of small business.

GOP Senators are also starting to develop potential spending proposals. Senator Rob Portman (R-OH) is advancing a proposal to replace the $600/month federal add-on to unemployment benefits with a “back to work bonus” that would pay out money to people returning to work. Portman says the current federal bonus, which expires July 31, is a disincentive for people to go back to work. While Democrats scoff at the Portman proposal, the fact that he is advancing it is an indication that the GOP sees the need to get something done this summer.

All of this activity points to the potential that before the August recess the House and Senate will be in a position to approve a measure that contains some combination of additional aid to the unemployed and small business, assistance to state and local governments, and some additional support for the health system. Provisions like aid to state departments of transportation and additional aid to transit would have to be viewed as “on the bubble” at this point. Their inclusion will depend on the state of the economy and both parties’ view of their election prospects about a month from now.

**Senate Appropriators Plan Mark-up Ahead of the House**

Traditionally, the House is the first body to act on appropriations bills. However, that tradition does not prevent the Senate from starting committee action on its measures before the House. It is unusual for this to happen. But 2020, if nothing else, is a year for the unusual.

Senate Leadership this week announced it will begin committee action on FY 2021 spending bills the week of June 22 – two weeks before the House. Appropriations subcommittees have received their spending allocations and staffs are getting to work to prepare.

This acceleration offers some hope that at least some spending bills could be completed before Congress recesses in early October, depending on how long it takes to consider police reform (see above).

**House Committee to Consider INVEST in America Act Next Wednesday**

The House Committee on Transportation and Infrastructure has scheduled a mark-up of the INVEST in America Act for next Wednesday. The mark-up will be virtual, with members participating remotely.

GOP committee members are expected to offer a substitute measure and potentially also a large number of amendments to the Democratic proposal. This would be a departure from normal practice at the T&I Committee, where leadership from both sides traditionally unite to block major amendments. But, as noted above, this is 2020. Regardless of how many amendments are offered, it is unlikely any will pass as the Democrats are almost certain to vote unanimously against them.
FRA Issues State of Good Repair Grant NOFO

The Federal Railroad Administration on Wednesday published a Notice of Funding Opportunity for $291 million of Federal-State Partnership for State of Good Repair grants. The funding covers FYs 2019 and 2020. Applications will be due on July 24. Click HERE to see the NOFO.

June 19, 2020

House Committee Advances Surface Transportation Reauthorization

The House Committee on Transportation and Infrastructure (T&I) last night approved H.R. 2, the “INVEST in America Act” and sent it on for consideration by the full House.

The final vote came a little after 11 p.m. last night, after 24 hours of consideration spread over two days. During the course of the markup, 177 amendment came before the committee. That number is deceptively low, because many of those were “en bloc” amendments that contained a package of amendments. The actual number of amendments was closer to 300. The vast majority of the Amendments were from the GOP side and were swept aside. A small number of minor amendments were accepted by the Chairman, and others that represented “tweaks” to provisions in the bill were passed on voice votes or roll calls. Altogether, 78 amendments were passed, about 25% of those offered. None of the amendments made major changes to the bill.

The first day of the markup, on Wednesday, featured comments from Republican members about being left out of the drafting process of the bill. Several of them harkened back nostalgically to the days when the “Big 4” (the Chair and Ranking Member of the full committee and subcommittee) would work out a bill and then push it through committee with a strong bipartisan majority.

The five-year, $494 billion measure will go to the House Rules Committee today, where it will be packaged with other infrastructure measures for consideration on the House floor (see below).

House Democrats Preparing $1.5 Trillion Infrastructure Package for Floor Action

House Speaker Nancy Pelosi (D-CA) yesterday said she plans to hold a vote on the floor before the July 4 recess on a $1.5 trillion infrastructure plan.

The centerpiece of the plan will be the $494 billion, five-year INVEST in America Act, passed last night by the House T&I Committee. It will also include the following investments:

- Broadband – $100 billion
- School Construction – $100 billion
- Affordable Housing – $100 billion
- Water Projects – $65 billion
- Electric Grid – $65 billion
- Hospital Construction – $30 billion
- Postal Service – $25 billion

The balance of the $1.5 trillion comes from the revenue loss impact of tax provisions that would reinstate Build America Bonds and Advance Refunding Bonds, expand the issuance of Private Activity Bonds, and make permanent the New Markets Tax Credit.

The packaging and timing of this legislation is designed chiefly to call the President’s bluff on infrastructure. The White House this week indicated they may be ready to renew their push for a $1 trillion/ten-year package. Most of the Administration’s proposal is a ten-year reauthorization of the surface transportation programs. The House is essentially raising the stakes with a five-year plan that spends more than the
President’s ten-year plan. Passing such a measure on the House floor does not increase the chances of enactment of any infrastructure spending this year.

Representative DeFazio considers the INVEST in America Act to be a piece of “must pass” legislation because the programs it reauthorizes all expire on September 30. The other items in the House package are more controversial and will make it much harder to advance the legislation after the House passes it.

In this case, the Democrats scoring political points by showing more commitment to infrastructure than the President will not advance the cause of transportation legislation. It is more likely to end up being a setback because it weighs down the transportation bill with less urgent items.

**DOT Awards INFRA Grants for FY 2019**

Secretary of Transportation Elaine Chao yesterday announced the award of $906 million in grants from the INFRA program. The INFRA grant program is a Highway Trust Fund program that funds highway and multimodal infrastructure projects. This round includes 20 projects in 20 states.

Of the 20 projects, seven of them were large grants of $50 million or more. Those projects were in the states of Colorado, Kentucky, Mississippi, Nevada, Rhode Island, Texas, and Washington.

Click [HERE](#) to see a fact sheet on the grants awarded.

**June 26, 2020**

**House Leaders Prepare Infrastructure Package for Floor Action**

The House Committee on Rules this week began the process of assembling a package of infrastructure bills for action on the House floor. The package has the designation H.R. 2 and is called the “Moving Forward Act.”

The centerpiece of the measure is the “INVEST in America Act” approved last week by the House T&I Committee. As noted in recent reports, the bill will also include funding for broadband buildout, school construction, water infrastructure, the U.S. Postal Service, and health facility construction. It will also include a number of tax-related provisions to, among other things, expand the use of Private Activity Bonds and re-authorize Build America Bonds and advance refunding bonds.

In terms of “pay-fors” for the surface transportation authorizations, the bill essentially “punts” on the issue. It envisions plowing $145 billion in general funds into the Highway Trust fund over FYs 2021-2025. It is clear, however, that House Ways and Means Committee Chair Richard Neal (D-MA) views that transfer as a placeholder provision. Through a spokesperson on Tuesday, he urged the Administration to negotiate with Democrats on revenue raisers to cover the cost of programs, including transit covered by the Highway Trust Fund. The Administration has yet to move on this.

The Rules Committee will meet Monday to formally assemble the legislative package for floor action and to decide which amendments to make in order. The committee will sort through 310 amendments that were submitted by yesterday’s 10 a.m. deadline and an additional 29 that were submitted late. The T&I Committee is discussing with the Rules Committee the potential to combine a number of amendments it deems acceptable into one or more “en bloc” amendments that the bill’s managers would accept on the House floor with minimal discussion or debate.

Among the amendments that may make it into an en bloc package is one sponsored by Representative Scott Peters (D-CA) of San Diego and co-sponsored by Representative Adam Smith (D-WA) of the Puget Sound region to ensure FTA Capital Investment Grant projects can be submitted in FYs 2021 and 2022 using pre-COVID-19 data. This is particularly important for the Core Capacity category, which includes a “gating” threshold for eligibility that requires significant crowding on commuter rail or transit vehicles. No projects would be likely to meet the standards for the next year or two if they had to submit current data.
The complete $1.5 trillion, five-year package of infrastructure spending and tax provisions is likely to pass on a relatively straight party-line vote in the House next week.

On the other side of the Capitol the “world’s greatest deliberative body” this week failed to start deliberations over police reform. Majority Leader Mitch McConnell quickly shelved the issue for the time being and turned to the Defense Authorization bill so his caucus could regroup. This delay in action on police reform likely means the Senate’s calendar will be even more crowded in July than previously thought. This diminishes further the potential for action on a comprehensive infrastructure package.

**Administration Leaning Towards Another COVID-19 Relief Package but a Battle Looms**

Both President Trump and Treasury Secretary Stephen Mnuchin this week indicated they thought there could be progress in July on another round of COVID-19 relief. What the administration would like to see in that package is unclear. The President this week mentioned the possibility of another round of stimulus checks directly to taxpayers and he has continued to speak about a payroll tax cut. In a press event on Tuesday, Secretary Mnuchin noted the potential for a COVID-19 package, but did not discuss its potential contents.

Knowing that the House Democrats are anxious to get a package done before the end of July, Majority Leader McConnell is likely to use his tactical skills to try to force on them a package they will view as inadequate. If he were serious about hashing out a compromise, he would be announcing a schedule to put the bill on the Senate floor immediately. It is likely to take several days, if not a full week, to get the bill off the Senate floor given all the controversial issues it will bring up. Significant time would then be required to negotiate a deal with House Democrats and the Administration. If McConnell drags his feet on putting the bill on the Senate floor, such as not putting it on the floor the week after next, he will be indicating that he wants to use the clock ticking toward August recess in his favor.

**Appropriation Bills for FY 2021 Still at the Starting Gate**

House Appropriations Committee Chair Nita Lowey (D-NY) told her committee members this week that all appropriations subcommittee mark-up on FY 2021 bills will take place between July 6 and 8. The Transportation-HUD Subcommittee markup is set for July 8. All spending bills will be considered in full committee the following week, between July 13 and 16. The plan is then to move the measures to the House floor in “minibus” packages over the next two weeks, before the August recess.

On the Senate side, Appropriations Committee Chair Richard Shelby (R-AL) had originally announced, as reported here, that subcommittee mark-ups would occur this week. That did not happen and no official schedule has been published. Shelby has the option to skip subcommittee and go straight to full committee, but it is not clear he plans to take that option. Given the jam-up on the Senate floor in July, it may not be that damaging to have a short delay in committee action, since floor action is now looking more likely for September than for July.