



Monterey-Salinas Transit

Program Review

April 11, 2016

Reported Losses

Fiscal Year	Total Claims Reported
Prior Years Average	39
2010-11	26
2011-12	28
2012-13	18
2013-14	29
2014-15	22
2015-16	10
Totals	133
Current Years Average	22

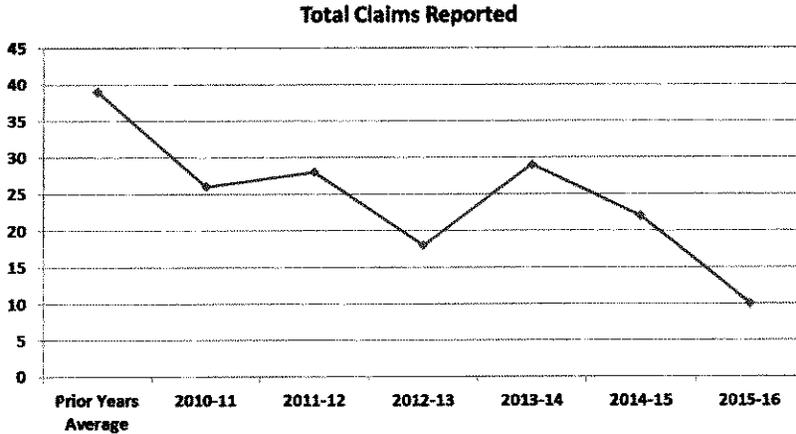
➤ Prior to 2010-11, the claims reported were roughly 44% higher than the current average of 22.

➤ With fewer claims reported there will be less claims costs.

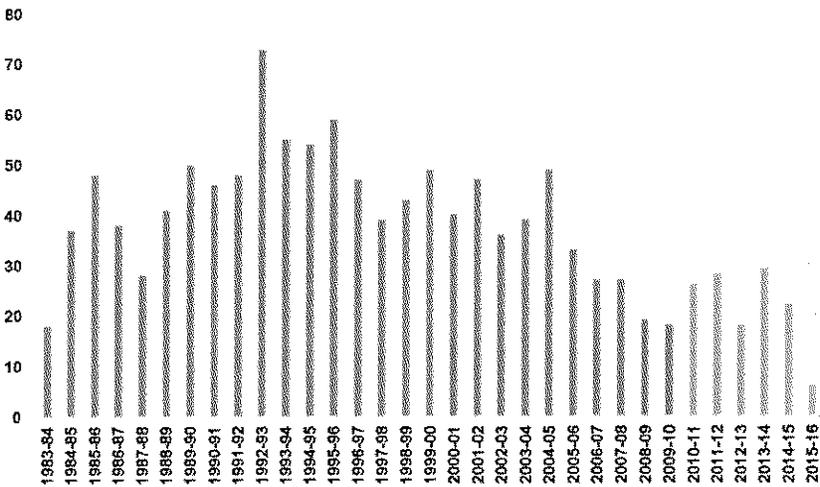
➤ Additional opportunities exist to reduce the number of reportable claims by utilizing a triage method at the time of injury, rather than immediate referral to the occupational clinic. This is being coordinated with Pacific Claims Management & Company Nurse.

➤ Fiscal Year 2015-16 is a trended figure through June 30, 2016. A total of 6 claims has been reported for the current fiscal year.

Reported Claims Chart



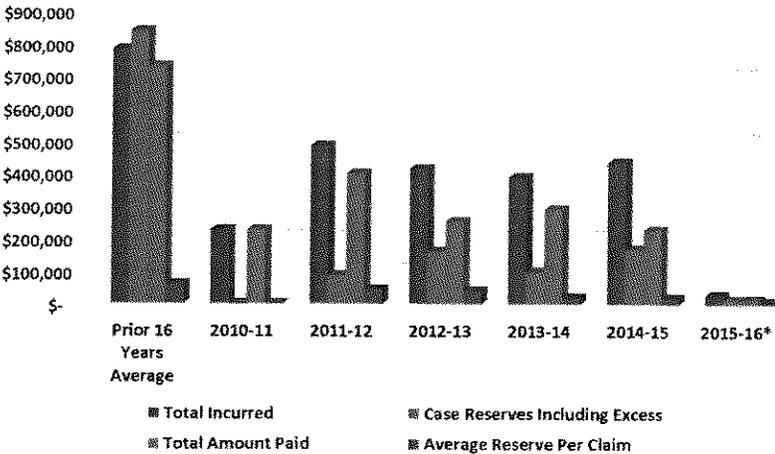
Total New Claims by Year



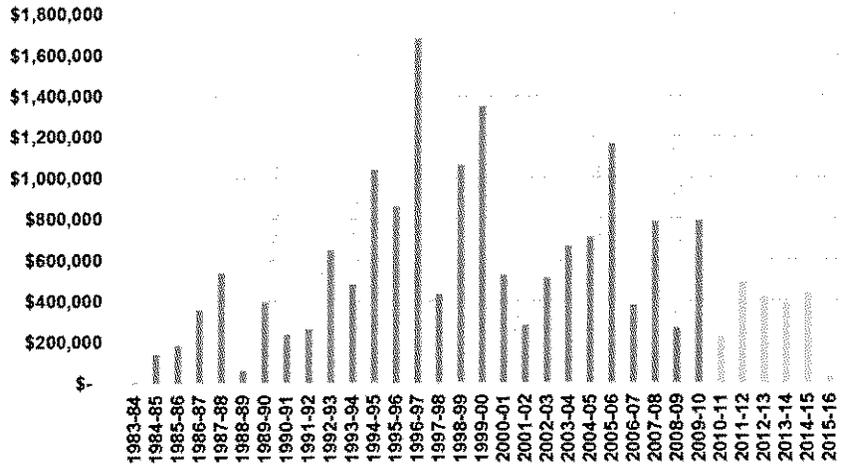
Fiscal Year Analysis (As of 2/29/2016)

	Prior 16 Years Average	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
Total Incurred	\$ 781,655	\$ 225,607	\$ 485,597	\$ 412,926	\$ 387,489	\$ 433,732	\$ 26,130	\$ (405,602)	-93.51%
	Prior 16 Years	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
Case Reserves Including Excess	\$ 837,263	\$ -	\$ 88,712	\$ 160,523	\$ 98,478	\$ 167,505	\$ 13,381	\$ (154,124)	-62.01%
	Prior 16 Years	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
Case Reserve Less Excess	\$ 348,029	\$ -	\$ 88,712	\$ 160,523	\$ 98,478	\$ 167,505	\$ 13,381	\$ (154,124)	-62.01%
	Prior 16 Years Average	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
Total Amount Paid	\$ 726,226	\$ 225,607	\$ 398,885	\$ 252,403	\$ 289,011	\$ 225,227	\$ 14,749	\$ (211,478)	-83.48%
	Prior 16 Years	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
# of Open Claims	14	0	2	4	5	6	2	(7)	-350.00%
	Prior 16 Years	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	Amount of Change	Percent of Change
Average Reserve Per Claim	\$ 59,804.50	\$ -	\$ 43,356.00	\$ 40,130.75	\$ 19,695.80	\$ 18,611.67	\$ 6,690.50	\$ (11,021.17)	-64.05%

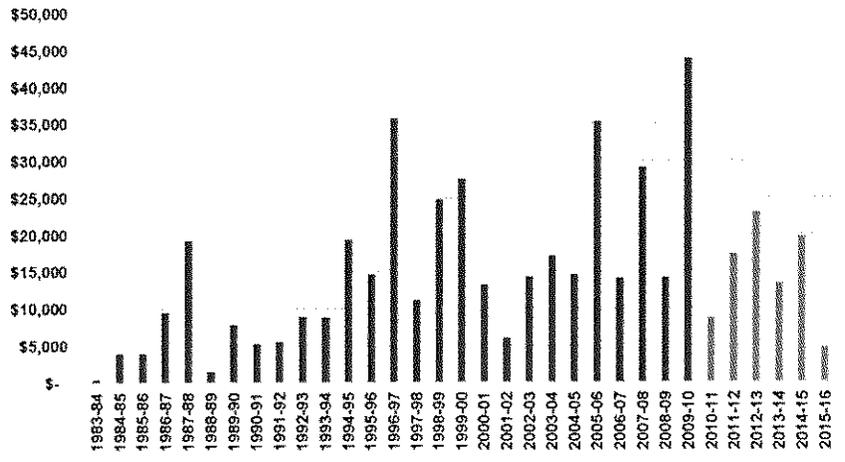
Historical Snapshot



Total Incurred Chart

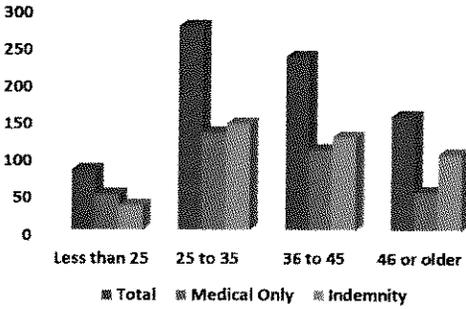


Total Average Incurred



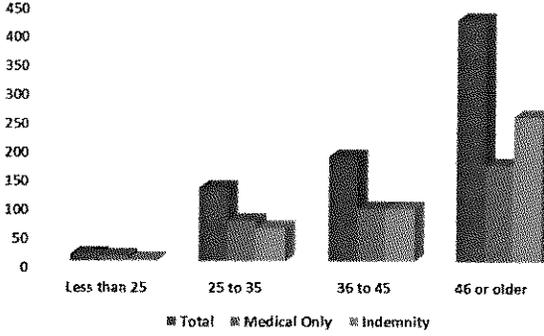
Claims by Age at Time of Hire

	Total	Medical Only	Indemnity
Less than 25	81	48	33
25 to 35	274	131	143
36 to 45	233	108	125
46 or older	153	51	102
	741	338	403



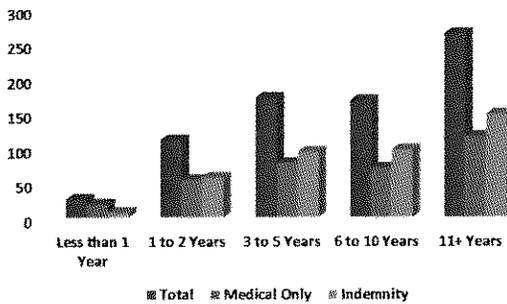
Claims by Age at Time of Injury

	Total	Medical Only	Indemnity
Less than 25	12	9	3
25 to 35	127	70	57
36 to 45	182	91	91
46 or older	420	168	252
	741	338	403



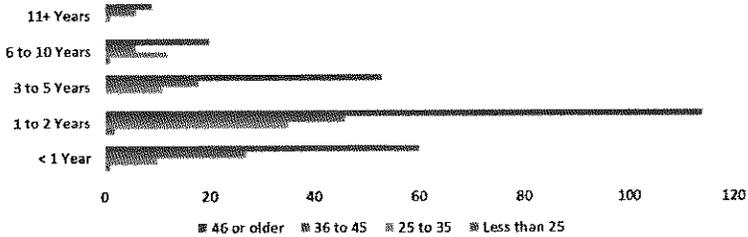
Claims by Length of Employment

	Total	Medical Only	Indemnity
Less than 1 Year	26	19	7
1 to 2 Years	111	54	57
3 to 5 Years	172	78	94
6 to 10 Years	168	71	97
11+ Years	264	116	148
Total	741	222	403

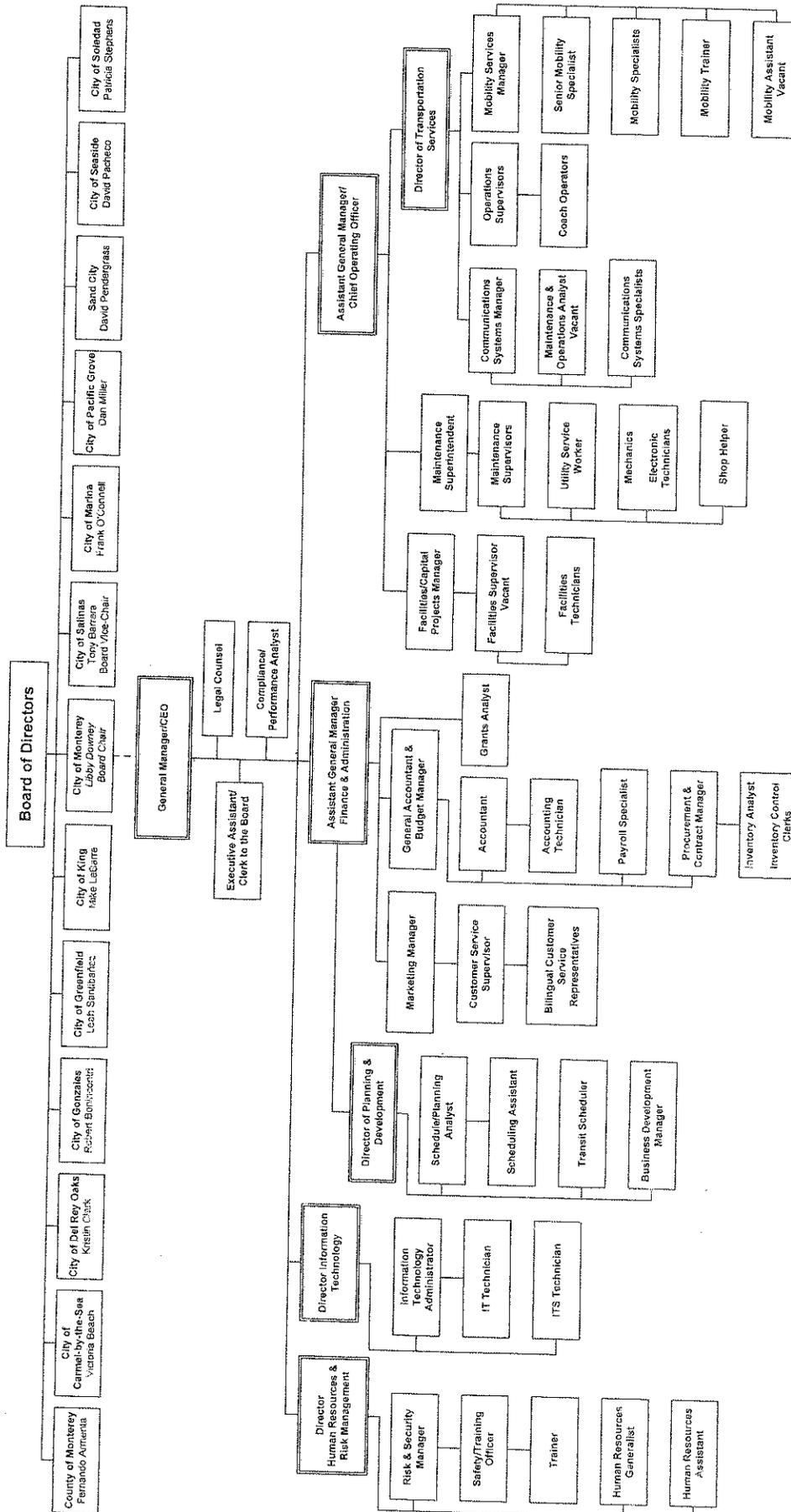


Length Open by Age (Indemnity Claims Only)

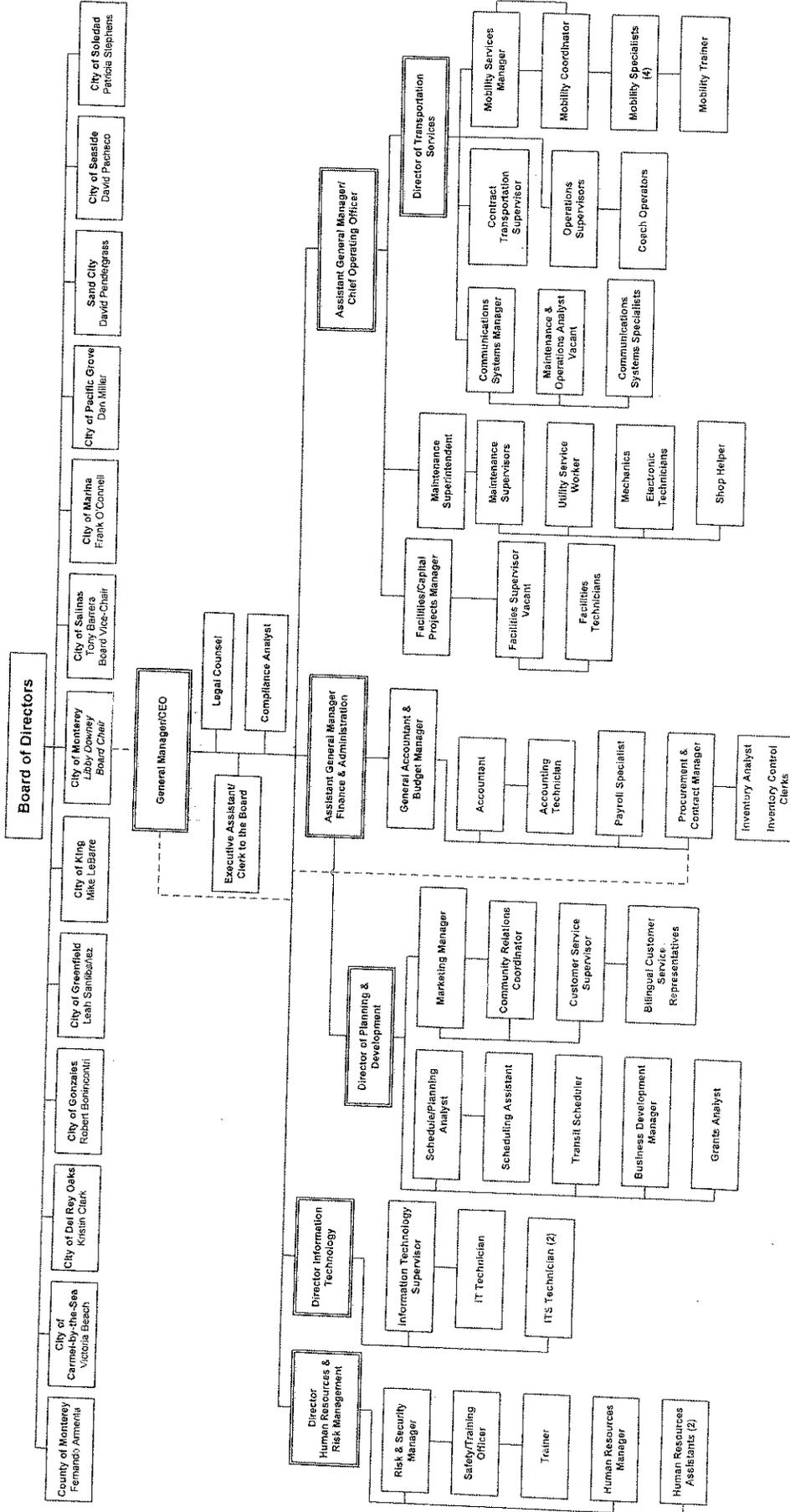
	< 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11+ Years	Totals
Less than 25	1	2	0	1	0	4
25 to 35	10	35	11	12	1	69
36 to 45	27	46	18	6	6	103
46 or older	60	114	53	20	9	256
Total	98	197	82	39	16	432



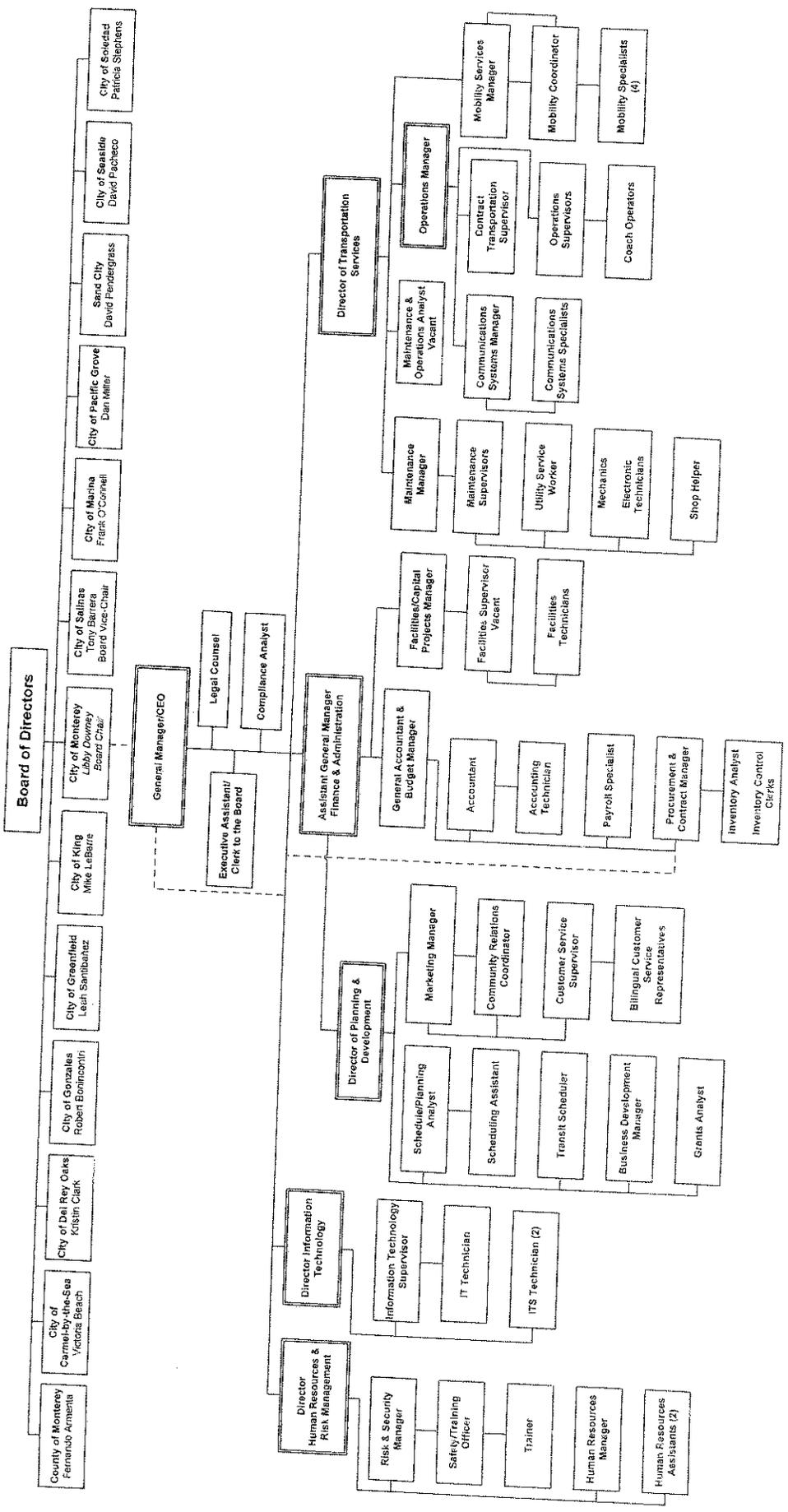
Monterey-Salinas Transit Organization Chart FY 2016



Monterey-Salinas Transit Organization Chart FY 2017



Monterey-Salinas Transit Organization Chart January 2017



MST AGENDA & MEETING NOTICE

Group: Human Resources Committee
Directors: Stephens (Chair), Clark, Miller, Pacheco
Date: April 11, 2016
Time: 9:00 a.m.
Place: Monterey Bay Air Resources District, Board Room, 3rd Floor, 24580 Silver Cloud Ct., Monterey

The Human Resources Committee recommends policies to the Board concerning the effective use of human resources and compensation/benefits/recognition systems.

1. **Call to order.**
2. **Public comment on matters not on the agenda.**
3. **Status of Workers' Compensation Program Presentation (No enclosure). (Kelly Halcon)**
4. **Staffing and Organizational Update (No enclosure). (Carl Sedoryk)**
5. **Closed session.**

As permitted by Government Code §54957 et seq. of the State of California, the Board of Directors may adjourn to Closed Session to consider specific matters dealing with personnel and/or pending possible litigation and/or conferring with the Board's Meyers-Millias-Brown Act representative.

- 4-1. Conference with Legal Counsel Litigation: Morgan v. MST, Monterey Superior Court No. M130164, Gov. Code § 54956.9 (K. Halcon) (No Enclosure)
- 4-3. Conference with Labor Negotiators – Amalgamated Transit Union, Local 1225 (ATU) and MST (D. Laredo, K. Halcon) (§54957.6)
6. **Return to open session and report on closed session.**
7. **Staff and Committee member comments, questions, or referrals.**
8. **Adjourn.**

Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the Monterey-Salinas Transit Administration office at One Ryan Ranch Road, Monterey, CA, during normal business hours.

Upon request, MST will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least three days before the meeting. Requests should be sent to Deanna Smith, MST, One Ryan Ranch Road, Monterey, CA 93940 or clerk@mst.org

TRANSIT DISTRICT MEMBERS:

City of Carmel-by-the-Sea • City of Del Rey Oaks • City of Gonzales • City of Greenfield
City of King • City of Marina • City of Monterey • City of Pacific Grove • City of Salinas
City of Sand City • City of Seaside • City of Soledad • County of Monterey

REVISED

**Board of Directors Regular Meeting
April 11, 2016**

Monterey Bay Unified Air Pollution Control District
Board Room, 3rd Floor
24580 Silver Cloud Ct., Monterey
and

Kauai Coast Resort at the Beach Boy, 520 Aleka Loop, Kapa, HI 96746
Phone: 808-822-3441

10:00 a.m.

TRANSPORTATION: Ride Line 8 from Monterey Transit Plaza (Munras Gate) at 9:15 a.m. or Sand City Station at 9:30 a.m. Request a taxi voucher from MST Customer Service at the board meeting for your return trip (good for a \$17 one-way trip).

1. CALL TO ORDER

- 1-1. Roll Call.
- 1-2. Pledge of Allegiance.
- 1-3. Review Highlights of the agenda. (Carl Sedoryk)

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Members of the public may address the Board on any matter related to the jurisdiction of MST but not on the agenda. There is a time limit of not more than three minutes for each speaker. The Board will not take action or respond immediately to any public comments presented, but may choose to follow-up at a later time either individually, through staff, or on a subsequent agenda.

3. CONSENT AGENDA

These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.

- 3-1. Adopt Resolution 2016-22 recognizing Coach Operator Performance Excellence. (Carl Sedoryk)
- 3-2. Adopt Resolution 2016-23 recognizing Ruben Cano, Coach Operator, as Employee of the Month for April 2016. (Robert Weber)

- 3-3. Adopt Resolution of Appreciation 2016-24 for services rendered by Victoria Beach. (Carl Sedoryk)
- 3-4. Minutes of the regular meeting of March 7, 2016. (Anita Flanagan)
- 3-5. Minutes of the Legislative Committee March 7, 2016. (Anita Flanagan)
- 3-6. Minutes of the Measure Q Citizens Oversight Committee March 11, 2016. (Anita Flanagan)
- 3-7. Financial Report – February 2016. (Angela Dawson)
- 3-8. Disposal of property left aboard buses. (Sonia Bannister)
- Pulled* 3-9. Ratify the emergency purchase of one replacement medium bus from Creative Bus Sales. (Michael Hernandez)
- 3-10. Approve the disposition Accountable Property. (Angela Dawson)
- Pulled* 3-11. Receive report on the 2015 Community Stakeholder Survey. (Zoë Shoats).
- Pulled* 3-12. Receive FY 2015 Comprehensive Annual Financial Report (CAFR) and receive opinion from Measure Q Citizens Oversight Committee that Measure Q funds were appropriately used during FY 2015. (Hunter Harvath)
- Pulled* 3-13. Award contract to Moore & Associates in the amount of \$28,875.20 to conduct Onboard Passenger and Attitude and Awareness (Non-Rider) surveys. (Zoë Shoats)
- 3-14. Claim rejection – Ernesto Hernandez and Veronica Lopez. (Ben Newman)

End of Consent Agenda

4. RECOGNITION AND SPECIAL PRESENTATIONS

- 4-1. April Employee of the Month – Ruben Cano. (Robert Weber)
- 4-2. Resolution of Appreciation - Victoria Beach, City of Carmel-by-the-Sea. (Carl Sedoryk)

5. PUBLIC HEARINGS

6. ACTION ITEMS

- 6-1. Receive staff analysis regarding MV Transit employees' request for MST to fund negotiated wage and benefits, and encourage MV Transit management and bargaining representatives to continue towards a mutually acceptable labor agreement. (Carl Sedoryk)
- 6-2. Approve revised MST Procurement Policies and Procedures. (Sandra Amorim)
- 6-3. Authorize Participation in the National Joint Powers Alliance Cooperative and Approve Facility Design Coordination. (Mike Hernandez)
- 6-4. Authorize Change Order for Design & Engineering Services. (Michael Hernandez)

7. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

- 7-1. General Manager/CEO Report – February 2016.
- 7-2. Washington, D.C. Lobby Report – March 2016.
- 7-3. State Legislative Advocacy Update – March 2016.
- 7-4. Staff Trip Reports.
- 7-5. Correspondence.

8. CLOSED SESSION

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- 8-1. Conference with Real Property Negotiators, Gov. Code § 54956.8. (Parcel # APN 026-521-031)

- 8-2. Conference with Real Property Negotiators, Gov. Code § 54956.8.
(Parcel # APN 032-171-005)

9. RETURN TO OPEN SESSION

- 9-1. Report on Closed Session and possible action.

10. BOARD REPORTS, COMMENTS, AND REFERRALS

- 10-1. Reports on meetings attended by board members at MST expense
(AB 1234).
- 10-2. Board member comments and announcements.
- 10-3. Board member referrals for future agendas.

11. ATTACHMENTS

- 11-1. The detailed monthly Performance Statistics and Disbursement Journal for February 2016 can be viewed online within the GM Report at
<http://mst.org/about-mst/board-of-directors/board-meetings/>

12. ADJOURN

NEXT MEETING DATE: May 9, 2016

Monterey Bay Air Resources District, 3rd Floor

NEXT AGENDA DEADLINE: April 26, 2016

**Dates and times are subject to change.*

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- 6-2. Approve revised MST Procurement Policies and Procedures. (Sandra Amorim) (Pg. 85)
- 6-3. Authorize Participation in the National Joint Powers Alliance Cooperative and Approve Facility Design Coordination. (Mike Hernandez) (Pg. 127)
- 6-4. Authorize Change Order for Design & Engineering Services. (Michael Hernandez) (Pg. 129)

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- 7-4. Staff Trip Reports. (Pg. 155)
- 7-5. Correspondence. (Pg. 157)

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Agenda # **3-1**
April 11, 2016 Meeting

**RECOGNITION OF
COACH OPERATOR PERFORMANCE EXCELLENCE
FOR CALENDAR YEAR 2015**

WHEREAS, Monterey-Salinas Transit created the Coach Operator Performance Excellence Award in 2009 to recognize coach operators who maintain a perfect a perfect record of safety and attendance, customer service and on-time performance for an entire year; and

WHEREAS, MST Coach Operators Fernando Andrade, Tim Brown, Ruben Cano, Tiziano Minelli, and Ernesto Paat had no preventable accidents, no unscheduled absences, no verifiable customer complaints, and maintained an on-time performance of over 90% for the entire calendar year 2015; and

WHEREAS, this level of sustained performance excellence results in providing MST customers the best possible service and is worthy of recognition.

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit congratulates Coach Operators Fernando Andrade, Tim Brown, Ruben Cano, Tiziano Minelli, and Ernesto Paat for sustained excellence in Safety, Perfect Attendance, On-time Performance, and Customer Service for the year 2015.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2016-22 this 11th day of April, 2016.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

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Agenda # **3-2**
April 11, 2016 Meeting

**RUBEN CANO JR.
APRIL 2016
EMPLOYEE OF THE MONTH**

WHEREAS, each month Monterey-Salinas Transit recognizes an outstanding employee as Employee of the Month; and

WHEREAS, the Employee of the Month is recognized for their positive contribution to MST and to the entire community; and

WHEREAS, Ruben Cano Jr. began his career as a Coach Operator with Monterey-Salinas Transit District in August of 2008; and

WHEREAS, Ruben Cano Jr. is a recent recipient of a 6-Year Safe Driving award, has received numerous attendance awards and other special citations. He was previously recognized as Employee of Month in March of 2015; and

WHEREAS, Ruben Cano Jr. was named as one of five recipients of the 2015 General Manager's Coach Operator Excellence Award. This annual award recognizes Operators who have maintained perfect attendance, on time performance of 90% or higher, and have received no valid employee conduct complaints. This is the fourth time in which he has received this award since 2011.

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Ruben Cano Jr. as Employee of the Month for April 2016.

BE IT FURTHER RESOLVED that Ruben Cano Jr. is to be congratulated for his excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2016-23 this 11th day of April 2016.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

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Agenda # **3-3**
April 11, 2016 Meeting

**APPRECIATION FOR SERVICES RENDERED
BY VICTORIA BEACH**

WHEREAS, Victoria Beach has served on the Board of Directors of Monterey-Salinas Transit from May of 2012 to April of 2016; and

WHEREAS, Victoria Beach has served on the Facilities, Finance and Human Resources Committees; and

WHEREAS, Victoria Beach served as chair on the Facilities Committee from July 2015 to April 2016; and

WHEREAS, Victoria Beach was supportive of MST's efforts to enact a special countywide sales tax to support transit services for veterans, seniors, and persons with disabilities; and

WHEREAS, Victoria Beach was a strong advocate for the citizens of the City of Carmel-by-the-Sea who depend upon public transportation; and

WHEREAS, Victoria Beach remains a staunch advocate of public transportation; and

WHEREAS, Victoria Beach has made a substantial and lasting contribution to the improvement of public transportation throughout Monterey County.

THEREFORE, BE IT RESOLVED that the Board of Directors gives Victoria Beach its sincerest thanks and best wishes as she leaves the MST Board of Directors.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2016-24 this 11th day of April, 2016.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

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Agenda # **3-4**
April 11, 2016 Meeting

MST BOARD OF DIRECTORS

Monterey Bay Unified Air Pollution Control District
Board Room, 3rd Floor
24580 Silver Cloud Ct., Monterey

Minutes
March 7, 2016

1. CALL TO ORDER

- 1-1. Roll Call.
- 1-2. Pledge of Allegiance.

In the absence of Chair Downey, Vice Chair Barrera called the meeting to order at 10:01 a.m. and roll call was taken. The pledge of allegiance followed.

- 1-3. Review Highlights of the agenda.

Mr. Sedoryk reviewed the highlights of the agenda.

Present:	Fernando Armenta	County of Monterey
	Tony Barrera	City of Salinas
	Victoria Beach	City of Carmel-by-the-Sea
	Robert Bonincontri	City of Gonzales
	Kristin Clark	City of Del Rey Oaks
	Ken Cuneo (Alternate)	City of Pacific Grove
	Mike LeBarre	City of King
	Frank O'Connell	City of Marina
	David Pacheco	City of Seaside
	David Pendergrass	City of Sand City
	Patricia Stephens	City of Soledad
Absent:	Leah Santibañez	City of Greenfield
	Libby Downey	City of Monterey
	Dan Miller	City of Pacific Grove
Staff:	Carl Sedoryk	General Manager/CEO
	Hunter Harvath	Asst. GM/Finance & Administration
	Michael Hernandez	Asst. GM/COO
	Kelly Halcon	Director of HR & Risk Management
	Lisa Rheinheimer	Director of Planning and Development

Andrea Williams	General Accounting & Budget Manager
Mark Eccles	Director of Information Technology
Robert Weber	Director of Transportation Services
Carl Wulf	Facilities Manager
Zoe Shoats	Marketing Manager
Deanna Smith	Compliance Analyst
Anita Flanagan	Clerk to the Board
Heidi Quinn	De Lay & Laredo
Sally Cota	Customer Service Representative
Michelle Overmeyer	Grants Analyst

Public:	Fritz Conle	Teamsters Local Union No. 890
	Erich Friedrich	AMBAG
	Lester Farley	MV Transportation
	Ariana Green	TAMC

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

A senior citizen provided comment and requested clarification regarding a sign on the bus relating to ADA compliance fares.

Fritz Conley of Teamsters Local Union No. 890 requested funding assistance for MV Transportation to be placed on a future MST agenda for consideration.

3. CONSENT AGENDA

- 3-1. Adopt Resolution 2016-19 recognizing Noe Figueroa as Employee of the Month for March 2016.
- 3-2. Minutes of the regular meeting of February 8, 2016.
- 3-3. Minutes of the Facilities Committee February 8, 2016.
- 3-4. Financial Report – January 2016.
- 3-5. Disposal of property left aboard buses.
- 3-6. Adopt Resolution 2016-20 authorizing the execution of the TIRCP Master Agreement and Program Supplements for State-Funded Transit Projects.
- 3-7. Adopt Resolution 2016-21 appointing MST staff to serve as representatives to the CalTIP Board of Directors.
- 3-8. Award contract to Meyers-Nave to provide legal services for the financing of MST's proposed South County facility through the United States Department of Agriculture's Rural Development program.

No public comment.

Director Clark made a motion to approve the Consent Agenda, which was seconded by Director Barrera. The motion was passed unanimously.

4. RECOGNITION AND SPECIAL PRESENTATIONS

4-1. March Employee of the Month – Noe Figueroa.

5. PUBLIC HEARINGS

5-1. Conduct public hearing and adopt MST's Section 5307 Program of Projects.

Grants Analyst Michelle Overmeyer noted that board adoption is required to receive this annual federal funding, which provides operational and planning expenses for MST's fixed-route program totaling \$7,090,800.

Vice Chair Barrera opened the public hearing.

No public comment.

Vice Chair Barrera closed the public hearing.

Director Armenta noted that projects and amounts should have been included in the memo. Counsel Quinn and staff noted that the required legal advertising was sufficient but staff will include more details with future reports.

Director LeBarre made a motion to adopt MST's Section 5307 Program of Projects to receive \$7,090,800 in federal funding for FY16 fixed-route operations and planning expenses. This motion was seconded by Director Clark and passed unanimously.

6. ACTION ITEMS

6-1. Authorize remodel expenses for 19 Upper Ragsdale offices.

No public comment.

Director Pendergrass made a motion to authorize remodel expenses for 19 Upper Ragsdale offices not to exceed \$440,000, which was seconded by Director Clark. The motion was passed unanimously.

No public comment

6-2. Consider request from the Transportation Agency of Monterey County to declare a Congestion Emergency due to the upcoming Holman Highway 68 Roundabout construction project.

Hunter Harvath discussed this eight-stage project, which will likely have severe impacts on Monterey businesses, their employees, residents and visitors. A \$13 discount pass would encourage individuals to take alternative transportation during this time and consider taking the bus after the project is completed, which is scheduled for April 2017. In addition, Monterey Peninsula College will provide a Park and Ride lot with MST providing free trolley services to downtown Monterey.

Ariana Green of Transportation Agency of Monterey County (TAMC) made the request to the board and provided project details, noting that TAMC has a public outreach program.

Director LeBarre stated that this is an opportunity to increase ridership and gather new data. He suggested creating literature for these new riders detailing the benefit of bus commuting.

Director Clark suggested increasing wireless device services during this time.

Director Pendergrass expressed concern regarding congestion on Highway 1 and suggested that employers should provide flex time to mitigate this.

Director Stephens suggested expanding the educational component and to inform the public about the Park and Ride at the MPC lot.

Hunter Harvath noted that this will be a dynamic effort and staff will be responding to market needs as they arise.

No public comment.

Director LeBarre made a motion to declare a Congestion Emergency due to the upcoming Holman Highway 68 Roundabout construction project and authorize the sale of a \$13 per month Temporary Congestion Relief Pass for residents and workers in impacted areas. Director Clark seconded the motion, which was passed unanimously.

7. REPORTS & INFORMATION ITEMS

- 7-1. General Manager/CEO Report – January 2016.
- 7-2. Washington, D.C. Lobby Report – February 2016.
- 7-3. State Legislative Advocacy Update – February 2016.
- 7-4. Staff Trip Reports.
- 7-5. Correspondence.

8. CLOSED SESSION

No public comment.

General Counsel Heidi Quinn announced the items for discussion, and Vice-Chair Barrera moved to Closed Session.

- 8-1. Conference with Labor Negotiators, Gov. Code §54957.6 – Amalgamated Transit Union (ATU), Local 1225, and MST.
- 8-2. Conference with Real Property Negotiators, Gov. Code § 54956.8. (Parcel # APN 026-521-031)
- 8-3. Conference with Real Property Negotiators, Gov. Code § 54956.8. (Parcel # APN 032-171-005)

9. RETURN TO OPEN SESSION

- 9-1. Report on Closed Session and possible action.

General Counsel reported that items 8-1, 8-2 and 8-3 were discussed and no reportable action was taken.

No public comment.

10. BOARD REPORTS, COMMENTS, AND REFERRALS

- 10-1. Reports on meetings attended by board members at MST expense (AB 1234).
- 10-2. Board member comments and announcements.

Director LeBarre requested that staff provide advance notice regarding youth bus pass distribution.

- a. Transit Board Members & Board Support Seminar
April 30 - May 3 Hilton Palacio del Rio | San Antonio, TX.

- 10-3. Board member referrals for future agendas.

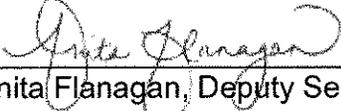
Board members and staff agreed to place Teamsters Local Union No. 890's funding request on the agenda for discussion at the board meeting of April 11, 2016.

11. ATTACHMENTS

- 11-1. The detailed monthly Performance Statistics and Disbursement Journal for January 2016 can be viewed online within the GM Report at <http://mst.org/about-mst/board-of-directors/board-meetings/>

12. ADJOURN

There being no further business, Vice Chair Barrera adjourned the meeting at 11:39 a.m.

Prepared by: 
Anita Flanagan, Deputy Secretary

Agenda # **3-5**
April 11, 2016 Meeting

Legislative Committee
Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Ct., Monterey

Minutes
March 7, 2016
9:00 a.m.

Present: Directors: Barrera (Chair), Armenta, Beach, Clark, Pendergrass

Absent: Director Downey

Staff: Carl Sedoryk, General Manager/CEO; Kelly Halcon, Director of HR and Risk Management; Hunter Harvath, Asst. GM of Finance and Administration; Mike Hernandez, Asst. GM/COO, Heidi Quinn, General Counsel; Anita Flanagan, Executive Asst./Clerk to the Board.

Public: Director LeBarre

1. CALL TO ORDER.

Chairperson Barrera called the meeting to order at 9:00 a.m. and roll call was taken.

2. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA.

No public comment.

3. PRESENTATIONS

3-1. Receive Federal Legislative Update. (Don Gilchrest via teleconference)

Don Gilchrest, Washington Lobbyist for MST, reported as follows:

The FAST Act, a five-year fully funded bill, was signed into law on December 4 to provide authorization for Surface Transportation Programs, including FTA.

President Obama released his FY 2017 Budget proposal to Congress on February 9, which gets the budget and appropriations processes underway for the year. His proposal requests additional increase in transportation spending of \$303 billion over 10 years.

The Bus and Bus Facilities Discretionary Grant Program is funded at \$266 million this year and includes \$55 million "takedown" for No and Low Emission Buses.

The FTA is required to implement a national public transportation safety program to improve the safety of all public transportation systems that receive federal funding.

MST is continuing efforts to receive a tax credit for electric vehicles, which could support expanding the WAVE project and purchasing additional electric vehicles.

No public comment.

- 3-2. Receive briefing on and draft agenda for the upcoming APTA Legislative Conference, March 13-15, 2016, Washington, DC.

Hunter Harvath provided a draft agenda for this upcoming conference, which provides education for transportation advocates.

No public comment.

- 3-3. Receive State Legislative Update.

Hunter Harvath provided information on bills AB 1746, a transit bus bill to expand existing Bus on Shoulder project eligibility to regions outside of the Monterey and Santa Cruz counties, and SB 824, which would provide more flexibility on cap and trade funding. In addition, the CTA Legislative Committee has taken action on ACA 4-Lower Vote Threshold, and AB 1591-Transportation Funding increase. TAMC is sponsoring AB 2730, which provides for disposition of excess properties relating to the Prunedale Bypass.

Mr. Harvath also provided a handout outlining the MST 2016 Federal Legislative Program.

No public comment.

4. ANNOUNCEMENTS

- 4-1. California Transit Association Spring Legislative Conference, May 24, 2016, Sacramento, CA.

5. ADJOURN

There being no further business, Chair Barrera adjourned the meeting at 9:52 a.m.

Prepared by: _____



Anita Flanagan, Deputy Secretary

Agenda # **3-6**
April 11, 2016 Meeting

Measure Q Oversight Committee

Monterey-Salinas Transit, 1 Ryan Ranch Rd.
Monterey, CA 93940

Minutes

March 11, 2016
3:00 p.m.

Present: Juan Pablo Lopez Salinas Urbanized
Sid Williams Seaside-Marina-Monterey Urbanized
Vacant Non-urbanized
Kathy Merritt County of Monterey Unincorporated
Harry Mucha Taxpayer's Association
Kazuko Wessendorf Mobility Advisory Committee

Absent: Laurie Crosby Mobility Advisory Committee

Staff: Hunter Harvath, Asst. GM of Finance, Alex Lorca, General Counsel; Anita Flanagan, Executive Asst./Clerk to the Board

Public: None.

1. **Call to Order.**
2. **Public Comment on Matters Not on the Agenda.**

No public comment.

3. **Announcements.**

3-1. Committee member and staff introductions.

4. **Consent Agenda.**

4-1. Approve and recommend July 6, 2015 minutes to the MST board.

Member Merritt made a motion to approve the Consent Agenda and was seconded by Member Mucha. The motion carried unanimously.

No public comment.

5. New Business.

5-1. Conduct election of officers.

Member Mucha nominated Member Williams for the office of Chairperson, and Member Williams accepted the nomination. Member Merritt seconded the nomination, and the committee voted unanimously to elect Sid Williams as Chairperson.

Member Mucha nominated Member Merritt for the office of Vice-Chairperson, and Member Merritt accepted the nomination. Member Lopez seconded the nomination, and the committee voted unanimously to elect Kathy Merritt as Vice-Chairperson.

No public comment.

5-2. Establish committee member terms of office.

Asst. GM of Finance and Administration Hunter Harvath suggested randomly selecting member terms of office using a drawing, and all committee members agreed to fill the terms of office as drawn. Two names were drawn for the one-year terms: Member Merritt and Member Crosby; two names were drawn for the two year terms: Member Lopez and Member Williams; the remainder of the committee members will serve three year terms: Member Mucha, Member Kazuko, and the vacant position representing Non-urbanized.

No public comment.

5-3. Review MST operating and capital expenses from the FY 2015 comprehensive annual financial report and audit.

Mr. Harvath provided detailed information and answered questions regarding the FY 2015 comprehensive annual financial report and audit. He noted that, because this is a newly funded program with only revenues being generated during the 4th Quarter, FY 2015 was considered a transition year and will not contain a full fiscal year of financial data.

Board members requested to see future financial reports formatted similar to a business profit and loss sheet.

Member Lopez made a motion to receive MST's FY 2015 Comprehensive Annual Financial Report which contains information regarding Measure Q-funded revenues & expenses and provide the opinion to the MST Board of Directors that Measure Q funds were appropriately used during FY 2015. The motion was seconded by Member Merritt, and the motion carried unanimously.

No public comment.

6. Staff and Committee Member Comments or Questions.

Member Williams requested that staff provide event outreach to military veterans on DLIFLC Language Day on May 13, 2016 and Stand Down Monterey on August 19-21, 2016.

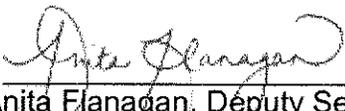
Member Merritt requested transportation for veterans to visit the Vietnam wall in King City October 10.

6-1. Form 700, AB 1234, and Data Form request.

Deputy Secretary Anita Flanagan noted that the State of California requires submission of these forms to the agency clerk. She also provided forms and training information to the committee members.

7. Adjourn.

There being no further business, Member Williams adjourned the meeting at 4:17 p.m.

Submitted by: 
Anita Flanagan, Deputy Secretary

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Agenda # **3-7**
April 11, 2016 Meeting

To: Board of Directors
From: Angela Dawson
Subject: Financial Reports – February 2016

RECOMMENDATION:

1. Accept report of February 2016 cash flow presented in Attachment #1
2. Approve February 2016 disbursements listed in Attachment #2
3. Accept report of February 2016 treasury transactions listed in Attachment #3

FISCAL IMPACT:

The cash flow for February is summarized below and is detailed in Attachment #1.

Beginning balance February 1, 2016	\$11,732,794.75
Revenues	3,003,343.08
Disbursements	<u><2,742,579.41></u>
Ending balance February 29, 2016	<u>\$11,993,558.42</u>

POLICY IMPLICATIONS:

Disbursements are approved by your Board each month and are shown in Attachment #2. Treasury transactions are reported to your Board each month, and are shown in Attachment #3.

DISCUSSION:

With the first eight months of the fiscal year complete, revenues are on target and expenses are lower than budget, producing a year-to-date surplus of \$2,350,648 for both Fixed-Route and RIDES combined. Positive variances are occurring on the revenue side (Special Transit – primarily from higher military pass sales and the new weekend Monterey Trolley, funded by the city), as well as in several categories of expenses (e.g.,

historically low fuel costs; labor; advertising; professional services, purchased transportation). Please note the following negative variances of 5% or greater for the February Budget vs. Actual reports contained in Attachment #4:

1. **Passenger Fares** – a 17% negative variance for the month of February follows a 22% negative variance for January. While some of this variance can be attributed to the seasonal fluctuation in ridership, which results in fewer passengers carried in the winter compared to the summer, staff is concerned about the scale of the reduction in passenger fare revenue. As such, staff is currently conducting an investigation and analysis of this matter and will present the results to the Finance Committee at its next meeting, currently scheduled for May 9th.
2. **Cash Revenue** – a 43% negative variance for the month is primarily due to lower than expected bus advertising revenue. As ad campaigns fluctuate throughout the year, staff anticipates this figure will be more in line with budget as the fiscal year ends in June 2016. For the year to date, revenues in this category are only off by 18%. In addition, MST's advertising consultant has advised staff that several substantial contracts are pending, which should produce more revenue for the remainder of the fiscal year.
3. **Miscellaneous Expenses** – The primary source of this negative variance is due to fees charged by the state Board of Equalization. When these fees were originally budgeted in May 2015, staff did not have information from the Board of Equalization as to how the fees would be collected. As such, it utilized the same formula that Santa Cruz Metropolitan Transportation District budgets for the fee collected by the state to administer its local transit sales tax. Since MST's first sales tax payment – and the associated collection fee – was received after the FY 16 budget was created and adopted by your Board, new information has been received from the Board of Equalization documenting how its collection fee is assessed for MST's transit sales tax. In that regard, this expense line item will most likely have a negative variance for the remainder of the fiscal year. With the creation of the FY 17 budget, staff will have the correct formula to better estimate the expenses in this category next year.

A detail of disbursements can be viewed within the GM Report at <http://www.mst.org/about-mst/board-of-directors/board-meetings/>

Prepared by:


Angela Dawson

Reviewed by:


Hunter Harvath

(REVENUES & DISBURSEMENTS)

CASH FLOW

Beginning balance February 1, 2016		11,732,794.75
Revenues		
Passenger Revenue	305,987.49	
DOD Revenue	186,238.00	
LTF / STA / 5307 / Sales Tax	2,135,949.65	
Grants	343,172.50	
TAMC Loan/Rabo LOC advance	-	
Non Transit Revenue	31,995.44	
Total Revenues		<u>3,003,343.08</u>
Disbursements		
Operations (See Attachment #2)	2,489,543.87	
Capital	253,035.54	
Total Disbursements		<u>(2,742,579.41)</u>
Ending balance February 29, 2016		<u><u>11,993,558.42</u></u>

COMPOSITION OF ENDING BALANCE

Checking - Rabo Bank	360,911.05
Checking(s) - Wells Fargo Bank	41,989.22
Local Agency Investment Fund (LAIF)	42,852.82
Money Market - Homeland Security	538,515.48
Money Market - Rabo MM	1,382,893.38
Money Market - PTMISEA	6,730,081.65
Money Market - LCTOP	345,859.73
Money Market - Rabo Prop. 1 B	2,531,221.14
Bank of America - Escrow	8,983.95
Petty cash fund, STC Coin Machine, and 2 change funds	10,250.00
Total	<u><u>11,993,558.42</u></u>

PAYROLL ACCOUNT

February 5 Payroll & Related Expenses	528,509.82	
February 19 Payroll & Related Expenses	522,933.66	
Pers & 457	272,425.53	
Garnishments	5,554.04	
Payroll adj	-	
	1,329,423.05	1,329,423.05

GENERAL ACCOUNT

Disbursements on Attached Summary	1,361,776.18	
Paydown loan	-	
Workers Comp. Disbursements	35,715.80	
Interest expense	-	
Bank Service Charge	15,664.38	
Wire transfers/ACH debits - PTMISEA	-	
Transfer from WFB	-	
	1,413,156.36	1,413,156.36

Total Disbursements		2,742,579.41
Less Capital Disbursements & Transfers		(253,035.54)
Operating Disbursements		2,489,543.87

**DISBURSEMENTS SUMMARY:
 GENERAL ACCOUNT DISBURSEMENTS FOR February 1, 2016 - February 29, 2016**

VENDOR / DESCRIPTION	CHECKS	AMOUNT
Accounts Payable 02/02/16	40571 - 40575	36,812.10
Accounts Payable 02/04/16	40576	479.04
Accounts Payable 02/09/16	40577 - 40587	1,100.00
Accounts Payable 02/10/16	40302 - 40414	740.00
Accounts Payable 02/12/16	40590 - 40711	550,384.89
Accounts Payable 02/17/16	40712	14,984.44
Accounts Payable 02/19/16	40713	1,951.99
Accounts Payable 02/26/16	40714 - 40821	740,004.72
Accounts Payable 02/29/16	40822 - 40825	15,319.00
TOTAL		<u>1,361,776.18</u>

CHECKS \$100,000 AND OVER

VENDOR / DESCRIPTION	BOARD APPROVED	CHECK NUMBER	CHECK DATE	AMOUNT
MV Transportation	Recurring Expense	40782	02/26/16	513,016.82

TREASURY TRANSACTIONS
FOR FEBRUARY 2016

LAIF ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
	Balance Forward at 02/01/16				42,852.82
	Transfer to checking for payroll				-
	Local Agency Investment Fund: Quarterly interest earned -				-
	LAIF Treasury Balance at 02/29/16				42,852.82

RABOBANK MM ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
	Balance Forward at 02/01/16				1,445,562.45
02/05/16		To P/R		400,000.00	1,045,562.45
02/09/16		To A/P		425,000.00	620,562.45
02/23/16		LTF	1,382,149.65		2,002,712.10
02/26/16		To A/P		620,000.00	1,382,712.10
02/29/16		Interest @ 0.20%	181.28		1,382,893.38
	RABO MM Balance at 02/29/16				1,382,893.38

MONTEREY -- SALINAS TRANSIT
 Revenue & Expense - Consolidated
 Budget vs Actual
 For the Period from February 1, 2016 to February 29, 2016
 (Amounts are in USD)
 (Includes Fund: 001004)
 (Includes G/L Budget Name: BUDFY16)

NOTES

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	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-303,888	-368,006	64,118	-2,739,595	-2,944,048	204,453
Special Transit	-316,528	-220,557	-95,971	-2,339,247	-1,764,456	-574,791
Cash Revenue	-16,411	-28,548	12,137	-188,101	-228,384	40,283
Cash Grants & Reimbursement	-2,424,952	-2,471,680	46,728	-19,464,759	-19,773,440	308,681
Total Revenue	-3,061,778	-3,086,791	27,013	-24,731,703	-24,710,328	-21,375
Expenses						
Labor	1,075,686	1,183,534	-107,848	8,909,467	9,468,272	-558,805
Benefits	660,254	712,373	-52,119	5,745,258	5,698,984	46,274
Advertising & Marketing	1,514	21,667	-20,153	44,008	173,336	-129,328
Professional & Technical	42,925	53,854	-10,929	334,546	430,832	-96,286
Outside Services	21,464	21,559	-95	174,914	172,472	2,442
Outside Labor	60,732	76,322	-15,590	562,135	610,576	-48,441
Fuel & Lubricants	120,077	302,286	-182,209	1,259,249	2,418,288	-1,159,039
Supplies	45,924	63,927	-18,003	466,789	511,416	-44,627
Vehicle Maintenance	68,990	67,262	1,728	598,293	538,096	60,197
Marketing Supplies		5,500	-5,500	4,420	44,000	-39,580
Utilities	31,487	37,376	-5,889	269,531	299,008	-29,477
Insurance	34,489	37,920	-3,431	276,892	303,360	-26,468
Taxes	7,977	16,725	-8,748	89,846	133,800	-43,954
Purchased Transportation	383,803	383,924	-121	2,958,119	3,071,392	-113,273
Miscellaneous Expenses	31,318	32,299	-981	293,630	258,392	35,238
Interfund transfers						
Pass Thru/Behalf of Others						
Interest Expense		2,167	-2,167		17,336	-17,336
Leases & Rentals	16,301	16,260	41	97,548	130,080	-32,532
Total Operating Expenses	2,602,940	3,034,956	-432,016	22,084,646	24,279,640	-2,194,994
Operating (Surplus) Deficit	-458,838	-53,836	-405,002	-2,647,057	-430,688	-2,216,369

FUND #2 - RIDES

MONTEREY - SALINAS TRANSIT
Revenue & Expense - Consolidated
Budget vs Actual
 For the Period from February 1, 2016 to February 29, 2016
 (Amounts are in USD)
 (Includes Fund: 002)
 (Includes G/L Budget Name: BUDFY16)

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-39,255	-38,909	-346	-302,662	-311,272	8,610
Special Transit						
Cash Revenue						
Cash Grants & Reimbursement	-273,688	-273,688		-2,189,504	-2,189,504	
Total Revenue	-312,943	-312,697	-346	-2,492,166	-2,500,776	8,610
Expenses						
Labor	4,408	4,666	-258	33,946	37,328	-3,382
Benefits	2,785	2,997	-212	23,993	23,976	17
Advertising & Marketing						
Professional & Technical						
Outside Services						
Outside Labor	2,169	5,584	-3,415	18,863	44,672	-25,809
Fuel & Lubricants	21,056	37,925	-16,869	220,897	303,400	-82,503
Supplies		1,960	-1,960	2,192	15,680	-13,488
Vehicle Maintenance				715		715
Marketing Supplies						
Utilities						
Insurance						
Taxes						
Purchased Transportation	235,050	254,489	-19,439	1,959,142	2,035,912	-76,770
Miscellaneous Expenses	12,241	4,976	7,265	98,139	39,808	58,331
Interfund transfers						
Pass Thru/Behalf of Others						
Interest Expense						
Leases & Rentals				1		1
Total Operating Expenses	277,709	312,597	-34,888	2,367,888	2,500,776	-142,888
Operating (Surplus) Deficit	-35,234		-35,234	-134,279		-134,279

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Agenda # **3-8**
April 11, 2016 Meeting

To: Board of Directors
From: Sonia Bannister, Customer Service Supervisor
Subject: Disposal of unclaimed property left on bus

Goodwill

5 books	1 pair of sunglasses
12 cell phones	1 toy
9 prescription eyeglasses	1 wallet
3 eyeglass cases	2 tri pods
3 headphones	2 rings
3 pairs of gloves	6 jackets
4 hats	3 scarves
1 Ipod	1 pack of batteries

To be disposed

3 documents	2 water bottles	1 flashlight
5 ID's	1 zipper lock	2 computer cords
8 keys	2 pairs of shorts	1 dog leash
7 credit cards	1 black case	4 coin purses
4 wallets	1 cell phone	1 purse
1 pair of tennis shoes	2 bags of clothes	1 note book
1 hat	1 pair of boots	2 baby blankets

To be retained

\$0.79 to accounting for deposit

MST makes an attempt to contact the owners of Lost and Found items. If the items are unclaimed after 30 days, they are added to the above list.

PREPARED BY:


Sonia Bannister

REVIEWED BY:


Carl Sedoryk

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Agenda # **3-9**
April 11, 2016 Meeting

To: Board of Directors
From: Michael Hernandez, Assistant General Manager/COO
Subject: Approve the Purchase of One Replacement Medium Bus

RECOMMENDATION:

Ratify the emergency purchase of one replacement medium (mini) bus from Creative Bus Sales.

FISCAL IMPACT:

\$90,580. The majority of this purchase will be funded through MV Transportation's (MV) insurance policy with the remaining amount from MST's Capital Budget.

POLICY IMPLICATIONS:

Your Board approves all purchases that exceed \$25,000.

DISCUSSION:

On February 26, 2016 a mini bus (#964) operated by MV Transportation was involved in a major collision after being struck by a semi truck. This vehicle was a model year 2015 bus with less than 17,000 miles and is a total loss. MV provides insurance coverage for MST vehicles and this claim will be processed through their insurance carrier.

It takes approximately six to eight months after a medium bus is ordered until it is available for revenue service. In an effort to expedite the delivery of a replacement vehicle, staff placed an emergency order for a replacement bus on March 8, 2016. The replacement vehicle was purchased through the CalAct/ Morongo Basin Transit Authority Purchasing Cooperative. The Cooperative previously solicited competitive pricing from vehicle manufacturers, meeting MST's and FTA's procurement requirements.

Approval of this item ratifies the emergency purchase of one medium bus from Creative Bus Sales in March 2016.

PREPARED BY: Michael Hernandez REVIEWED BY: Carl Sedoryk
Michael Hernandez Carl Sedoryk

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Agenda # **3-10**
April 11, 2016 Meeting

To: Board of Directors
From: Angela Dawson, Accountant
Subject: Disposal of Accountable Property

RECOMMENDATION:

Approve the disposition of the Accountable Property listed on Attachment 1.

FISCAL IMPACT:

The Book Value (Original Cost minus Accumulated Depreciation) of all items on the list total \$1,084.03.

POLICY IMPLICATIONS:

The Federal Transit Administration (FTA) requires that a physical inventory of accountable property be taken every two years. Your board approves accountable property removed from MST financial statements.

DISCUSSION:

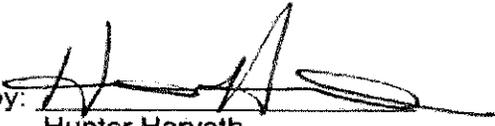
MST conducted a physical inventory of accountable property in January 2016. The inventory was taken as required by the FTA.

As a result of the recommendations from staff, the assets on Attachment 1 should be disposed. The items listed have been determined to be obsolete.

The disposition of all of these items will reduce the net book value of MST's assets by a minimal \$1,084.03.

Attachment 1: Table of Assets Identified for Disposal

Prepared by: 
Angela Dawson

Reviewed by: 
Hunter Harvath

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Monterey-Salinas Transit
Assets Identified for Disposal

Asset No.	Description	Depreciation Start Date	Acquisition Cost	Ending Book Value
4 M0142 LL	PORTABLE COACH HOIST	04/01/82	21,730.00	-
4 M1054 LL	BRAKE DRUM LATHE/AMMCO	03/15/89	23,441.54	-
4 M1162 LL	TIRE CHANGER (HEAVY DUTY)	10/12/90	11,267.00	-
3 T1196 GP	BENCHES REDWOOD/CONCRETE	03/09/94	8,526.38	-
1 A1406 NX	GIS	11/15/94	11,427.54	-
1 A1423 NX	RUNCUTTING SOFTWARE@TDA	05/19/95	68,610.50	-
1 A1427 NX	WAVE PROJECT (WIP)-TDA	06/30/95	184,320.00	-
1 A1426 LL	COIN CHANGER@STC	09/07/95	9,702.11	-
5 V0492 NX	FORD F450XL 1 TON TRUCK	10/31/97	40,579.43	-
5 V0493 NX	FORD F450XL 1TON@FACMAINT	10/31/97	40,579.41	-
4 M1556 NX	PAINT UNIT #492	02/11/98	487.17	-
4 M1557 NX	PAINT UNIT #493	02/11/98	487.17	-
1 A1533 NX	TDA CNG FUEL FACILITIES	06/30/98	633,311.31	-
2 V0442 NX	DODGE RAM VAN 1999	04/01/99	21,470.05	-
2 T1389 GP	BUS STOP SIGN BRACKETS	06/30/99	62,538.97	-
1 A1713 NX	BUS STOP SIGN / POLES	09/30/99	6,539.50	-
1 A1743 NX	DISPLAY CASE ON BUS STOPS	01/19/00	5,202.43	-
1 A1762 LL	COPIER GESTETNER 3265@TDA	04/14/00	16,085.00	-
2 T1515 GP	15-BUS BENCHES	04/14/00	5,630.63	-
2 V0448 NX	2K DODGE RAM VAN/RU-TDA	04/28/00	21,340.00	-
1 A1591 NX	TRANSVIEW SCHEDULING SOFT	06/22/00	31,811.07	-
2 V0461 NX	2K DODGE VAN/RU-TDA B2500	06/30/00	21,340.00	-
4 M1988 NX	REFLECTIVE DECALS#461	10/12/00	333.10	-
4 M1605 NX	TDA CNG STATION UPGRADE	11/09/00	6,395.00	-
4 M1629 NX	CNG PRIORITY PANEL UPGRAD	02/01/01	6,395.00	-
4 M1630 LL	HOT PRESSURE WASHER@TDA	02/01/01	9,223.51	-
5 V0462 NX	'01 DODGE RAM-REVENUE VAN	08/16/01	28,961.61	-
1 A1834 NX	PAYROLL SYSTEM MODULE	09/13/01	16,850.00	-
1 A1836 NX	CLAIMS & SAFETY SOFTWARE	09/28/01	5,580.00	-
4 M1691 NX	TOMMY LIFT GATE#462	10/25/01	4,700.00	-
2 T1563 GP	100-BENCHES CONCRETE/WOOD	12/20/01	42,479.00	-
2 T1597 NX	TRAFFIC SIGNAL PRE-EMPTN	06/06/02	37,713.87	-
4 T1929 LL	AUTO SCRUBBER@TDA	06/06/02	11,770.14	-
1 A1974 NX	REMOVE 36BUS SHELTERS	05/21/04	11,125.00	-
1 A1987 NX	GIS COMMUNICATION SYSTEM	06/01/04	3,606,484.16	-
1 A1982 NX	COPIER DIGITAL/RICOH-CJW	06/18/04	6,091.81	-
3 V0924 NX	07 ELDORADO AEROTECH#924	01/01/07	75,938.07	-
1 A2181 NX	CNG UPGRADE#18	07/01/07	27,487.68	-
1 A2183 NX	REBUILD CARS DRYER#18	07/01/07	35,315.94	-
1 A2184 NX	CARS UPGRADE#18	10/10/07	342,678.91	-
1 A2190 NX	BUS BENCH REDWOOD	12/21/07	13,127.63	-
1 A2199 LL	COPIER	12/31/07	19,179.52	-
10-00010	2009 STARCRAFT ALLSTAR #936	08/25/09	75,272.49	-
10-00017	BIKE RACK #936	09/03/09	1,470.44	-
11-00050	GO PASS & GO CARD DESIGN	03/02/11	6,123.75	-
11-00079	ENGINE-924	05/31/11	5,678.93	754.01
11-00075	TRANSMISSION-924	06/30/11	2,208.26	330.02
Total			5,645,011.03	1,084.03

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Agenda # **3-11**
April 11, 2016 Meeting

To: Board of Directors
From: Zoë Shoats, Marketing Manager
Subject: 2015 Community Stakeholder Survey

RECOMMENDATION:

Receive report on the 2015 Community Stakeholder Survey.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

MST surveys stakeholders annually in its service area to gauge knowledge of and opinions regarding this agency.

DISCUSSION:

In February 2016, eBlast advertisements were sent out to all members of the Monterey Peninsula, Salinas Valley, Carmel-by-the-Sea and Pacific Grove chambers of commerce encouraging participation in MST's annual Community Stakeholder Survey. MST also received unpaid promotion of the survey through the Monterey County Business Council's Friday Facts newsletter. A total of 29 surveys were completed and yielded the following highlights:

Familiarity with MST's services: Respondents were most familiar with MST's regular fixed-route bus service, the wirelessly-charged electric trolley in Monterey, and MST RIDES ADA paratransit. Senior/disabled taxi vouchers, senior shuttles, service to CSUMB and local military installations were all notable. No respondents were familiar with travel training services.

Of MST's special event services, respondents were most familiar with service to First Night Monterey, the Monterey Jazz Festival, and California International Airshow Salinas. Service to the Monterey County Fair and Sand City's West end Celebration were notable. Very few respondents were familiar with service to the Artichoke Festival and Salinas Holiday Parade of lights.

When rating MST's attributes from "excellent" to "very poor," the following areas were rated on a scale of one to five (with one as very poor and five as excellent) as follows:

Safety of service 4.0
Quality of service 3.8
Staff professionalism 3.8
Staff knowledge 3.7
Helpfulness of staff 3.6
Value of service 3.6
MST's representation of itself in the community 3.5
Overall impression of MST's services 3.5
Convenience of service 3.4
Overall impression of MST's administration 3.3
Perceived value of transit in the community 3.3

When asked how to meet local transportation needs, the following alternatives were rated on a scale of one to five (with one as "least effective" and five as "most effective") as follows:

Improved roads 4.5
Buses 4.1
New roads 3.7
More vanpools/carpool incentives 3.6
More dedicated bike lanes 3.6
Rail 3.5
Bus rapid transit 3.4

Attachment #1: Survey Report: MST Community Stakeholder Survey

PREPARED BY:


Zoé Shoats

REVIEWED BY:


Carl Sedoryk

MST Community Stakeholder Survey - COPIED - Dashboard

VIEWED
100

STARTED
34

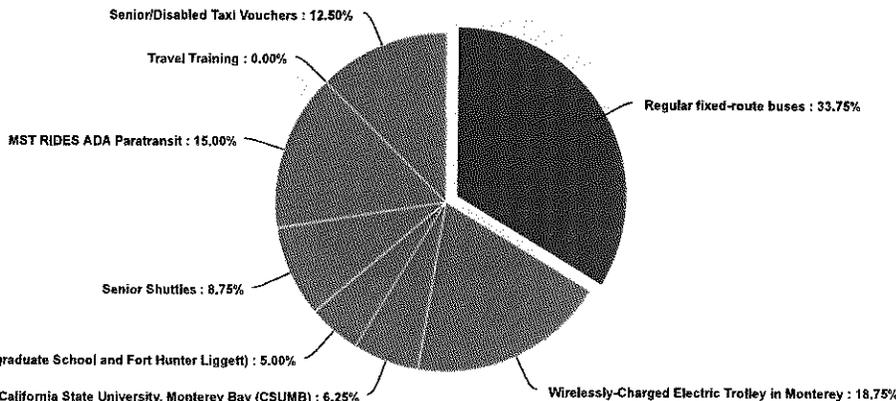
COMPLETED
29

COMPLETION RATE
85.29%

DEPT OUT
5

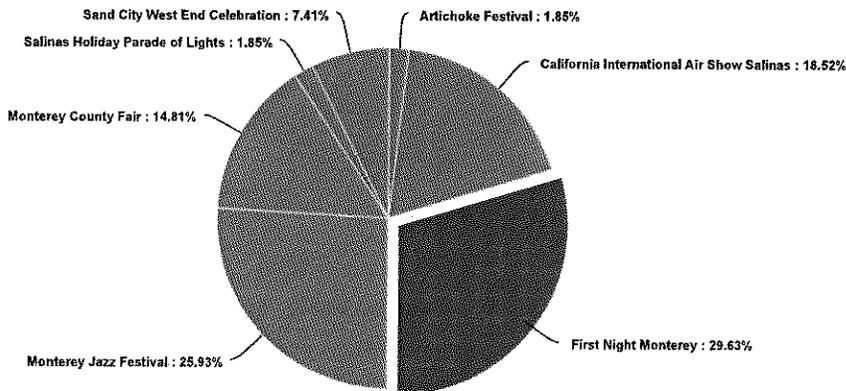
TIME TO COMPLETE
6 mins

Which of MST's services are you familiar with?



Answer	Count	Percent
Regular fixed-route buses	27	33.75%
Wirelessly-Charged Electric Trolley in Monterey	15	18.75%
Buses that serve California State University, Monterey Bay (CSUMB)	5	6.25%
Buses that serve military installations (Presidio of Monterey, Naval Postgraduate School and Fort Hunter Liggett)	4	5%
Senior Shuttles	7	8.75%
MST RIDES ADA Paratransit	12	15%
Travel Training	0	0%
Senior/Disabled Taxi Vouchers	10	12.5%
Total	80	100%

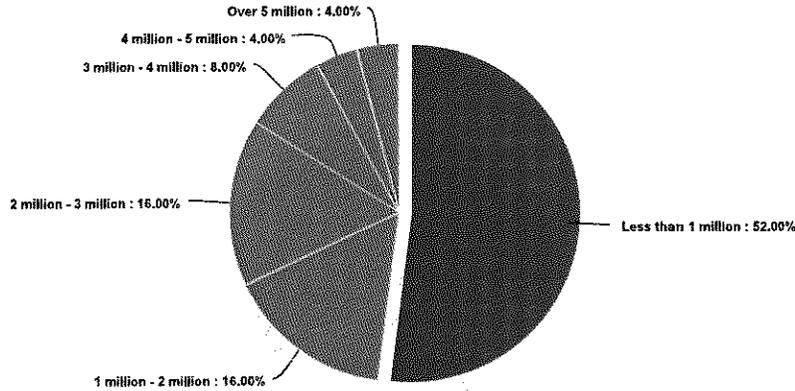
Which of MST's special event bus services are you familiar with?



Answer	Count	Percent
Artichoke Festival	1	1.85%
California International Air Show Salinas	10	18.52%
First Night Monterey	16	29.63%
Monterey Jazz Festival	14	25.93%
Monterey County Fair	8	14.81%

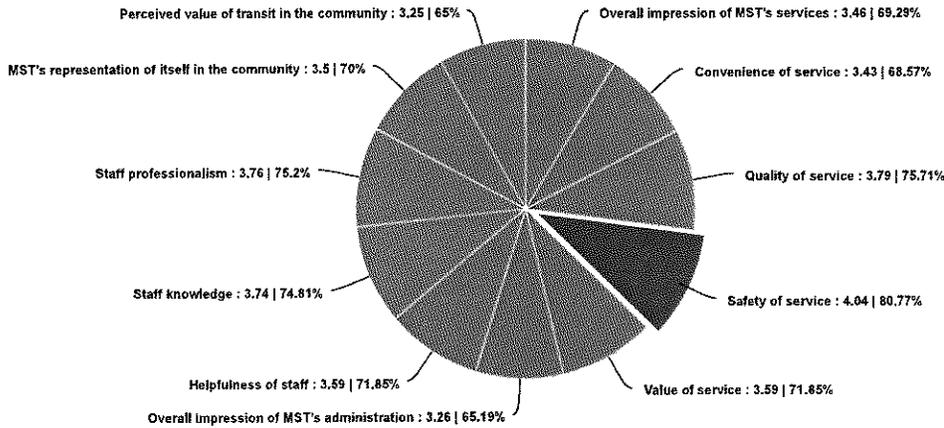
Salinas Holiday Parade of Lights	1	1.85%
Sand City West End Celebration	4	7.41%
Total	54	100 %

What do you believe to be MST's annual ridership?



Answer	Count	Percent
Less than 1 million	13	52%
1 million - 2 million	4	16%
2 million - 3 million	4	16%
3 million - 4 million	2	8%
4 million - 5 million	1	4%
Over 5 million	1	4%
Total	25	100 %

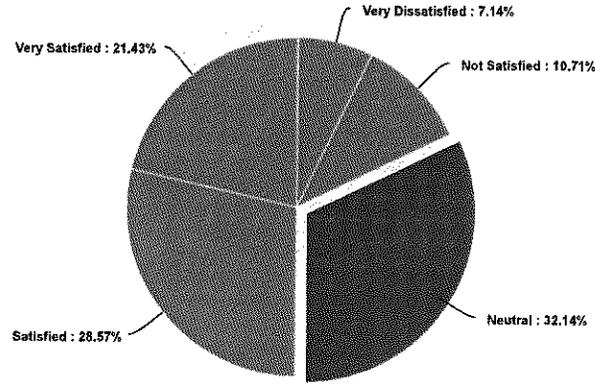
How satisfied are you with the following:



Question	Count	Score	Very Dissatisfied	Not Satisfied	Neutral	Satisfied	Very Satisfied
Overall impression of MST's services	28	3.46					
Convenience of service	28	3.43					
Quality of service	28	3.73					
Safety of service	26	4.04					
Value of service	27	3.59					
Overall impression of MST's administration	27	3.26					
Helpfulness of staff	27	3.59					
Staff knowledge	27	3.74					
Staff professionalism	25	3.76					
MST's representation of itself in the community	28	3.5					

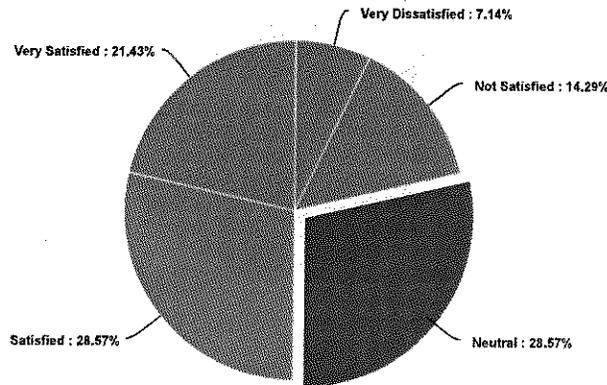


Overall impression of MST's services



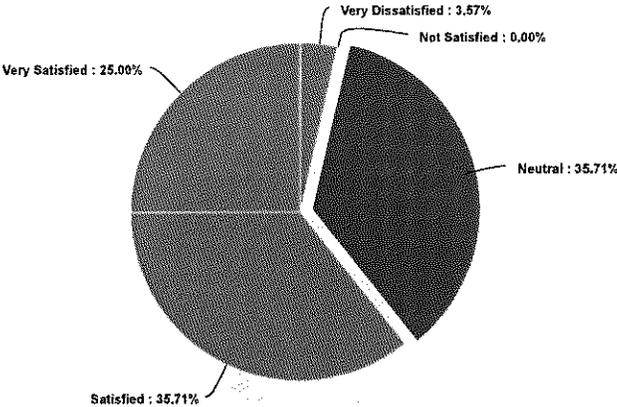
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	2	7.14%					
Not Satisfied	3	10.71%					
Neutral	9	32.14%					
Satisfied	8	28.57%					
Very Satisfied	6	21.43%					
Total	28	100 %					

Convenience of service



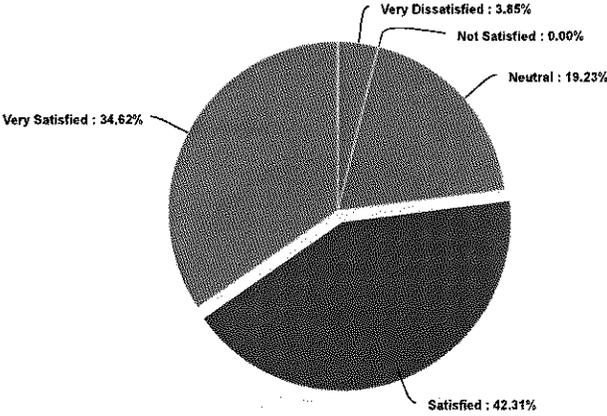
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	2	7.14%					
Not Satisfied	4	14.29%					
Neutral	8	28.57%					
Satisfied	8	28.57%					
Very Satisfied	6	21.43%					
Total	28	100 %					

Quality of service



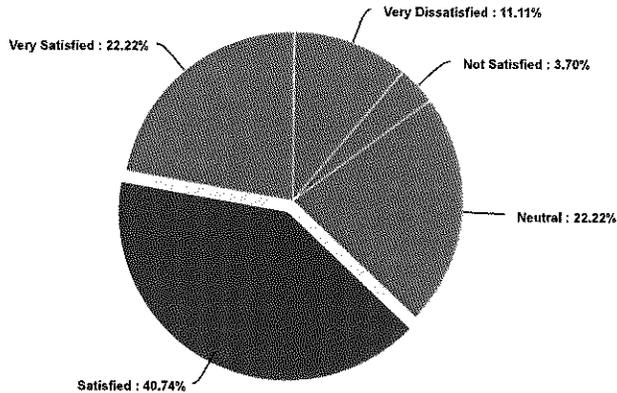
Answer	Count	Percent
Very Dissatisfied	1	3.57%
Not Satisfied	0	0%
Neutral	10	35.71%
Satisfied	10	35.71%
Very Satisfied	7	25%
Total	28	100 %

Safety of service



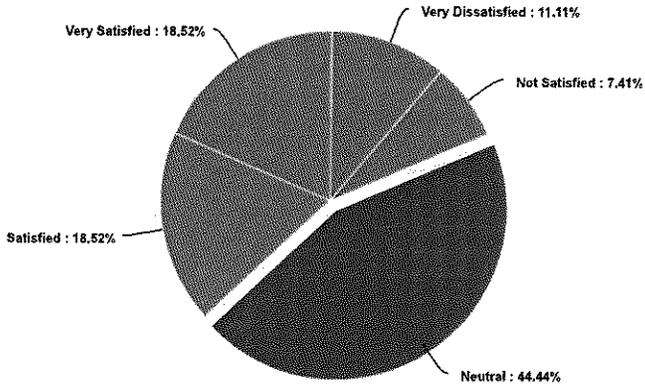
Answer	Count	Percent
Very Dissatisfied	1	3.85%
Not Satisfied	0	0%
Neutral	5	19.23%
Satisfied	11	42.31%
Very Satisfied	9	34.62%
Total	26	100 %

Value of service



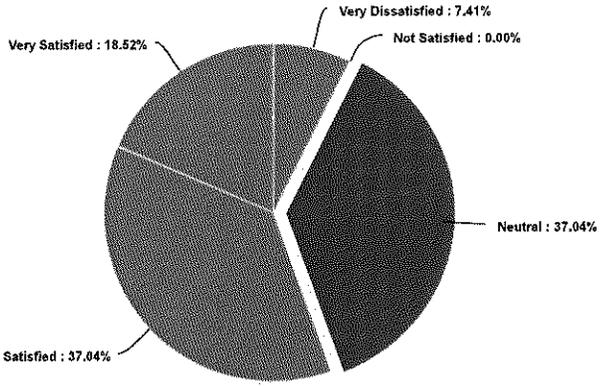
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	3	11.11%					
Not Satisfied	1	3.7%					
Neutral	6	22.22%					
Satisfied	11	40.74%					
Very Satisfied	6	22.22%					
Total	27	100 %					

Overall impression of MST's administration



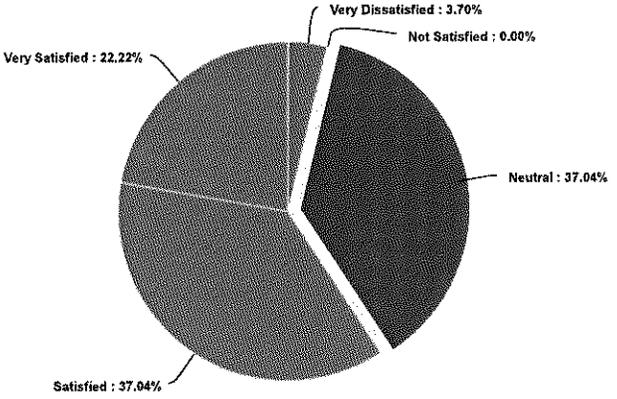
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	3	11.11%					
Not Satisfied	2	7.41%					
Neutral	12	44.44%					
Satisfied	6	18.52%					
Very Satisfied	5	18.52%					
Total	27	100 %					

Helpfulness of staff



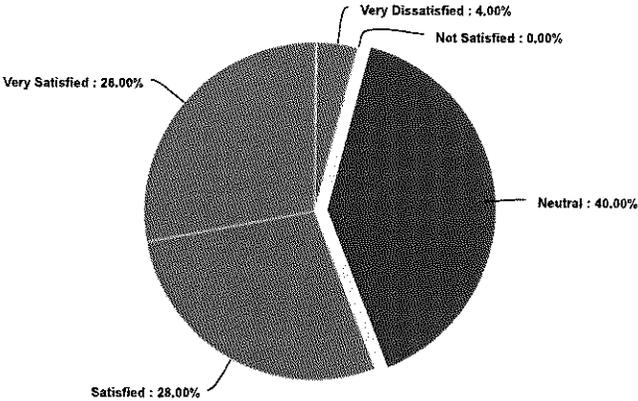
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	2	7.41%					
Not Satisfied	0	0%					
Neutral	10	37.04%					
Satisfied	10	37.04%					
Very Satisfied	5	18.52%					
Total	27	100 %					

Staff knowledge



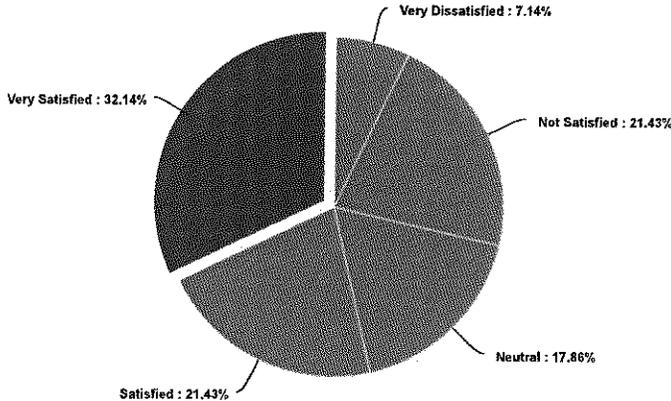
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	1	3.7%					
Not Satisfied	0	0%					
Neutral	10	37.04%					
Satisfied	10	37.04%					
Very Satisfied	6	22.22%					
Total	27	100 %					

Staff professionalism



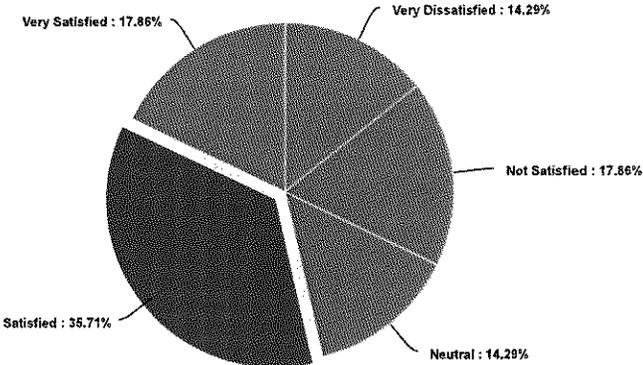
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	1	4%					
Not Satisfied	0	0%					
Neutral	10	40%					
Satisfied	7	28%					
Very Satisfied	7	28%					
Total	25	100 %					

MST's representation of itself in the community



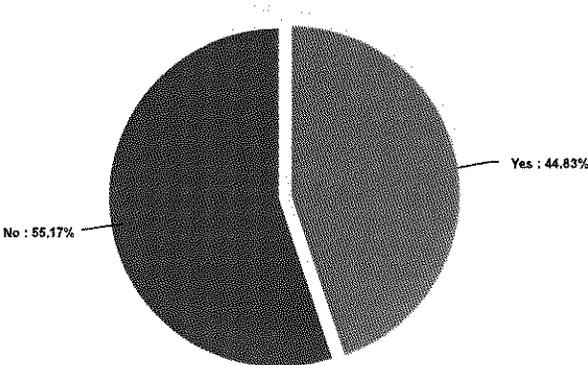
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	2	7.14%					
Not Satisfied	6	21.43%					
Neutral	5	17.86%					
Satisfied	6	21.43%					
Very Satisfied	9	32.14%					
Total	28	100 %					

Perceived value of transit in the community



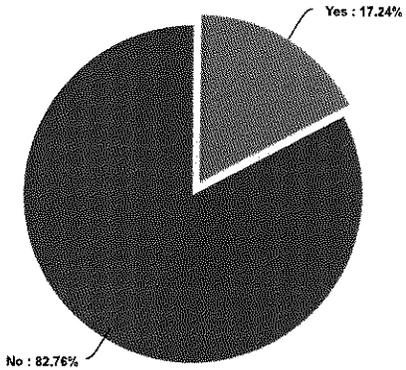
Answer	Count	Percent	20%	40%	60%	80%	100%
Very Dissatisfied	4	14.29%	[Progress bar]				
Not Satisfied	5	17.86%	[Progress bar]				
Neutral	4	14.29%	[Progress bar]				
Satisfied	10	35.71%	[Progress bar]				
Very Satisfied	5	17.86%	[Progress bar]				
Total	28	100 %					

Do you or your employees use MST?



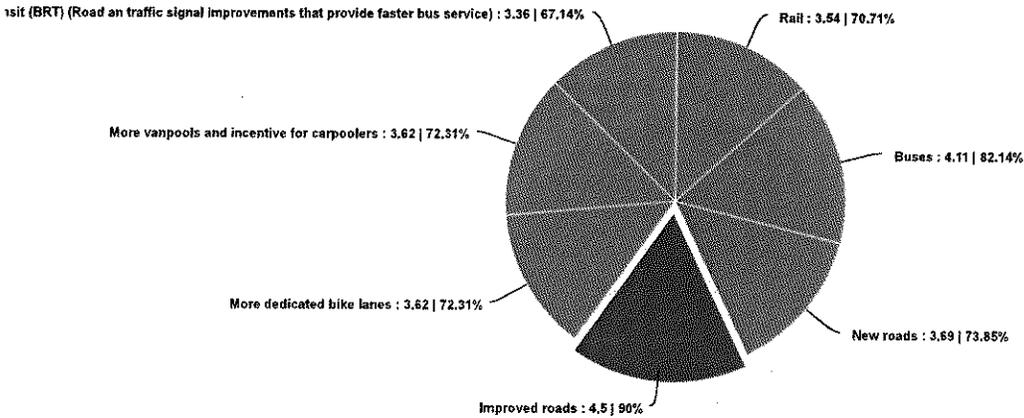
Answer	Count	Percent	20%	40%	60%	80%	100%
Yes	13	44.83%	[Progress bar]				
No	16	55.17%	[Progress bar]				
Total	29	100 %					

Are you aware of the tax incentives provided to employers who provide transit passes to their employees?



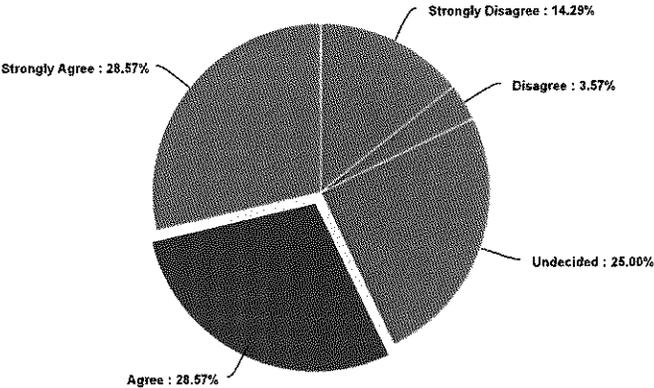
Answer	Count	Percent	20%	40%	60%	80%	100%
Yes	5	17.24%	[Progress bar]				
No	24	82.76%	[Progress bar]				
Total	29	100 %					

For local transportation needs in Monterey County, the following alternatives are important:



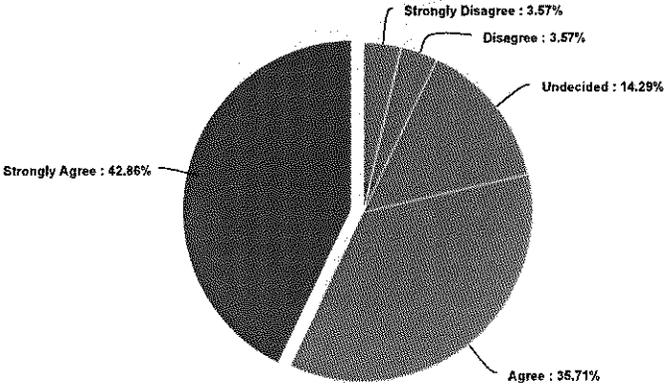
Question	Count	Score	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Rail	28	3.54	[Progress bar]				
Buses	29	4.11	[Progress bar]				
New roads	26	3.69	[Progress bar]				
Improved roads	28	4.5	[Progress bar]				
More dedicated bike lanes	26	3.62	[Progress bar]				
More vanpools and incentive for carpoolers	26	3.62	[Progress bar]				
Bus Rapid Transit (BRT) (Road and traffic signal improvements that provide faster bus service)	28	3.36	[Progress bar]				
Average		3.78					

Rail



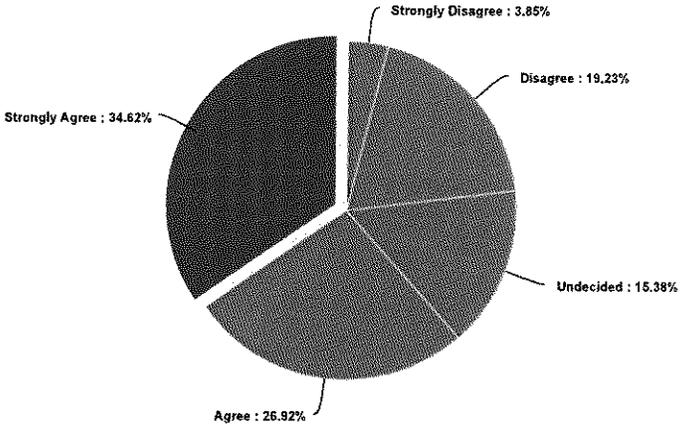
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	4	14.29%					
Disagree	1	3.57%					
Undecided	7	25%					
Agree	8	28.57%					
Strongly Agree	8	28.57%					
Total	28	100 %					

Buses



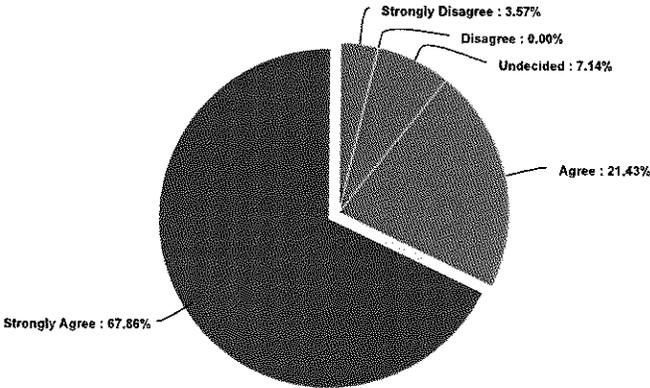
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	1	3.57%					
Disagree	1	3.57%					
Undecided	4	14.29%					
Agree	10	35.71%					
Strongly Agree	12	42.86%					
Total	28	100 %					

New roads



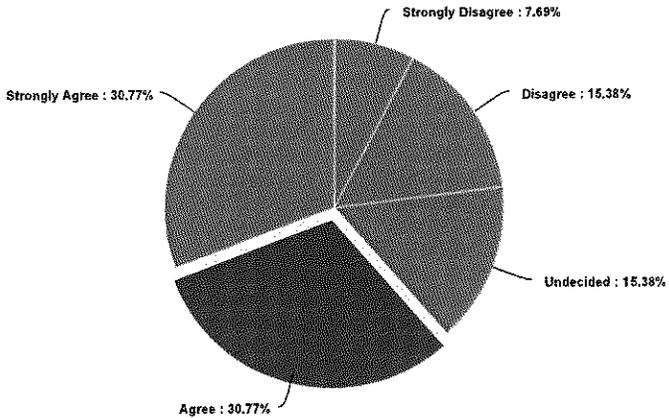
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	1	3.85%					
Disagree	5	19.23%					
Undecided	4	15.38%					
Agree	7	26.92%					
Strongly Agree	9	34.62%					
Total	26	100 %					

Improved roads



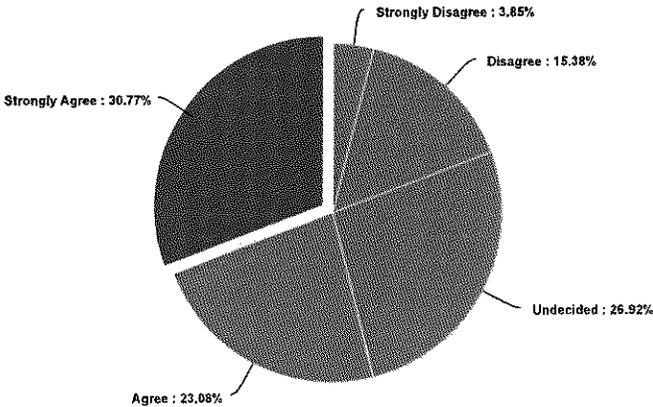
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	1	3.57%					
Disagree	0	0%					
Undecided	2	7.14%					
Agree	6	21.43%					
Strongly Agree	19	67.86%					
Total	28	100 %					

More dedicated bike lanes



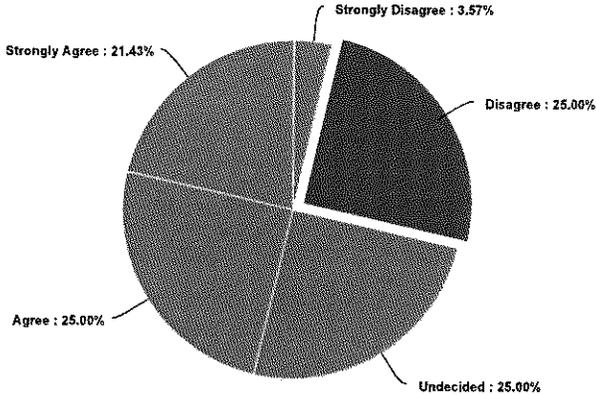
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	2	7.69%					
Disagree	4	15.38%					
Undecided	4	15.38%					
Agree	8	30.77%					
Strongly Agree	8	30.77%					
Total	26	100 %					

More vanpools and incentive for carpoolers



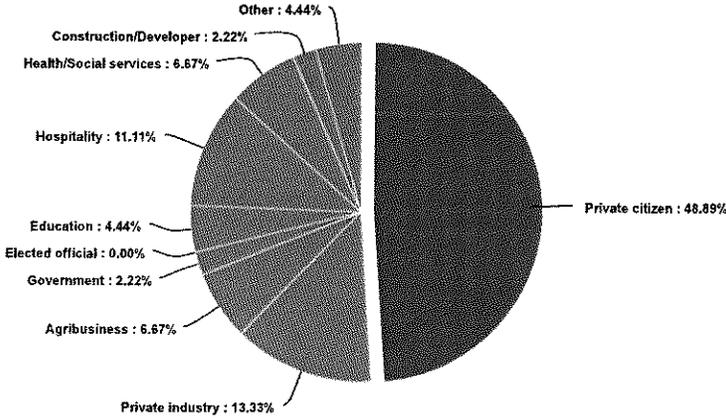
Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	1	3.85%					
Disagree	4	15.38%					
Undecided	7	26.92%					
Agree	6	23.08%					
Strongly Agree	8	30.77%					
Total	26	100 %					

Bus Rapid Transit (BRT) (Road and traffic signal improvements that provide faster bus service)



Answer	Count	Percent	20%	40%	60%	80%	100%
Strongly Disagree	1	3.57%					
Disagree	7	25%					
Undecided	7	25%					
Agree	7	25%					
Strongly Agree	6	21.43%					
Total	28	100 %					

Which sector of the community do you represent?



Answer	Count	Percent	20%	40%	60%	80%	100%
Private citizen	22	48.89%					
Private industry	6	13.33%					
Agribusiness	3	6.67%					
Government	1	2.22%					
Elected official	0	0%					
Education	2	4.44%					
Hospitality	5	11.11%					
Health/Social services	3	6.67%					
Construction/Developer	1	2.22%					
Other	2	4.44%					
Total	45	100 %					

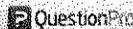
Which sector of the community do you represent? - Text Data for Other

02/10/2016 30065231 Aquarium/Museum

02/09/2016 30061357 non-profit

Please include any comments or suggestions you have about MST's services. (optional)

- 02/26/2016 30108016
- 02/19/2016 30090011 Improved commuter service to Santa Cruz would be nice.
- 02/15/2016 30077846 Seems easy to use
- 02/13/2016 30075528
- 02/11/2016 30069409
- 02/11/2016 30066773
- 02/10/2016 30065930
- 02/10/2016 30065967 The MST is extremely important to have here in Monterey County and to know that the San Jose Express exists is also very important for people who have no means of a car to use and need to make connection to all the other towns and cities. I do not know what we would do without it.
- 02/10/2016 30065465 I think the fares are too high and the service schedules, at least in the Salinas area, are too far apart. There is no way to take the bus from Salinas to the Monterey Airport.
- 02/10/2016 30065385 Please provide WiFi on your buses & upgrade all your racks to hold at least 3 bikes. Give people an incentive to ride the bus vs. taking their car.
- 02/10/2016 30065384 Keep the planning and improvements rolling
- 02/10/2016 30065354 I had to go without a car for several months and got a lot of insight into the flaws of MST. 1. Why would you have a bus come to at stop the same time every day, but alternate it's route? That is totally confusing and gets me to my daily work destination 3 days a week; not 5. 2. The MST Center in Monterey is a confusing mess. Why would you use the term "gate" when clearly there are none. And if there were gates, why not line them up EXACTLY where the stop is? Gate is an airport and train station term that seems useless at the Transit Center. 3. The buses coming only hourly from PG to Monterey seems limiting, but what I found especially annoying is that the small buses are used during commute time... making it cramped. But on Saturday, when I took a 1pm bus from Lighthouse up to Trader Joe's, the bus was enormous and I was the only person on it. What a waste. 4. Why not give local residents a discount as an incentive to ride the bus, keep traffic down and spare the air? As a resident, I am paying the same as a tourist and that is unacceptable. 5. The bus driver should happily help bikers get their bike on the rack without an attitude. Some do. Some do not. 5. Last but not least, One way day passes should be available for residents. Example: I am coming home from work. I want to get off at Nob Hill for groceries, and then catch next bus to home...all on the same trip home from work. But I have to pay again a full rate. That is not helpful to the residents at all. Thanks for reading my vent list. I had quite a bit of time at the bus stops to realize these flaws in your system. Sincerely,
[REDACTED]
- 02/10/2016 30065291
- 02/10/2016 30065210
- 02/10/2016 30065098 I feel it is very important to provide the free trolley service for visitors and locals. Visitors have mentioned it often at the Visitor Center. And I have used it a number of times myself. Thank you for this service, it has been very successful on weekends this past year.
- 02/10/2016 30065024
- 02/10/2016 30064911
- 02/10/2016 30064861 our son takes the bus to MFC, daily. Thank you for your service.
- 02/10/2016 30064820 I haven't ridden a bus in many years so I am not very familiar with the routes and services so I am not much help in most of this survey. I do notice quite a few people waiting at bus stops and am sure it is a lifesaver for many of our residents who don't have their own vehicle or can't drive themselves.
- 02/10/2016 30064757 Express light rail between Salinas and Monterey, with maybe five key stops (Airport, Ryan Ranch, Toro Park, etc.) and bus connections during peak commute hours
- 02/10/2016 30064682
- 02/10/2016 30064658 I would use the Bus service to the train station in Monterey more if there were some way (or to have some routes) include a Salinas stop. I don't want to leave my car overnight at the Prunedale park and ride.
- 02/10/2016 30064650
- 02/09/2016 30061715
- 02/09/2016 30061658
- 02/09/2016 30061357
- 02/09/2016 30060403
- 02/09/2016 30060027
- 02/09/2016 30059323 Taxi vouchers for seniors is fabulous, rides program essential



Agenda # **3-12**
April 11, 2016 Meeting

To: Board of Directors
From: Hunter Harvath, Assistant General Manager of Finance & Administration
Subject: FY 2015 Comprehensive Annual Financial Report & Measure Q expenditures

RECOMMENDATION:

1. Receive the agency's FY 2015 Comprehensive Annual Financial Report.
2. Receive the opinion from the Measure Q Citizens Oversight Committee that Measure Q funds were appropriately used during FY 2015.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

A Comprehensive Annual Financial Report (CAFR) is prepared each year in association with the agency's audit process, posted on the MST website, and submitted to the state of California as well as to the Government Finance Officers Association of the United States and Canada for review and evaluation. In addition, with Measure Q sales tax funds now being collected in Monterey County and remitted to MST, a citizens oversight committee appointed by your Board meets every year to review the audit to attest to the fact that Measure Q funds are being spent on eligible transportation projects that benefit seniors, veterans and persons with disabilities.

DISCUSSION:

To provide transparency for the general public and local, state and federal stakeholders, MST each year prepares and posts on its website a CAFR, which can be downloaded and printed directly from the site. A primary component of this document is the annual audit, which is conducted by an outside accounting firm to attest to the state of the agency's finances. In recognition of excellence in financial reporting, MST received a certificate of achievement from the Government Finance Officers Association of the United States and Canada for last year's FY 2014 CAFR.

MST has submitted its FY 2015 CAFR to this organization for evaluation and consideration. Pages containing key summary documentation from the report are attached for your review. The complete report – as well as MST's CAFRs dating back to FY 2005 – can be viewed and downloaded through MST's website at

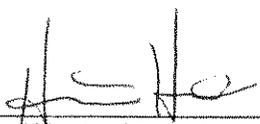
<http://mst.org/about-mst/financials/> and can also be provided in hard copy to any member of your Board upon request.

For the first time, this fiscal year's audit contains documentation of receipt of \$1,980,969 in sales tax revenues generated by Measure Q. After Measure Q was approved by voters in November 2014, these funds began to be collected on April 1, 2015, and represent one quarter of a fiscal year of revenue. In that regard, staff anticipate that these revenues would total approximately four times as much for FY 2016 (depending on the state of the local economy), when those funds will be collected for an entire fiscal year, rather than just for one quarter.

As a part of the Measure Q ballot measure, an oversight committee was established to review those expenditures that have been funded through this sales tax. This committee, the members of which were appointed by your Board, is charged with reporting to your Board that these funds have been expended on programs and services that benefit seniors, veterans and persons with disabilities. To that end, the committee met on March 11, 2016, (see meeting minutes under agenda item 3-5 of this packet) to review Measure Q expenditures as documented in the FY 2015 CAFR. After a presentation from staff and comments and questions from committee members, a unanimous opinion was issued to your Board that Measure Q funds were appropriately used during FY 2015.

Attachment 1: Dec. 22, 2015, Independent Auditor's Report from Vavrinek, Trine, Day & Co., LLP

Attachment 2: Pages 4-8; and 47-55 of the FY 2015 CAFR

PREPARED BY: 
Hunter Harvath

REVIEWED BY: 
Carl G. Sedoryk



Vovrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Monterey-Salinas Transit (MST), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of MST as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note XI to the financial statements, MST implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and schedule of employer pension contributions 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 the 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the MST's financial statements as a whole. The introductory section, schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the consolidating schedules by program, budgetary information and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards, the consolidating schedules by program and budgetary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, consolidating schedules by program and budgetary information are fairly stated in all material respect in relation to the financial statements taken as a whole.

The introductory section and the statistical tables 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.

Prior-Year Comparative Information

We have previously audited MST's 2014 financial statements, and we expressed an unmodified audit opinion on the respective financial statements in our report dated December 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015 on our consideration of MST's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MST's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 22, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

MONTEREY, CALIFORNIA

*For the fiscal year
ending June 30, 2015
with comparative
totals for 2014*



Welcome Aboard!

MST

MONTEREY-SALINAS TRANSIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Monterey-Salinas Transit (MST) provides an introduction to the financial statements of MST for the fiscal year ended June 30, 2015.

Following the MD&A are the basic financial statements of MST together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

MST ACTIVITIES HIGHLIGHTS

MST is based in Monterey, California, and consists of two operating divisions, Fixed-Route BUS and RIDES Paratransit, operating in two Federal Urbanized Zones: Monterey Peninsula (Seaside-Marina-Monterey) and Salinas. Overseeing some 241 direct and 112 contracted employees, who work together in the public interest, the General Manager/CEO coordinates the operations of these divisions according to the policy and direction of the Board of Directors. For the fiscal year ending June 30, 2015, the Board of Directors consisted of thirteen members representing Monterey County and the twelve member cities: Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside and Soledad. Nearly 4.3 million passengers rode Monterey-Salinas Transit last fiscal year.

The recent economic downturn has resulted in a decrease in ridership for Fixed-Route BUS from historical peak levels of 2007. During fiscal year 2011, MST's reserves were used to further delay the need for additional fare increases or service reductions to balance the annual operating budget. In coordination with fiscal uncertainty and budgetary stress, increases to fares were enacted near the end of fiscal year 2012, the effects of which were felt during fiscal year 2013. In addition, significant cuts to bus services were implemented during fiscal year 2013 as a result of ongoing financial pressures as well as staffing shortages due to the hiring freeze imposed on MST in association with the state pension reform dispute. However, fixed-route ridership rebounded in fiscal year 2014, posting a gain of nearly 5%. Fiscal Year 2015 saw a service reduction to Presidio military routes only, sparing most other routes frequented by the vast majority of MST customers. Between FY 2012 and FY 2013 RIDES paratransit demand had decreased by nearly 10% after jumping substantially since 2008, primarily from MST's mobility management efforts including the diversion of trips onto same-day service offered through the taxi voucher program. For fiscal years 2014 and 2015, demand for RIDES paratransit services has begun to creep back up compared to the previous fiscal year. This trend is expected to continue in the coming years as the baby-boomer generation transitions into the senior citizen age groups.

	2015	2014	2013
Fixed- Route Passengers	4,221,235	4,161,456	3,976,279
% increase/(decrease)	1.44%	4.66%	(8.25%)
RIDES Paratranist Passengers	113,759	107,259	105,241
% increase/(decrease)	6.06%	1.92%	(8.52%)

Presently, MST is funded approximately 21.9% by passenger fares for Fixed-Route service (excluding federal pass through revenues to local governments) and 16.2% for RIDES Paratransit service. The remainder is met by federal and state grants as well as a nominal amount of bus advertising and interest revenue, as well as – for the first time – local sales tax revenue, which began to be collected in the 4th quarter of the fiscal year. Before this year, MST had been unique compared to Santa Cruz and San Francisco Bay Area transit operations, because it had been providing transit service without support from direct sales tax measures or dedicated general funds. While nearly 90% of the population of the state of California live in counties with these local sales taxes supporting transit, Monterey County had not been one of these so-called “self-help” counties, despite four failed attempts by the county transportation agency to pass a local funding initiative to support transportation, including public transit. In the past the former MST joint powers agency did not have the ability to levy taxes; however, the new MST District does have that authority. As such, the MST Board of Directors placed a 1/8-cent sales tax measure to support transit services for veterans, seniors and persons with disabilities on the November 2014 ballot. With 72.54% of voters approving this tax, revenues began to be collected on behalf of MST on April 1, 2015.

FINANCIAL POSITION SUMMARY

Total net position serves over time as a useful indicator of MST’s financial position. MST’s assets and deferred outflows exceed liabilities and deferred inflows by \$42.5 million at June 30, 2015, which was a 8.1% increase from June 30, 2014. At June 30, 2014 MST’s assets exceeded the liabilities by \$39 million which was a decrease of 2.2% from June 30, 2013. A condensed summary of net position at June 30 is shown below (\$ in thousands):

	2015	2014	2013
ASSETS AND DEFERRED OUTFLOWS			
Current and other assets	\$ 26,422	\$ 18,731	\$ 24,067
Capital assets	36,177	26,513	26,818
Deferred outflows	1,181	-	-
Total assets and deferred outflows	<u>63,780</u>	<u>45,244</u>	<u>50,885</u>
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	10,043	4,578	9,894
Non current liabilities	7,413	1,388	824
Deferred inflows	3,844	-	-
Total liabilities and deferred inflows	<u>21,300</u>	<u>5,966</u>	<u>10,718</u>
NET POSITION			
Invested in capital assets	36,177	26,513	26,818
Restricted	10,981	9,715	11,476
Unrestricted	(4,678)	3,050	1,872
TOTAL NET POSITION	<u>\$ 42,480</u>	<u>\$ 39,277</u>	<u>\$ 40,166</u>

The largest portion of MST’s net position each year (85% at June 30, 2015) is its investment in capital assets (e.g., buses, buildings, improvements, and equipment). MST uses these capital assets to provide services to its patrons, passengers and visitors to the region; consequently, these assets are not available for future spending. The remaining restricted and unrestricted net position (26% and -11% respectively at June 30, 2015) may be used to meet MST’s ongoing obligations.

FINANCIAL OPERATIONS HIGHLIGHTS

- Total Revenues in 2015 compared to 2014 before capital contributions increased by 9.0% from \$34.3 million to \$37.5 million primarily as a result of collection of sales tax revenues for \$1.6 million net of administrative expenses. Total Revenues in 2014 to 2013 before capital contributions decreased by 5.5% from \$36.4 million to \$34.3 million primarily as a result of a decrease in Local Transportation Funds, generated by one quarter percent of the state sale tax.
- Operating Expenses in 2015 compared to 2014 before depreciation increased by 8.9% from \$33.1 million to \$36 million, primarily as a result in increased salaries and benefits (\$1 million), increased service levels operated by purchased transportation (\$673,000), as well as pass through expenditures to local governments (\$1 million). Operating Expenses in 2014 compared to 2013 before depreciation decreased by .7% from \$33.3 million to \$33.1 million.
- Capital contributions received in the form of grants from the federal and state governments increased from \$1.9 million in 2014 to \$14.7 million in 2015. Capital contributions received in the form of grants from the federal and state governments decreased from \$12.8 million in 2013 to \$1.9 million in 2014. These capital expenditures can vary greatly from year to year as buses are purchased in large batches on an occasional basis, and major infrastructure projects, such as the WAVE-WPT Trolley Electrification and its associated infrastructure are significant, but relatively rare occurrences.

SUMMARY OF CHANGES IN NET POSITION (\$ in thousands)

	2015	2014	2013
Total revenues	\$ 37,464	\$ 34,339	\$ 36,380
Operating expenses	36,022	33,070	33,303
Operating income (loss) before depreciation and interest expense	1,442	1,269	3,077
Gain (Loss) on sale of assets	14	36	(8)
Depreciation	4,462	4,139	3,607
Deficiency of revenues over expenses	(3,006)	(2,835)	(538)
Capital contributions	14,688	1,946	12,833
Special item	-	-	(5,206)
Increase (decrease) in net position	<u>\$ 11,682</u>	<u>\$ (889)</u>	<u>\$ 7,089</u>

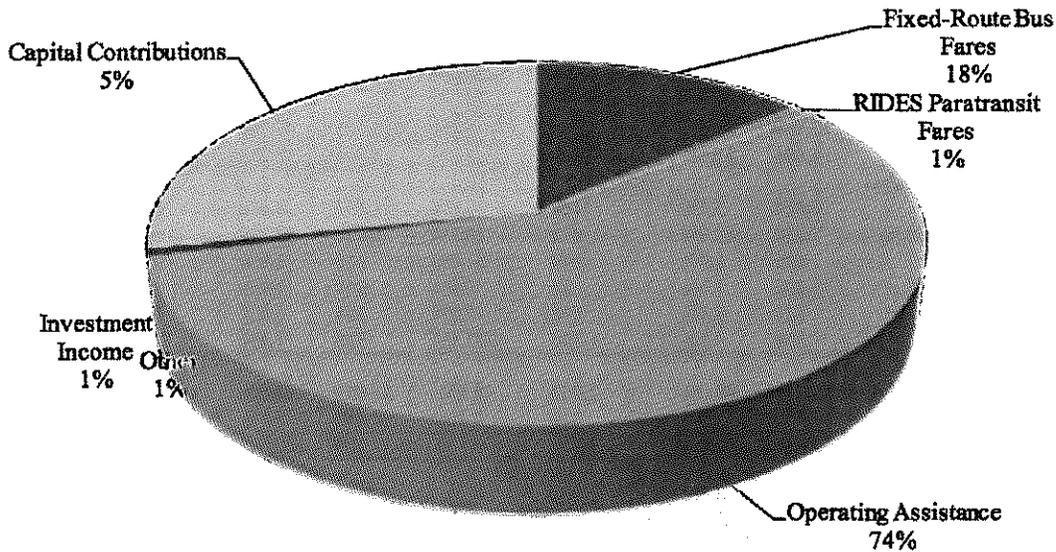
MST PASSENGER FARES

Passenger fares are set by Board Policy and changed when determined necessary by the Board. A complete overhaul of our passenger fares took place in March 2011. The fare structure was changed from a 14 zone/overlap zone configuration to a distanced-based system comprised of only four categories: Primary (Base), Local, Regional and Commuter fares. All categories of fares, including day passes, monthly passes, weekly passes and paratransit fares were increased by an average of 25% on May 26, 2012. Fares now range from \$1.50 for short-distance local routes, to \$2.50 for primary base-fare routes, to \$3.50 for regional routes between Monterey Peninsula, the Salinas Valley, and rural northern Monterey County, to \$12.00 for long-distance commuter routes that connect to San Jose, Morgan Hill and Gilroy in Santa Clara County, Fort Hunter Liggett in extreme southern Monterey County, and Paso Robles in northern San Luis Obispo County. Fares were not increased during FY 2015.

	2015	2014	2013	2012	2011	2010
Fixed-Route Bus Fare	\$1.50 - \$3.50	\$1.50 - \$3.50	\$1.50 - \$3.50	\$1.50 - \$3.50	\$1 - \$3	\$2.50
Fixed-Route Bus Transfer	n/a	n/a	n/a	n/a	n/a	\$0.25
RIDES Paratransit Fare	\$3 - \$7	\$3 - \$7	\$3 - \$7	\$3 - \$7	\$2 - \$6	\$3.00

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2015 (fares, grants and other):



A summary of revenues for the year ended June 30, 2015, including the amount and percentage of change in relation to prior year amounts is as follows (\$ in thousands):

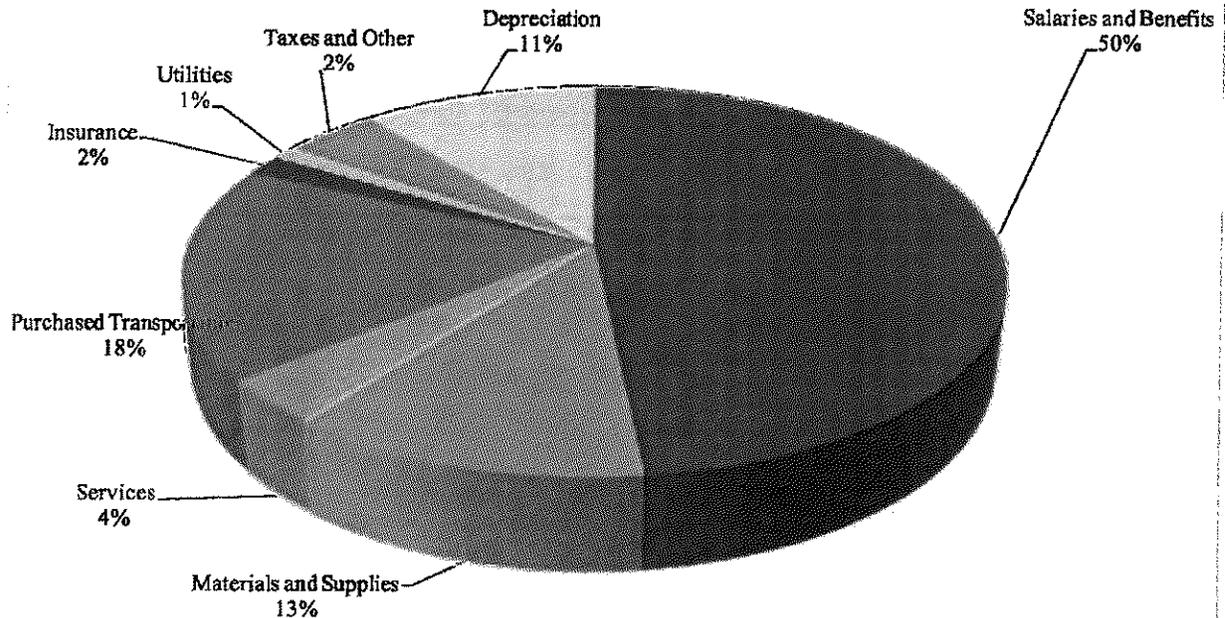
	2015 Amount	Percent of Total	2015 Increase (Decrease) From 2014	Percent Increase/ (Decrease)	2014 Amount	Percent of Total	2014 Increase (Decrease) From 2013	Percent Increase/ (Decrease)	2013 Amount
Operating									
Fixed-Route bus fares	\$ 7,121	13.7%	\$ 528	8.0%	\$ 6,593	18.2%	\$ (328)	(4.7%)	\$ 6,921
RIDES paratransit fares	469	0.9%	141	43.1%	328	0.9%	(41)	(11.2%)	369
Total Operating	7,590	14.6%	669	9.7%	6,921	19.1%	(369)	(5.1%)	7,290
Nonoperating:									
Sales Tax Revenues	1,552	3.0%	1,552	100.0%	-	0.0%	-	0.0%	-
Federal grants	10,477	20.1%	120	1.2%	10,357	28.5%	275	2.7%	10,082
Local transportation Fund	17,475	33.5%	898	5.4%	16,577	45.6%	(1,886)	(10.2%)	18,463
Investment income	50	0.1%	(8)	(13.9%)	58	0.2%	37	178.5%	21
Other	333	0.6%	(128)	(27.7%)	461	1.3%	(63)	(12.0%)	524
Total Nonoperating	29,888	57.3%	2,434	8.9%	27,454	75.6%	(1,636)	(5.6%)	29,090
Capital contributions	14,688	28.2%	12,742	654.8%	1,946	5.4%	(10,887)	(84.8%)	12,833
Total Revenues	\$ 52,167	100.0%	\$ 15,846	43.6%	\$ 36,321	100.0%	\$ (12,892)	(26.2%)	\$ 49,213

EXPENSES

The following chart shows the major cost categories and the percentage of operating expenses for the year ended June 30, 2015:

	2015 Amount	Percent of Total	2015 Increase (Decrease) From 2014	Percent Increase/ (Decrease)	2014 Amount	Percent of Total	2014 Increase (Decrease) From 2013	Percent Increase/ (Decrease)	2013 Amount
Operating:									
Salaries and benefits	\$ 19,569	48.3%	\$ 1,068	5.8%	\$ 18,501	49.7%	\$ (929)	(4.8%)	\$ 19,430
Materials and supplies	4,806	11.9%	(107)	-2.2%	4,914	13.2%	(217)	(4.2%)	5,131
Professional and Technical									
Services	1,484	3.7%	(148)	-9.0%	1,632	4.4%	290	21.6%	1,342
Purchased transportation	7,250	17.9%	673	10.2%	6,576	17.7%	681	11.6%	5,895
Insurance	676	1.7%	309	84.0%	368	1.0%	(158)	(30.1%)	526
Utilities	392	1.0%	24	6.5%	368	1.0%	48	15.1%	320
Taxes	176	0.4%	(18)	-9.3%	194	0.5%	(17)	(8.0%)	211
Other	1,668	4.1%	1,150	222.1%	518	1.4%	70	15.6%	448
Total operating expenses before depreciation	36,022	89.0%	2,952	8.9%	33,070	88.9%	(233)	(0.7%)	33,303
Depreciation	4,462	11.0%	323	7.8%	4,139	11.1%	524	14.5%	3,615
Total operating expenses	40,484	100.0%	3,275	8.8%	37,209	100.0%	291	0.8%	36,918
Non-operating:									
Special Item	-	0.0%	-	0.0%	-	0.0%	(5,206)	(100.0%)	5,206
Total Expenses	\$ 40,484	100.0%	\$ 3,275	8.8%	\$ 37,209	100.0%	\$ (4,915)	(11.7%)	\$ 42,124

A summary of expenses for the year ended June 30, 2015, including the amount and percentage of change in relation to prior year amounts is as follows (\$ in thousands):



Section IV

SINGLE AUDIT

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Transportation Development Act and California Government Code Section 8879.5
- Independent Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance Required by *OMB Circular A-133*
- Schedule of Expenditures of Federal Awards
- Summary of Auditor's Results
- Summary of Financial Statement Findings

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Vovrinek, Trino, Day & Co., LLP
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, THE TRANSPORTATION DEVELOPMENT ACT AND CALIFORNIA GOVERNMENT CODE SECTION 8879.50

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Monterey-Salinas Transit (MST), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise MST's basic financial statements, and have issued our report thereon dated December 22, 2015. Our report included an emphasis of matter regarding comparative information and adoption of the new pension reporting standards.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MST's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MST's internal control. Accordingly, we do not express an opinion on the effectiveness of the MST's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MST's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of Section 6667 of Title 21 of the California Code of Regulations and California Government Code Section 8879.50 et seq., noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the California Code of Regulations and California Government Code Section 8879.50 et seq.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 22, 2015



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

Report on Compliance for Each Major Federal Program

We have audited the Monterey-Salinas Transit's (MST) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the MST's major federal programs for the year ended June 30, 2015. The MST's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the MST's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the MST's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of MST's compliance.

Opinion on Each Major Federal Program

In our opinion, MST complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of MST is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the MST's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the MST's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 22, 2015

MONTEREY-SALINAS TRANSIT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of Transportation			
Direct grants			
Federal Transit Cluster:			
Federal Transit Capital Investments Grants	20.500	CA030717	\$ 1,150,941
Federal Transit Capital Investments Grants	20.500	CA030823	1,209,766
Total Federal Transit Capital Investments Grants			<u>2,360,707</u>
Federal Transit Capital Formula Grants	20.507	CA90Z005	484,217
Federal Transit Capital Formula Grants	20.507	CA90Z233	6,792,216
Total Federal Transit Capital Formula Grants			<u>7,276,433</u>
State of Good Repair Grants	20.525	CA040274	<u>5,000,000</u>
Total Federal Transit Cluster			<u>14,637,140</u>
Passed Through California Department of Transportation:			
Transit Services Program Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	642531	16,000
Job Access Reverse Commute	20.516	Multiple numbers ⁽¹⁾	714,917
New Freedom Program	20.521	Multiple numbers ⁽²⁾	260,000
Total Transit Services Program Cluster			<u>990,917</u>
Formula Grants for Rural Areas	20.509	Multiple numbers ⁽³⁾	2,401,865
Total Expenditures of Federal Awards			<u>\$ 18,029,922</u>

(1) There are multiple Grant Identification Numbers as follows: 642653, 642654, 643620 and 643626.

(2) There are multiple Grant Identification Numbers as follows: 643714 and 643721.

(3) There are multiple Grant Identification Numbers as follows: 643459, 642417, 642404 and 644906.

MONTEREY-SALINAS TRANSIT

SUMMARY OF AUDITOR'S RESULTS YEAR ENDED JUNE 30, 2015

Part I – Summary of Auditor's Results

1. The independent auditor's report on the financial statements expressed an unmodified opinion.
2. Significant deficiencies or material weaknesses in internal control over financial reporting – None.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. Significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs – None.
5. The independent auditor's report on compliance for each major federal award programs expressed an unmodified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133, Section 510(a).
7. The Organization's major programs were:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Federal Transit Cluster	20.500, 20.507, 20.525
Transit Services Programs	20.513, 20.516, 20.521
Formula Grants for Rural Areas	20.509

8. A threshold of \$540,898 was used to distinguish between Type A and Type B programs.
9. MST qualified as a low risk auditee as that term is defined in OMB Circular A-133.

MONTEREY-SALINAS TRANSIT

**SUMMARY OF FINANCIAL STATEMENT FINDINGS
YEAR ENDED JUNE 30, 2015**

Part II – Financial Statement Findings Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reported		

Part III – Federal Award Findings and Questioned Cost Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reported		

Part IV– Status of Prior Period Audit Findings

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters were reported		

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Agenda # **3-13**
April 11, 2016 Meeting

To: Board of Directors
From: Zoë Shoats, Marketing Manager
Subject: Survey Research Consultant RFQ

RECOMMENDATION:

Award contract to Moore & Associates in the amount of \$28,875.20 to conduct Onboard Passenger and Attitude and Awareness (Non-Rider) surveys.

FISCAL IMPACT:

\$28,875.20 for the 2016 Onboard Passenger and Attitude and Awareness (Non-Rider) surveys. Funds to pay for this project were included in MST's FY 2016 budget.

POLICY IMPLICATIONS:

Your Board approves expenditures exceeding \$25,000.

DISCUSSION:

Public transit agencies regularly conduct passenger and non-passenger surveys to gauge opinions of customers and to learn about those individuals who do not currently take public transit. This data can then be used to improve services for existing passengers and potentially increase ridership by marketing MST more effectively to non-riders. These surveys should be conducted approximately every two years to ensure data is current and remains valid as economic, social, and population conditions change.

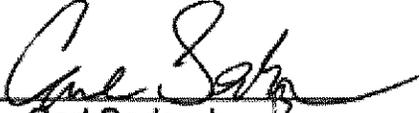
MST issued a request for quotations (RFQ) for a survey research consultant to conduct onboard in-person surveys of passengers and conduct online and intercept surveys of Monterey County residents who have not ridden the bus in the past 12 months. The RFQ was sent to several potential proposers, and two firms submitted proposals.

Moore & Associates has successfully completed MST's surveys in years past, and staff feels that they are highly-capable of producing a reliable product.

	Total
Moore & Associates	\$28,875.20
NuStats	\$37,928.05

Staff recommends awarding a contract to Moore & Associates in the amount of \$28,875.20 to conduct Onboard Passenger and Attitude and Awareness surveys and present the results of these surveys to your board at a future meeting.

PREPARED BY: 
Zoé Shoats

REVIEWED BY: 
Carl Sedoryk

Agenda # **3-14**
April 11, 2016 Meeting

To: Board of Directors
From: Ben Newman, Risk Manager
Subject: Two Liability Claim Rejections

RECOMMENDATION:

Reject claims by the claimants below.

FISCAL IMPACT:

Non-Limited Civil Case (over \$25,000)

POLICY IMPLICATIONS:

None.

DISCUSSION:

1. The claim was submitted on March 21, 2016 by an attorney for the claimant Ernesto Hernandez, who allegedly was injured while riding in a MST bus on October 1, 2015. Alleged injuries consist of loss of consciousness, back injury, head injury and shoulder injury.
2. The claim was submitted on March 25, 2016 by an attorney for the claimant Veronica Lopez, who allegedly was injured while riding in a MST bus on October 1, 2015. Alleged injuries consist of their person and body, including but not limited to head, neck, back, arms, knees, ankles and shoulders.

Both of the above claims are from an accident that occurred on October 1, 2015 that involved an MST bus and a commercial tractor pulling two commercial flatbed trailers.

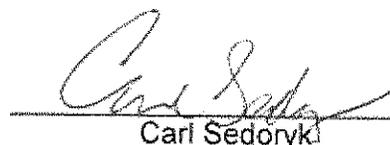
After conducting a preliminary investigation into this matter, it is determined that Monterey-Salinas Transit has no liability in these claims and recommends they be rejected in their entirety.

The above claims are under investigation. If any Board member desires further information on these claims, they may request it be discussed in closed session.

PREPARED BY:


Ben Newman

APPROVED BY:


Carl Sedoryk

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Agenda # **6-1**
April 11, 2016 Meeting

To: Board of Directors
From: C. Sedoryk – General Manager/CEO
Subject: Update on Inquiry by MV Transportation

RECOMMENDATION:

Receive staff report regarding MV Transit employee issues. Teamster Local Union 890 appears to be engaged in wage and benefit negotiations related to MV Transit, and MST must take care to avoid interference with the continuing good-faith bargaining that is underway.

FISCAL IMPACT:

MV Transportation employees have requested \$150,000 of funding assistance to assist payment for health insurance. MST cannot directly fund such a request, and can only work with MV Transportation within the context of the existing MST-MV contractual relationship.

POLICY IMPLICATIONS:

It has been MST's practice to procure services from private transportation providers to operate demand response (On Call and RIDES programs), seasonal (Seasonal Trolley Services, 22-Big Sur, 25 CSUMB - Salinas), demonstration projects with limited funding and/or other services as deemed appropriate (lack of manpower, equipment, or financial requirements).

The MST Procurement Policies and Procedures adopted by your Board in 2014 require that "all individuals or firms are afforded an equal opportunity to compete for award of a contract."

MST must also be mindful that both the California Constitution (Article 16, Section 6) and California Government Code section 8314 prohibit the gift of public funds to any individual, corporation or another government agency.

DISCUSSION:

At the February 8, 2016 MST Board meeting, MV Transportation employees (represented by Teamsters Local 890) spoke during public comments. Their comments brought forth concerns of low wages and high health insurance premiums that significantly impact their livelihood. Mr. Fritz Connelly, Teamsters representative, made a request to the MST board to consider providing a \$150,000 subsidy to offset the high insurance premiums of the MV employees.

Transit Service Procurement Process:

On August 15, 2012, MST staff published a Request for Proposals (RFP) from qualified service providers to operate the aforementioned MST services. The RFP specifically required proposers to provide the appropriate staffing levels in order to meet the service needs of MST's customers and further stated proposers were to be solely responsible for the wages and benefits of their employees.

On October 24 2012, MST staff received proposals from four different firms; American Logistics Corporation, McDonald Transit, MV Public Transportation Inc., and National Express. A scoring Committee comprised of MST staff personnel and a member of MST's Mobility Advisory Committee evaluated the proposals and rated them on criteria that included the ability meet MST expectations, qualifications/experience, price proposals, and compliance with California labor code. MV Transit received the highest proposal score from the evaluation committee and submitted the lowest overall price proposal which was \$120,714 to its nearest competitor National Express.

On January 14, 2013 your board adopted the staff recommendation and authorized MST to enter into a contract with MV Transportation to provide services for a period of five (5) years with the option to extend the contract another four years with two extensions.

MV Transportation Collective Bargaining Agreement with Teamsters

On January 5, 2015, MV Transportation and Teamsters, Local 890, entered into a one (1) year collective bargaining agreement from January 1, 2015 until January 31, 2016. As part of the negotiated contract, MV Transportation agreed to following terms for wages and benefits:

MV Transportation Wage Table

Length of Service	Current (2014) Pay Scale	Drivers, Dispatchers, and Dispatcher/clerks Hourly Rate
Training	\$9.00	\$10.00
Starting	\$10.00	\$13.00
3 years	\$14.10	\$15.00
4 years	\$14.43	\$15.33
5 years	\$14.78	\$15.68
6 years	\$15.08	\$15.98
7 years	\$15.41	\$16.31
8 years	\$15.74	\$16.64
9 years	\$16.07	\$16.97
10 years and more	\$16.31	\$17.33

1. Trolley and existing hybrid vehicles shall receive a \$2.00 per hour premium with a 4 hour minimum.
2. All employees being paid above the new scale shall receive a 1.5% increase in pay each year effective on their anniversary dates.
3. Maintenance and Benefits: Except as provided in Article 23, no employee shall have their wages, benefits or working conditions reduced as a result of the signing of this agreement.
4. Drivers assigned to train new drivers on behind-the-wheel training shall receive an additional \$1.00 per hour for all hours worked training.
5. The Pay Scale for Road Supervisors shall be \$19.00 per hour.

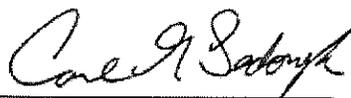
MV Transportation Health Benefit Table

Effective January 1, 2016, MV Transportation health care plan falls under the Northern California General Teamsters Security Fund-Plan E. According to MV Transportation, most employees have elected to take only the Dental and Vision.

Medical, Dental and Vision	Company Contribution	Employee Contribution <i>(per pay check)</i>	Total Cost
Single	\$330.98	\$148.51	\$628.00
Single + Spouse	\$457.30	\$301.35	\$1,060.00
Single + Children	\$412.30	\$301.35	\$1,015.00
Family	\$658.00	\$371.00	\$1,400.00
Dental and Vision ONLY	\$105.00	\$22.50	\$150.00

MV Transit Management and Teamster Local 890 continue good faith bargaining efforts over wages and benefits with their next negotiation scheduled for April 5, 2016. MST staff will provide an update on the status of these negotiations at your Board meeting of April 11, 2016.

At this time staff, upon consultation with general counsel, believes that funding the request would violate the prohibition against making a gift of public funds as well as violate the MST Purchasing Policy and the intent of the MST competitive procurement process by offering public funds to a private contractor in excess of the competitive bid made by the contractor. Further, it would invalidate the procurement process and offer an unfair \$150,000 advantage to MV Transit that was not afforded to its competitors. Finally, MST staff believes that it is inappropriate for staff or your Board to insert itself into the ongoing good-faith negotiation between the parties. Staff recommends that your Board encourage the parties to continue their negotiations to reach a mutually acceptable labor agreement.

PREPARED BY: 
Carl Sedoryk, CEO

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Agenda # **6-2**
April 11, 2016 Meeting

To: Board of Directors
From: Sandra Amorim, Purchasing Manager
Subject: Approve revised MST Procurement and Purchasing Plan

RECOMMENDATION:

Approve revised MST Procurement Policies and Procedures.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board is responsible for approving changes to Board adopted policies, procedures and plans in accordance with state and federal regulations.

DISCUSSION:

MST is considering a large multi-million dollar cooperative procurement through the National Joint Procurement Alliance. Upon reviewing our policy to ensure we were within its guidelines, staff discovered that the policy did not fully allow for cooperative procurements of a large scale. Cooperative purchasing can save significant time and money in contract management as well as lower contract prices through the power of aggregation.

These programs consolidate the purchasing needs of participating agencies to obtain products at prices generally available only to large volume buyers. Competitive bidding procedures and nonrestrictive specifications are used in these programs. These programs should be utilized to the extent that prices are lower than those MST could obtain through its normal purchasing procedures.

These minor revisions to the policy allow MST to fully utilize cooperative procurements for vehicles, goods, supplies, services, materials, or equipment to the benefit of the agency and the customers and taxpayers whose funds support the operations of MST. The revised policy is attached; changes are underlined and highlighted in yellow and have been reviewed by staff and District counsel.

Attachments: 1. MST Procurement and Purchasing Plan

PREPARED BY:  APPROVED BY: 
Sandra Amorim Carl Sedoryk

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1. Trolley and existing hybrid vehicles shall receive a \$2.00 per hour premium with a 4 hour minimum.
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PREPARED BY: 
Carl Sedoryk, CEO

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Attachments: 1. MST Procurement and Purchasing Plan

PREPARED BY:  APPROVED BY: 
Sandra Amorim Carl Sedoryk

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Procurement and Purchasing Plan

Effective Date: April 11, 2016

**MONTEREY-SALINAS TRANSIT DISTRICT
PROCUREMENT POLICY AND PROCEDURES**

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INTRODUCTION

Monterey-Salinas Transit (MST) is a Transit District, formed and operating in accord with the Monterey-Salinas Transit District Act, Section 106000, et seq., of the California Public Utilities Code. Policies and procedures governing MST procurements of supplies, equipment, materials, services and construction contracts are derived from and conform to:

- a. Applicable Federal law including 49 Code of Federal Regulations (CFR) Part 18, specifically Section 18.36
- b. Federal Transit Administration (FTA) Circular 4220.1.E, "Third Party Contracting Requirements"
- c. Applicable State of California laws
- d. California Public Contracts Code
- e. Rules and regulations established by the MST Board of Directors

MST procurement policy and procedures are subject to State and Federal laws, regulations and policies. These are intended as a guide to good procurement practices and are to be used as a supplement to sound business judgment in procurement and contracting.

The procedures herein are designed to implement the fundamental principles of procurement as follows:

- a. Foster maximum open and free competition
- b. Promote the greatest economy and efficiency
- c. Ensure adherence to proper standards of conduct by MST officers and employees
- d. Maintain procurement policies and procedures that comply with applicable federal, state, and local laws, and regulations
- e. Establish and maintain an arm's length relationship with all contractors and suppliers
- f. Treat all prospective contractors, consultants, and suppliers in an equal and equitable manner
- g. Provide opportunities for remedy and resolution of contract claims or disputes

DEFINITIONS

Terms used throughout this document are defined below.

Allowable Costs – Costs determined to be permissible based on reasonableness and generally accepted accounting principles and practices appropriate to the particular circumstances.

Architect / Engineer – Person or entity usually responsible for developing the plans and specification of a building or development and, in some cases, supervising the construction effort.

Bid – The document conveying an offer from a party desiring to provide or procure goods or services in response to an Invitation for Bid.

Bidder – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Bid for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Bidder may be used interchangeably with Proposer or Offeror.

Bid Guarantee (Bid deposits) – An amount of money determined by MST to be fair and reasonable compensation from a Bidder for MST's costs should that Bidder refuse to honor its bid. The Bid Guarantee, if required, will be a matter of Responsiveness to the Invitation for Bid.

Blanket Contract – Contract for goods or services that is of indefinite quantity during a definite period of time. Blanket contracts are typically recurring contracts.

Bond – A written instrument executed by a Bidder or Contractor (the "principal"), and a second party (the "surety" or "sureties"), to assure fulfillment of the principal's obligations to the obligee identified in the bond. If the principal's obligations are not met, the bond assures payment to the extent stipulated, for any loss sustained by the obligee.

Brand-Name – A commercial product described by brand name and make, model number, or other appropriate nomenclature by which the product is offered for sale to the public by the particular manufacturer, producer, or distributor. The Brand Name is used by MST only for the purpose of establishing identification and general description of the form, fit, function and quality of the items sought by MST.

Capital Expense is a purchase of any fixed asset costing \$1000 or more.

Capital Project is a major procurement involving construction, procurement of materials or services or purchase of rolling stock for which a specific budget is prepared and executed.

Change Order – A written directive and authorization for payment and/or time extension from MST, by its authorized agent, to the Contractor regarding changes in the work under the contract. A Change Order may include future work to be performed under the contract or work performed in accordance with previously authorized Directive Letters or Proceed Orders issued by MST through its authorized agent.

Competitive Bidding – Solicitation through Letters of Interest and Qualifications (LIQ), Requests for Proposals (RFP), or Invitations for Bids (IFB) by MST, under which all individuals or firms are afforded an equal opportunity to compete for award of a contract.

Competitive Range – Those proposals submitted in response to a RFP that, after technical evaluation by MST's selection panel and consideration of the proposed costs/prices, have a reasonable chance of being awarded the contract.

Construction – The act of building, altering, repairing, renovating, improving or maintaining a building or structure.

Contingent Fee – A commission, percentage, brokerage, or other fee that is dependent upon or tied to the success that a person or entity has in securing a MST contract.

Contract – A mutually binding legal relationship obligating the seller to furnish the goods or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the buyer to an expenditure of funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include: contract awards and notices of awards; job orders or task orders issued under basic ordering agreements, requirement contracts, or definite- or indefinite-quantity contracts; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; bilateral (two-party) contract modifications; and various cooperative and interagency agreements. MST may be either the seller or the buyer on a contract.

Contract Amendment – Changes to a contract that either add to, or delete from, the amount of an existing contract scope or that change contract terms, whether accomplished by unilateral action in accordance with a contract provision or by mutual action of the parties to the contract.

Contract Drawings – The official plans, profiles, typical cross-sections, general cross-sections, elevations, and details listed or referenced in the Specifications or amendments thereto, and, supplemental drawings approved by MST which show the locations, characters, dimensions, and details of the work to be performed.

Contractor – The Contractor is the person, entity or authorized representative identified as such in the contract documents and is referred to throughout the contract

documents as if singular in number. For the purposes of these Regulations, the term "Contractor" may be used interchangeably with Vendor or Consultant.

Cooperative Purchase Agreement – A procurement whereby MST participates with one or more other governmental or public agencies in a cooperative agreement for the joint purchase of goods, supplies, services, materials, or equipment.

Cost Analysis – A detailed analysis of a Contractor's cost or pricing data and the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion of the degree to which Contractor's proposed costs represent what reasonable performance of the contract should cost.

Debarment – An action taken by MST to deny participation in MST contracts, or action taken by another government entity to deny a person or entity participation in contracts or financial assistance programs.

Directive Letter – Authority granted to a Contractor to do work prior to the Contractor and MST having reached full agreement on an adjustment to the contract price and/or time.

Emergency – A situation of unusual or compelling urgency requiring immediate action.

Federal Transit Administration (FTA) establishes policies and procedures that must be followed when using federal funding for procurements and capital projects.

Invitation for Bid (IFB) – A request to interested parties to provide or procure specified goods or services. IFBs are not negotiated procurements. IFBs result in a firm fixed-price contract awarded to the lowest responsive and responsible Bidder.

Letter of Interest and Qualification (LIQ) – An LIQ is a qualification-based process where price is not an evaluation factor. LIQs must be used for architectural and engineering services and may be used for other procurements unless prohibited by applicable laws and regulations. LIQs are negotiated procurements.

Major Purchase is any procurement of \$100,000 or more.

Multi-Round Bid – MST solicits offers for the purchase of surplus real estate by IFB. When Bids are reviewed, MST determines if any of the Bids are acceptable. If they are not, MST can continue the procurement by re-soliciting the responding Bidders for further Bids.

Payment Bond – A bond that ensures payment as required by law to all persons supplying labor or material in the performance of the work provided for in the contract.

Piggyback Contract – MST's use of another governmental or public agency's contract for goods, supplies, services, materials, or equipment.

Performance Bond – A bond that secures performance and fulfillment of the Contractor's obligations under the contract.

Price Analysis – The process of examining and evaluating the reasonableness of a Bidder's or Proposer's price without evaluation of the separate cost elements and proposed profit of the Bidder/Proposer.

Proceed Order – Authority granted to the Contractor regarding changes to the work to be performed under a contract.

Procurement Administrator – MST employee authorized to solicit, enter into and/or administer contracts and make related determination and findings. For the purposes of these Regulations, the term includes employees assigned to the Purchasing & Warehousing Department as well as any MST employee assigned and authorized to perform those duties.

Proposal – The submission by a potential Contractor in response to a RFP.

Proposer – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Proposal for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Proposer may be used interchangeable with Bidder or Offeror.

Protest – A written objection or complaint by an interested party to the terms, conditions or form of a proposed procurement or to the proposed or actual award of a contract.

Public Auction – Method of selling assets whereby all prospective buyers are notified through Public Notice of the intent to sell assets and are invited to Bid in an open forum against their competitors.

Public Exigency – Any event or circumstance, not including an Emergency, but nonetheless that requires immediate action.

Public Notice – MST's notice to the general public of purchase or sale solicitations, which must, at a minimum, be in a daily English language newspaper of general circulation.

Purchase Order – Document that formalizes an agreement between MST and a Vendor for the purchase of goods and/or services, which follows an informal competitive

process. Emergencies and exigent circumstances purchases may also be documented with purchase orders.

Quotation – The price or cost submitted by a Vendor for a Small Purchase.

Request for Information (RFI) – A means by which to poll the market or ask a series of questions regarding a potential procurement that is of interest to MST.

Request for Proposals (RFP) – An RFP requests that interested parties submit Proposals to perform a specific project or service or to provide goods. Criteria, including price, dictates how RFP proposals will be evaluated. RFPs are negotiated procurements.

Request for Price Quotation (RFPQ) is an informal solicitation. An informal solicitation is one with less stringent requirements. Such less-stringent requirements might include, but are not limited to:

- No formal time or date when quote is due
- No sealed bid requirements
- No bond requirements

In addition, informal bids can generally be awarded by lesser authority than formal bids. That is, the General Manager/CEO approves all expenditures of \$10,000 or more. The Assistant General Managers and Department Heads can award amounts up to \$9,999.

Requisition – A document requesting goods or services. The Requisition initiates the procurement process.

Responsibility – MST will make awards only to Contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Responsiveness – Evaluation for determining whether Bids comply in all material respects with a solicitation document.

Reverse Auction – A real-time bidding process in which multiple pre-approved suppliers can view other bids and bid against one another electronically for a set period of time.

Single Bid – A solicitation response received from only one source. In these instances, the acquisition is handled like a Sole Source procurement or non-competitive negotiation.

Sole Source – Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined to be inadequate.

Solicitation – The general term for MST's request for offers from potential Bidders/Proposers. A solicitation package generally contains the proposed contract, including contract terms and conditions, instructions to potential Bidders/Proposers regarding the submission of a Bid/Proposal, and any other information needed to prepare a Bid/Proposal.

Surety – A party legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.

RESPONSIBILITIES

Each organizational element below plays a role and has responsibilities in ensuring that MST complies with applicable laws, rules and regulations.

Board of Directors. Establishes general policy. Approves major contracts. Hears appeals from contractors or potential suppliers.

General Manager/CEO. Ensures Board guidance is implemented. General oversight of the procurement and purchasing functions. The General Manager/CEO shall be responsible for the purchasing of and the issuance of purchase orders for property and services.

Assistant General Manager for Finance & Administration assumes the responsibilities of the General Manager/CEO in his/her absence. The Assistant General Manager for Finance & Administration may delegate authority to issue purchase orders up to \$9,999.

Department Heads. Ensure that procurement actions within their Departments comply with these provisions. Establish both short-term execution and long-range planning of procurements. Ensure that Project Managers they appoint are coordinating procurements with the Purchasing Manager. Each Department Head monitors procurement activities of their respective departments. The Purchasing Manager coordinates with Department Heads and staff to insure they are aware of and follow proper procurement procedures.

General Accounting & Budget Manager. Provides information on available budget. Processes purchase orders for capital expenditures. The General Accounting & Budget Manager periodically publishes a memorandum showing purchasing agents and the dollar amount they are authorized to approve.

Purchasing Manager is responsible for monitoring all procurements. Points out problem areas to staff members, Assistant General Manager for Finance and Administration and/or Department Heads. The Purchasing Manager will determine the need for and provide training to staff based upon problems noted during continuous review and observation of on-going purchases and procurements. The Purchasing Manger will also provide training to all new staff members who have authority to commit funds on behalf of MST. The Purchasing Manager is also responsible for the sale of MST surplus property. The Purchasing Manager shall report to the Assistant General Manager for Finance and Administration with respect to all purchasing decisions and activities. The Purchasing Manager also:

- a. Maintains a listing of procurement numbers and tracks issue and due dates
- b. Maintains contract administration files; notifies Project Managers of needed and/or missing documents
- c. Maintains and revises as necessary standard terms and conditions, FTA clauses and generic enclosures necessary to produce a complete procurement document
- d. Organizes and periodically conducts audits of the contract administration system

Duties of the Purchasing Manager make him/her responsible for the following objectives:

- a. Conserve public funds through reductions in cost and improvements in quality of supplies, equipment, materials, services, and construction procured.
- b. Reduce the overhead cost of contracting, buying, and selling to the maximum extent possible.
- c. Achieve and promote cost-effective procurements by:
 1. Analyzing alternative approaches for each procurement, such as: purchase, timeshare, lease, intergovernmental and interagency agreements.
 2. Structuring each procurement through consolidation of similar products, services and separation of dissimilar ones.
 3. Eliminating the purchase of unnecessary or duplicate materials and services.
 4. Encouraging price and quality competition among suppliers, contractors and consultants.
- d. Reduce the volume and streamline the flow of paperwork while maintaining accurate documentation of procurements.
- e. Utilize outside competent technical expertise where needed in the initiation, administration and completion of procurements and contracts.
- f. Adhere to participation goals and procedures incident to MST's Disadvantaged Business Enterprise (DBE) Program.

- g. Comply with federal, state, and local procurement laws and regulations.
- h. Comply with applicable standards of conduct and ethics.
- i. Administer contracts and monitor supplier performance to insure that full value is received and desired quality is achieved.

The Project Manager is the staff person designated to take the lead for procurement or otherwise assigned the task of completing the procurement. He or she is responsible for coordinating all aspects of the procurement, which include, as a minimum:

- a. Determining the required quantities, delivery timeframes and other parameters
- b. Developing a scope of work or services
- c. Developing specifications that fully define the product or service desired
- d. Working with the Purchasing Manager to develop a bid form and mailing list
- e. Conducting an Independent Cost Estimate
- f. Coordinating the publication of bid documents, public notices, and posting to the MST web site
- g. Organizing the evaluation committee to review all bids received
- h. Preparing any Memorandum for the MST Board of Directors' approval
- i. Preparing Purchase Orders; processing them through the General Accounting & Budget Manager as necessary
- j. Coordinating with the Purchasing Manager and the Contractor to finalize Contracts
- k. Monitoring contractor performance; documenting any problem areas
- l. Contract close-out

PURCHASING PROCEDURES

Purchases may be made either using an MST-issued credit card or by Purchase Order. The General Accounting & Budget Manager controls the issue and monthly reconciliation of the MST issued credit card. Described herein are procedures for purchases using a purchase order.

In no case will payment be made for any goods or services in advance of their having been received. Purchase orders will be completed in advance of the work being done. In cases where the final amount is not known, Purchasing Agent will follow up with the supplier to complete the purchase order as soon as possible.

All purchases made by purchase order, except for items costing less than \$100, shall have the purchase order issued at the time the order is placed, or after approval by the MST Board.

No purchase order shall be issued for the purchase of any materials or services unless there exists sufficient funds in the current budget to cover the cost of the item(s).

All purchase orders for capital expenditures will be processed through the General Accounting & Budget Manager to ensure that funds are obligated for the intended purchase.

The Accounting Technician verifies that each purchase order is properly executed and the signature authority is correct for the amount of the purchase order.

STANDARDS OF CONDUCT

The procurement business of MST shall be conducted in a manner above reproach and with complete impartiality and without preferential treatment. Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate. No Board of Director or employee shall:

A. Release to an individual or entity or its representative any knowledge such person may possess or have acquired in any way concerning any proposed or actual procurement that would give an unfair competitive advantage to any potential or actual Bidder.

B. Make any commitment or promise relating to the award of a contract or any representation which could be construed as such a commitment. Staff will not, under any circumstances, advise a business representative that any attempt will be made to influence another person to give preferential treatment to his or her company in the award of a contract.

C. Use his or her position with MST to coerce, or give the appearance of, coercing another person, and/or provide any financial benefit to persons with whom he or she has family, business or financial ties.

D. Accept any gratuity for themselves, members of their families or others, either directly or indirectly, from any source that does or seeks to do business with, or has financial ties of any sort with MST, or has personal interests that may be affected by the performance, or non-performance, of the official duties of MST staff.

E. Participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, exists.

F. Accept any offer of employment or fees for services from a Contractor for one year following employment with MST if the officer or employee, during the year immediately preceding termination of employment, participated personally and substantially in the award of contracts or the issuance of change orders with a cumulative value of \$25,000 or more to the Contractor, its parent or subsidiary.

DUTY TO DISCLOSE

The Purchasing Manager and other MST managers, supervisors and purchasing agents shall not be involved in any purchasing decisions, tasks, or procedures, (including participation in initiation, award, or administration of a contract) in which they or persons related to them have a real or apparent conflict of interest. In cases where there may be such conflicts of interest, employees have the responsibility to report in writing such conflicts to the General Manager/CEO. Failure to make such disclosure is subject to disciplinary action.

CONFLICT OF INTEREST

The MST Board of Directors has adopted a Conflict of Interest code, under which certain designated employees are required to disclose economic interests and are prohibited from participating in decisions, which may have an effect on their financial interest. The terms and requirements of the Conflict of Interest Code are incorporated herein by reference.

No employee, officer, or agent of MST shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when any of the following has a financial or other interest in a firm that participates in an MST bidding process or that is selected for a contract award involving:

- a. The employee, officer or agent
- b. Any member of his or her immediate family
- c. Business associate of a and b above
- d. An organization which employs, or which is about to employ a current MST employee

The standards governing the determination as to whether such an interest exists are set forth in Sections 1090, 1091, and 1091.5 of the California Government Code.

GRATUITIES AND CONTINGENT FEES

No Director, officer, employee or agent of MST knowingly shall solicit, accept, or agree to accept gratuities, favors or anything of more than a nominal monetary value in connection with actual or potential procurement and contracting activities. Under this policy, the term "nominal monetary value" shall be defined as a value of fifty dollars (\$50) or less.

CONFIDENTIAL INFORMATION

No employee of MST involved in purchasing shall use confidential information for his or her actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee.

"Confidential Information" is defined as any proprietary, privileged, or nonpublic information, coming to the employee's attention as a result of employment by MST, the knowledge of which makes financial gain possible.

DISCIPLINE OF VIOLATION

The violation of any of these Standards of Conduct will subject the violator to any disciplinary proceedings or action deemed appropriate by the MST General Manager/CEO, up to and including dismissal.

CONTRACTS AND PROCUREMENTS NOT REQUIRING FORMAL COMPETITIVE BIDDING

To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

MST is not required to engage in a formal competitive bid process for procurements that fall under the following categories:

- a. Where the procurement does not equal/exceed three thousand dollars (\$2,500). Informal quotations are not required for items under \$2,500 only one price quote is needed.
- b. Where the procurement equals or exceeds three thousand dollars (\$2,500), but is less than One hundred thousand dollars (\$100,000). At least three quotes are required for items costing \$2,500 to \$100,000 and may be obtained from current price lists, by e-mail, by internet research, by facsimile, or telephone, or in response to a RFQ.
- c. Where the equipment, materials, supplies, or services are needed on an emergency basis.
- d. Where the procurement qualifies as a sole source procurement as defined in this document.

These procurement categories and the appropriate procedures pertaining to each category are described below:

- a. Purchases less than \$100. These do not require a P. O., unless required by the supplier. Payments are made directly from an invoice once authorized.
- b. Purchases up to \$2,500. These micro-purchases do not require more than one quote. The accounting department has adopted operational procedures for completing and processing purchase orders for micro

purchases that exceed one hundred dollars. All micro purchases shall be made with adequate and reasonable competition for the material, or service being purchased.

c. Purchases of \$2,500 or more, up to \$100,000.

1. These small purchases must have price quotations obtained from a minimum of three potential suppliers. Care must be taken to insure the price quotes compare the costs for the exact same product, service, or material from each of the potential suppliers.

2. A Request for Price Quotation (RFPQ) is a written solicitation to known qualified bidders. It can be used where there is more detail needed to describe the desired products or services, and sets forth the terms of the procurement to potential bidders without formal advertising. MST shall not arbitrarily split contracts or procurements so as to utilize the informal bidding procedures.

3. The RFPQ shall include specifications as to the basic terms and conditions of the procurement sought, a description of the products or services required, FOB point as MST, delivery date and address, components of bid prices, technical specifications, bid form, and the date and time by which informal bids must be submitted. Bonding and insurance requirements shall also be set out in the RFPQ as appropriate.

4. At the time designated in the solicitation, the Purchasing Manager and the end user shall tabulate the bids and review these for accuracy.

5. MST shall award contracts pursuant to the informal bidding process to the lowest responsible, responsive bidder. Evaluation of such bids shall be on the basis of the following criteria:

- Lowest monetary bid
- Responsiveness to the specification requirements
- Responsibility of the bidder

In all cases, the DBE Liaison Officer shall be notified of the bid results.

After review, the successful bidder and any remaining bidders shall be notified of MST's award.

6. Upon selection and notification, a purchase order and/or contract, as appropriate shall be issued to the successful bidder. The terms of the contract shall be those specified in the RFPQ. At no time shall MST accept terms and conditions, or a contract originated by the contractor.

EMERGENCY PROCUREMENTS

a. MST is not required to engage in either informal or formal competitive bidding making emergency purchases of supplies, equipment, materials or services. "Emergency purchases" are those procurements required to prevent the immediate interruption or cessation of necessary MST services or to safeguard life, property, or the public health and welfare.

When the intended procurement will be in an amount exceeding \$25,000, the emergency must be so declared and approved by the Board of Directors.

b. Emergency procedures should be made by staff members who have expertise related to the emergency-giving rise to the need for the procurement. Upon approval by the head of the requesting department and the General Manager/CEO or his or her designee, staff may contact one or more suppliers by telephone, and, as expeditiously as possible, determine the best price and quality of product or services available from the supplier(s). The General Manager/CEO may authorize an emergency purchase up to an amount of \$24,999.

c. After having placed the order, staff shall notify the Purchasing Manager:

1. That an emergency procurement has been effected and the nature of the procurement
2. The nature of the emergency
3. That the head of the requesting department has approved the procurement
4. The name and location of the supplier or supplier
5. That the General Manager/CEO has authorized the emergency purchase pursuant to the procedures outlined

d. At the next Board meeting following an emergency purchase in an amount exceeding \$25,000, the Board of Directors shall be presented with the circumstances giving rise to the emergency purchase to declare the emergency and ratify the procurement.

SOLE SOURCE PROCUREMENTS

Procurement of construction, goods and services without competition is authorized under limited conditions and subject to written justification documenting the conditions which preclude competition.

A. The Purchasing Manager is not required to do a competitive procurement if:

- i. The goods or services, including construction, needed by the MST are available from only one responsible source and no other type of goods or services, including construction, will satisfy the needs of the MST; or
- ii. MST's need for the goods or services, including construction, is of such an unusual and compelling urgency that the MST would be seriously injured unless the MST limits the number of sources from which it solicits Bids or Proposals; or
- iii. MST determines that public exigency or emergency for the requirement will not permit a delay resulting from competitive procedures; or
- iv. If after solicitation of a number of sources, competition is determined inadequate. This determination may be made by the Purchasing Manager based upon industry research, and the formal or informal solicitation of potential sources. The file must reflect a documented finding that adequate competition cannot be obtained in the time frame necessary to meet the needs of the MST; or
- v. The FTA authorizes noncompetitive negotiations; or
- vi. To exercise an option that was not awarded as part of the base contract award.

B. The Purchasing Manager may determine that competition is adequate even if a single Bid or Proposal was received in response to a solicitation if after review:

- i. The Purchasing Manager determines that the specifications were not restrictive and
 - ii. That the other identified sources unilaterally chose not to submit a Bid
- or
- proposal. If a single Bid is received under these circumstances, the Purchasing Manager may negotiate the price. The Purchasing Manager will be responsible for determining price reasonableness.

Single Available Source

A. The Purchasing Manager may award a contract by using the noncompetitive negotiation procedures upon making a determination that there is only one reasonably available source for goods or services, including construction. This determination requires a reasonable basis to conclude that MST's minimum needs can only be satisfied by the goods or services, including construction, proposed to be procured, and that the proposed sole source Contractor is the only source reasonably capable of providing the required goods or services, including construction.

B. If the reason for making a procurement on a sole source basis is based on the particular source's ownership or control of limited rights in data, patent rights, copyrights, or trade secrets applicable to the required goods or services, including construction, the Purchasing Manager shall require that the written findings clearly demonstrate the need for the specific goods or services, including construction, and that one of the following applies:

- i. The requirements cannot be modified to allow a competitive procurement; or
- ii. It is in the best interests of MST to meet its requirements through procurement of the specific goods or services, including construction, and that the proposed Contractor is the only reasonably available source for the specific goods or services, including construction.

C. Sole Source justifications are to be issued by the requesting department and require the approval of the Purchasing Manager prior to contract award. Justification for a sole source procurement shall address all of the goods and/or services, including construction, being procured under a single contract. The justification of the sole source procurement for certain goods or services, including construction, shall not be used to avoid competitive procedures for obtaining other goods or services, including construction, which do not qualify for sole source procurement.

D. Each sole source justification which shall be included in the contract file shall include the following:

- i. Description of the requirement;
- ii. History of prior purchases and its nature (competitive vs. noncompetitive);
- iii. The specific exception to competitive procedures that applies;
- iv. An explanation of the unique nature of the procurement or other factors that qualify the requirement for sole source procurement;
- v. An explanation of the proposed Contractor's unique qualifications or other factors that qualify the proposed Contractor as a sole source for the procurement;

- vi. Cost Analysis – see FTA Circular 4220.1F, Chapter VI, Chapter 6, paragraph a, as amended, for further explanation and discussion of contract modifications and change orders; and
- vii. Any other pertinent facts or reasons supporting the use of a sole source procurement.

Sole Source Solicitation

- A. The Purchasing Manager shall not be required to publicize a solicitation for a sole source procurement.
- B. The Purchasing Manager shall, in writing, request a Proposal for a sole source procurement. The request to the sole source Contractor shall contain the scope of work and refer to or attach all terms and conditions of the solicitation, including all applicable representations and certifications.
- C. The Purchasing Manager shall ensure that each sole source contract contains all of the required clauses, representations, and certifications, in accordance with the requirements of these Regulations.

CHANGE ORDERS

- A. Change Orders involve changes within the scope of the contract which require a modification to the contract. In all cases, the Purchasing Manager must review the proposed change orders to verify that the proposed changes are not cardinal changes to the contract. This means that the changed work must be essentially the same as what was originally contracted for, the nature of what is being constructed is not changed and the disruption to the project is not excessive.
- B. In the event the change will be a cardinal change to the contract, the work must be publicly solicited as a separate contract and cannot be undertaken as a change to a current contract.

Change Order Procedures

Change Orders result from the following process:

- A. The using department determines that a Change Order is necessary and makes a written request to the Contractor for a Change Order proposal.
- B. The Contractor responds in writing to the end user's request. Said response will include the Contractor's costs, actual or estimated, and any requests for time extensions;

C. The end user and the Contractor negotiate an acceptable price and, if applicable, a time extension amount, in accordance with the budgetary constraints, if any, as established by the capital budget or department head.

D. The end user prepares a written change order and submits it to the Contractor for execution.

E. Upon the return of the executed Change Order, the end user submits it with supporting documentation and justification, to Procurement for review.

AND/ OR

H. Board authorization is required for change orders greater than \$25,000

CONTRACTS AND PURCHASES REQUIRING FORMAL COMPETITIVE BIDDING

Unless specifically exempted herein, Formal Bids/Proposals (sealed bids and proposals) are required for items costing over \$100,000. The Board of Directors awards contracts costing \$25,000 or more. Contract modifications/change orders for more than \$25,000 must be approved by the MST Board of Directors. Modifications/change orders over \$100,000 must be reported to Federal Transit Administration in regular quarterly financial reports.

- a. Fuel Contracts for a continuing supply with annual cost of \$100,000 or more must be formally bid. Purchases on the spot market of one tank truck or less may be by informal price quote.
- b. Parts, tires and other consumable items – Contracts for a continuing supply that are estimated to be \$100,000 or more during the fiscal year from a single supplier shall be purchased by formal bid.

MST will formally advertise and publicly solicit for the submission of sealed bids, on a competitive basis for contracts for the purchase of supplies, equipment and materials, and for the construction of transit facilities in excess of \$100,000. The contract is awarded to the "lowest responsible bidder," defined as the bidder submitting the bid that conforms with all material terms and conditions of the invitation for bids and that is lowest in price.

The Invitation for Bids (IFB) procedure begins with the public advertisement of the Notice Inviting Bids/Proposals, and includes the Notice Inviting Bids/Proposals, as well as the Technical Specifications, Instructions to Bidders, General Conditions, FTA Provisions, and other documents as may be required by the procurement, such as certificates or proposal documents concerning qualifications, bonding, and compliance with applicable requirements of state and federal laws. The terms and conditions contained in the entire package of Contract Documents constitute the contract, which governs the contractual relationship between the successful bidder and MST.

INITIATION

The requesting department shall provide an independent cost estimate, draft technical specifications, and scope of work, which adequately describes the products or work, required. The requesting department must also verify that, to the best of its knowledge, there are two or more qualified potential bidders to compete effectively for MST's business regarding the procurement, and that sufficient funding is available and/or projected to be available, and that selection of the successful bidder can be made principally on the basis of price.

Also included will be the requesting department's proposed project schedule, including advertising and contract commencement dates. Usual time line from conception to Board action is ninety (90) to one hundred and twenty (120) days.

The Purchasing Manager will assign procurement (IFB, RFP, RFQ, RFPQ) numbers. The procurement number and title shall be listed on all pages of the contract documents and referred to in all communication concerning the procurement and contract.

In all cases the Procurement Documents shall be drafted so as to foster competition and the participation of Disadvantaged Business Enterprises (DBE). The DBE Liaison Officer shall be notified of the existence and the general parameters of the project. The MST supplier database shall be used to generate a list of potential bidders as well as other sources.

Procurement documents must identify all requirements that potential bidders must fulfill, fully define the scope of work, products, materials or services, and factors/criteria to be used in evaluating bids and proposals.

ROLLING STOCK

Purchases of rolling stock (buses, mini-buses, trolleys, etc.) to be used in revenue service require the completion of Pre-Award and Post-Delivery certifications. These may be done by contractors hired for such purpose or by MST staff. In either event, they must meet the requirements below:

- a. Pre-Award. As required by Title 49 of the Code of Federal Regulations (CFR), Part 663, Subpart B, this includes:
 1. Buy America certification
 2. Purchaser's requirements certification
 3. Federal Motor Vehicle Safety Standards (FMVSS) certification
- b. Post-Delivery. As required by Title 49, CFR, Part 663, this includes:
 1. Post-Delivery Buy America Certification

2. FMVSS certification
3. Description of final assembly

COOPERATIVE PURCHASING AGREEMENTS

To foster greater economy and efficiency, MST may avail itself of, or participate in, cooperative purchase agreements for the procurement of goods, supplies, services, materials, or equipment, where the administering agency has made its purchase through a competitive bid process. As the recipient of state and federal capital grants and operating assistance grants, which may require the inclusion of certain contractual provisions, MST shall ensure cooperative purchasing agreements contain the required provisions.

PIGGYBACKING

~~Piggybacking is the use of options available within an existing contract by another transit agency to purchase rolling stock. Very specific procedures are required in completing such transactions. The Purchasing Manager will assist Project Managers with insuring all FTA requirements are met.~~

MST may enter into purchase contracts with a supplier, vendor, or contractor for the purchase of goods, supplies, services, materials, or equipment, the pricing and terms of which have been previously established by another public agency, provided the MST Board of Directors determines such purchase is in the MST's best interest by making the following findings:

- 1) The other agency used a solicitation method substantially similar to the method required by this Policy.
- 2) The supplier, vendor, or contractor authorizes MST to utilize the terms, conditions, and prices of the underlying contract.
- 3) The specifications of the goods, supplies, services, materials, or equipment required by MST are not materially different from those specified in the other agency's solicitation.
- 4) The use of the Piggyback Contract provides an overall value to MST versus MST performing its own solicitation.

Award of Piggyback Contract

MST shall enter into a separate contract with the supplier, vendor, or contractor when entering into a Piggyback Contract. MST's contract shall incorporate by reference the terms, conditions and prices of the original solicitation. The contract shall be approved by the same authorization procedures set forth for all other procurements.

PROCUREMENT PROCEDURES

When the need for procurement is determined, a Project Manager will be designated. That person will have the responsibilities noted elsewhere.

Independent Cost Estimate. One of the first steps to be taken in any procurement action is an independent cost or price estimate. This estimate will be completed before receiving bids, proposals, or responses to any procurement action.

Specifications. This describes the material, product, or service being purchased and set forth the minimum essential characteristics and standards to meet MST's needs. They must be of sufficient detail so that suppliers are able to submit a valid bid/proposal that is within the expected range of the independent cost estimate. However, they must not be so restrictive as to limit the number of potential suppliers and thereby hinder open competition. In addition, they must describe the testing, inspection and acceptance criteria MST will use in determining compliance with specifications. Types of specifications include:

- a. Design – Spells out the details of how a contractor will accomplish the work and instructs them on how to complete it. These often include drawings, diagrams, measurements and tolerances describing the finished product.
- b. Performance – Spells out the end result desired by MST but leaves the details to the contractor. These specify the performance of the end result but not how the contractor will do the work.

Care must be taken when hiring outside consultants/contractors to assist with the development of specifications. MST must manage the project so that specifications developed are not particularly biased toward a particular firm or product. Also, consultants developing specifications may not be allowed an unfair competitive advantage when competing for a product or service they helped define. This must be clarified with the consultant when entering into any contract.

Brand Names The use of brand names (specific suppliers, models, or products) may be used only as a basis of establishing a standard of desired material or products. In all cases where brand names are listed, the salient characteristics that define the desired material, product or service will be provided. This allows for full and open competition among all potential suppliers.

Approved Equal(s) If a brand name and salient characteristics are listed for a given product, material, or service, procurement documents must allow for "approved equals." That is, MST must define under what conditions and terms it will consider materials or services other than those specified.

Required Documentation Information, forms, and technical details required from prospective bidders must be specified so that interested suppliers are fully aware

of the requirements they must meet for their bid to be considered responsive, full and complete.

Evaluation Criteria The method and factors by which bids will be evaluated in selecting a contractor must be completely stated so all suppliers have a fair and equal chance to be awarded any contract. Evaluation criteria are tailored to each procurement and will include only those factors affecting the selection decision.

Public Notice Notice of IFB, RFP and/or RFQ procurements may be published in a newspaper and placed on the MST web site, as a minimum. Procurements involving major construction or procurement of rolling stock may be advertised in state or national publications. Procurements involving construction will be mailed to Builders Exchanges.

Evaluation of Responses A cost or price analysis will be conducted for responses received. This will include an element-by-element analysis of proposed costs and a determination of the supplier not achieving an unreasonable profit. An evaluation committee, will consist of, as a minimum, the Purchasing Manager, the Director of the Department involved in the procurement and the Project Manager.

The Project Manager or Purchasing Manager will coordinate this evaluation to determine if the cost/price is fair and reasonable, allows the contractor a reasonable profit, and determine that the time required to complete the work is acceptable to MST. Care must be taken to insure that any contracts requiring the payment of prevailing wages have those wages for the various trades taken into account when calculating labor costs.

Results of evaluations will be maintained with the contract file.

Basis for Contract Award Supplier selection and resultant contracts will be made as follows:

- a. IFB and RFPQ. Contract will be awarded to the lowest responsive, responsible bidder.
- b. RFP Contract will be awarded to the Proposer offering the best overall value and being the closest in meeting scope of work criteria as designated by the Project Manager. This may or may not be the supplier offering the lowest price. Price as well as other factors, such as quality, will be considered in selecting a contractor. Attempts will be made to negotiate a lower price with potential contractors and results documented.
- c. RFQ. Negotiations will be undertaken with the firm determined to be the best qualified to meet MST's needs. If an acceptable dollar amount can be arrived at, a contract will be awarded. If negotiations with the supplier do not result in an acceptable dollar amount, negotiations will be undertaken with the next best qualified. This process

will continue until a supplier and acceptable dollar amount have been arrived at.

Contracts will only be awarded to those suppliers with the ability to successfully perform and provide the specified materials, services and products under the terms and conditions stated in procurement documents. Among factors to be considered in evaluating responses are: supplier integrity, record of past performance, and financial/technical resources.

Procurements will be structured so as to obtain information to be used in determining if potential suppliers are responsible, to include:

- a. Financial resources adequate to perform the contract; or the ability to obtain them.
- b. Ability to meet the required delivery or performance schedule
- c. Satisfactory record of performance
- d. Satisfactory record of integrity and business ethics
- e. Necessary organization, experience, accounting and operational controls and technical skills, or the ability to obtain them
- f. Compliance with applicable licensing, tax laws and regulations
- g. Necessary production, construction, technical equipment and facilities, or the ability to obtain them
- h. Compliance with Affirmative Action and Disadvantaged Business Program requirements
- i. Other qualifications and eligibility criteria necessary as determined by MST

For any findings of a potential supplier being determined as not responsible, a Memorandum for File will be placed in the procurement file noting the basis for this determination. Such memorandum will include documents, reports, and analyses to support the determination.

Contracts Whichever type of contract is used, it will contain, as a minimum, the following elements:

- a. Terms and conditions
- b. Price and payment terms
- c. Final statement of work and/or specifications
- d. Delivery schedules
- e. Provisions for: termination for cause; termination for convenience; and the basis for determining settlement costs
- f. Applicable FTA clauses

Sound and Complete Agreement All contracts will include provisions that result in a sound and complete agreement. Contracts and sub-contracts will contain provisions that allow for:

- a. Administrative, contractual or legal remedies in cases where contractors violate or breach contract terms, to include sanctions and penalties.

- b. Termination for cause and termination for convenience provisions as well as the manner in which settlement costs will be determined.

Contract Modification Whenever a change is required to an existing contract, whether determined by MST or a contractor, a cost change proposal will be submitted. The proposal will be in such detail and clarity to be understood by MST as to its impact on: existing scope of work; dollar value of the contract; and time required to complete work.

Exercise of Options If options in contracts are to be exercised, the following must be determined and documented:

- a. Exercise of such option is in accordance with the terms and conditions stated in the initial contract.
- b. The option price is better than prices available in the market, or that the option is the more advantageous at the time the option is exercised.

PROCUREMENT DOCUMENT COMPONENTS

With necessary input from the requesting department, the Purchasing Manager shall prepare the contract documents. Although there exist certain variations in the provisions and requirements to be included in the documents, each set of documents shall, at a minimum, contain the following items:

a. Notice Inviting Bids

1. The Notice Inviting Bids (Notice) is a publicly advertised document, which notifies potential bidders of the title and nature of the contract, and the date, time, and place of the opening of bids. The Notice shall also inform bidders of the applicable DBE requirements and other significant requirements under federal or state laws.
2. The Purchasing Manager designates which publications shall receive the Notice, and it is the responsibility of the Office Administrator to send the notice to the publications. The Notice shall also be posted on the MST web site.
3. If a pre-bid conference is planned, the Notice shall advise of the date, time and location for the conference. The Notice shall refer to and incorporate by reference all the other contract documents and shall designate the method for obtaining copies of the contract documents.

b. General Conditions

a. The General Conditions set forth terms and conditions applicable to all MST contracts, and may vary depending on the type of procurement. The following provisions shall be included in the noted type of procurement:

Clause	Type
Acceptance Period	All
Rights Reserved	All
Prohibited Interests	All
Fair Employment Practices	All
Contract	All
Agreement	All
Statement of Experience and Qualifications	All
Waiver	All
Compliance with Laws	All
Laws Governing Contract	All
Attorney fees	All
Effect of Extension of Time	All
Notification	All
Changes by Contractor	All
Changes by MST	All
Approval by General Manager/CEO	All
Damages	All
Sell or Assign	All
Indemnification	All
Covenant Against Gratuities	All
Rights and Remedies of MST	All
Binding Effect	All
Wage and Price Regulations	All
Documents Deemed Part of the Contract	All
Drug and Alcohol Certification	Transit Operators
Davis-Bacon Act	Construction
Contract Work Hours and Safety Standards Act	Construction

b. The Purchasing Manager, with the assistance of MST's Legal Counsel, shall prepare and maintain the General Conditions necessary for inclusion with all Contract Documents for formal competitive bid procurements. The General Conditions shall be updated from time to time as changes in federal and other bodies of law may require.

c. Standard Terms and Conditions

1. The Standard Terms and Conditions set forth are mandated by the FTA. These terms are applicable to all MST contracts. The following provisions shall be included in the noted type of procurement:

Clause	Type
FTA Funding Requirement	All
Federal Changes	All
Maintenance, Audit and Inspection	All
Disadvantaged Business Enterprises	All
Title VI Compliance	All
Energy Conservation Requirements	All
Environmental Requirements	All
Debarment and Suspension	All
Non-Collusion	All
Penalty for Collusion	All
Restrictions on Lobbying	All
Termination	All
Dispute Resolution	All
Protest Procedures	All
Buy America	As applicable
Cargo Preference	As applicable
Fly America	As applicable
Preference for Recycled Materials	As applicable
Patent Rights	As applicable
Rights in Data and Copyrights	As applicable
Charter Service	Transit Operators
School Transportation Operations	Transit Operators

2. The Purchasing Manager, with the assistance of MST's Legal Counsel, shall prepare and maintain the Standard Conditions necessary for inclusion with all Contract Documents for formal competitive bid procurements. The Standard Terms and Conditions shall be updated from time to time as changes in federal and other bodies of law may require.

d. Special Provisions

1. The Special Provisions prescribe terms and conditions specially tailored to the particular contract sought. The Special Provisions shall include the following, where applicable.

Clause	Type
Coordination of Terms and Conditions	All
Instructions to Bidders	All
Project Schedule	All
Changes to Specifications	All
Warranty	As applicable
Authorized Distributor	As applicable
Correspondence	All
Bid preparation	All
Form of Bids	All
Qualifications of Bidders	As applicable
Required Documentation	All
Method of Award	All
Contract Commencement Date	All
Contract Term	All
Delivery	As applicable
Acceptance of Product or Service	As applicable
Instruction for Bid Form	As applicable
Payment Terms	As applicable
Insurance	As applicable
Time of performance	As applicable
Place of performance	As applicable
Inspection	As applicable
Pre-bid Conference	As applicable
Brand, Manufacturer, or Product Names	As applicable
Approved Equal Procedures	As applicable
Option terms	As applicable
Prevailing Wages	As applicable
Contract Renewal	As applicable
Liquidated Damages (see below)	As applicable
Bonding Requirements (see below)	As applicable

2. Liquidated Damages

The nature of the procurement may call for establishing a timeframe within which the whole or any specified portion of the work called for under the contract shall be completed. Each day completion is delayed beyond the specified time performance, the Contractor shall pay to MST a specified sum of money, to be deducted from any payments due or to become due to the Contractor.

Liquidated damages shall be included in contracts when it would be inconvenient, difficult, or impracticable to otherwise obtain an adequate remedy for the delay, or to prove the losses or to assess the actual quantity of damages. The amount to be established as liquidated damages shall be reasonable in light of the anticipated harm that may be caused by a delay in the contract performance. The Purchasing Manager, with input from the requesting department, shall evaluate these factors, and set a sum as liquidated damages. Liquidated damages shall not be assessed against a Contractor that is terminated for default; nor shall liquidated damages be used as a penalty. The contract files shall contain the justification for liquidated damages and calculations of how the amount was determined.

3. Bonding Requirements

Various bonds may be required for the principal protection of MST's interest in the case of default or other failure to perform by a contractor. As a minimum, the following bonding requirements apply to construction or facilities improvement procurement actions of \$100,000 or more:

- a. A payment bond as well as a performance bond equal to:
 1. 50% of the contract price if the price is not more than \$1 million
 2. 40% of the contract price if the price is between \$1 million to \$5 million
 3. \$2.5 million if the contract is more than \$5 million
- b. A performance bond equal to 20% of the contract price may be included in bus procurement contracts. The necessity for the performance bond shall be documented in the procurement records.
- c. A bidder's security in the amount of 5% of the contract price

4. Pre-Bid Conference

A pre-bid Conference may be held if a procurement is of considerable complexity or scope. If a Pre-Bid Conference is scheduled, the Special Provisions shall advise of the date, time and location of the conference.

5. Qualification of Bidders

In contracts where the nature of the work is such that the qualifications of the bidders is an essential criterion for evaluating the bidders' responsibility, the Special Provisions shall contain a clause setting the required qualifications of bidders. Construction contracts and service contracts shall contain such clauses.

Such provisions shall clearly state the MST may reject bids from any potential supplier that does not meet the requirements stated in the qualification clause. Included in such clause shall be requirements that bidders demonstrate they are regularly engaged in the manufacture, construction, or provision of the work or product called for in the procurement and that they have the necessary resources, facilities and personnel to perform the contract. Finally, bidders may be required to furnish adequate references.

e. Technical Specifications

The technical specifications shall clearly define the nature of the work, materials, products or services to be procured so that bidders may formulate responsive bids. Such descriptions shall not, in competitive procurements, contain features that unduly restrict competition.

Initial responsibility for drafting the technical specifications lies with the requesting department staff having technical expertise relating to the procurement sought. The Purchasing Manager shall review and approve the specifications.

The technical specifications must include detailed descriptions of the qualitative and quantitative nature of the supplies, equipment, materials, services, or construction to be procured. They must also set forth the minimum essential characteristics and standards to which the products, services or work must conform in order to satisfy MST's intended use. Where it would be of assistance in clarifying the specification requirements, the use of blue prints, diagrams, charts and maps will be used.

The technical specifications shall not be drafted so as to restrict competition. Brand names may be used in the technical specifications only when it is impractical or uneconomical to specify clear and adequate descriptions of the technical requirements for a particular product needs. In all cases where brand names are used, bidders must be afforded the opportunity to propose to MST a substitute product of equal quality or value for approval.

6. Other Procurement Documents

a. Bid Form

The bidder's completion of the bid form shall constitute its acceptance of all the terms and conditions contained in the Procurement Documents, and shall also indicate the bidders quoted prices. The Purchasing Manager shall be responsible for development of the bid form, with the assistance from the requesting department. The form shall seek separate cost quotations for all relevant aspects of the procurement, including, where applicable, unit price, extended price, sales or use taxes, and cost of installation and delivery. In all cases, the bid form shall be so structured as to allow MST to make an objective comparison of all bids.

b. Sample Contract

A sample contract form intended for execution by the successful bidder and MST shall be included among the procurement documents.

c. Bond Forms

The bid shall include a form for the bidder's bond when a bidder's security requirement is imposed. Also, when required by the Special Provisions, the document shall include a sample performance bond and a sample payment bond. The amount of these bonds may vary by contract. The terms of the performance bond will vary depending upon whether such bond is to remain in effect during a warranty period, and if so, the length of such period.

ADVERTISEMENT FOR BIDS

The Purchasing Manager shall ensure the Notice Inviting Bids is published in at least one newspaper of general circulation published in Monterey County. The advertisement shall state the time and place for the receiving and opening of sealed bids and shall describe in general terms the work to be done. Where a particular contract involves a trade or expertise for which there are special industry publications, the Purchasing Manager shall advertise the notice in appropriate trade journals if sufficient time permits.

PREPARATION OF ADDENDA

Once the bid has been advertised, all changes necessary to correct any errors in the document, to extend deadlines for the benefit of MST or the bidders, or to otherwise revise the document, shall be accomplished through the issuance of addenda. All addenda shall be drafted by the department requiring such change, and shall be reviewed and approved by the Purchasing Manager. Each addendum shall contain the

bid number and title, the date of issuance, the addendum number, specific reference to the provision of the document that is being amended, and the substance of such amendment. The Purchasing Manager shall issue the addendum to all firms who have received a copy of the procurement documents.

CONTRACT ADMINISTRATION SYSTEM

The intent of the contract administration system is that each procurement file, standing alone and without need of interpretation or augmentation of the contract administrator, program manager or other staff member, demonstrates that the contracting officer and contractor have complied with the terms of the contract. Further this system will fully demonstrate that any contractual or administrative issues in dispute have been addressed and settled.

The contract file, maintained by the Purchasing Manager, is a record detailing the history of procurement. Included in procurement files will be, as a minimum, copies of:

- a. Rationale for the method of procurement
- b. Independent Cost Estimate
- c. Copies of published public notices of proposed contract action
- d. Procurement documents
- e. Cost/Price analysis; record of determination that cost is fair and reasonable
- f. Evaluation of bids received
- g. Written record of selection of suppliers for negotiation and contract award
- h. Summary of cost/price negotiations, as appropriate
- i. Determination of reasonable contract cost compared to independent cost estimate
- j. Justifications, e.g. "sole source," emergency procurement, single bid received, etc.
- k. Staff reports prepared for approval by MST Board of Directors and minutes reflecting approval granted or other direction by the MST Board
- l. Contracts and contract modification documents
- m. Purchase orders
- n. Correspondence between MST and contractor
- o. Supplier evaluation reports, as a minimum once per fiscal year
- p. Contract close-out documents

The Purchasing Manager will conduct random audits of the contract administration system. The intent of the audit is to insure that each procurement file is complete and does not require interpretation or augmentation of the contract administrator, program manager or other staff member. Such audits will be conducted every six months.

The Purchasing Manager will organize and chair review committee to audit

randomly selected documents. Summaries of the audit reviews will be presented to the GM/CEO, Departments Heads and to the contract administrator in charge of the audited procurement.

APPENDIX A

SAMPLE FORMS AND FORMATS

This appendix contains sample forms and formats for use by MST personnel in meeting requirements contained in Procurement Procedures.

Any recommendations for improvement should be submitted to the Purchasing Manager.

**MONTEREY-SALINAS TRANSIT
COST/PRICE ANALYSIS**

Date _____ Analysis/Review done by: _____

IFB/RFP/RFPQ # _____ Project _____

Item(s) reviewed

Cost comparison(s) obtained/source _____

Rationale/Conclusion

Above analysis/review conducted and cost determined reasonable on date noted.

(Signature)

**MONTEREY-SALINAS TRANSIT (MST)
SOLE SOURCE JUSTIFICATION**

Product/Service/ Salient Characteristics

Rationale/Reason for Sole Source (see sole source justification in Procurement Procedures)

Quantity

Analysis of labor, direct, overhead costs and profit (see sole source justification)

Other factors

Method of determining fair/reasonable cost:

- Project Manager previous experience
- Company lowest price guarantees (e.g. Home Depot, Circuit City)
- Past purchasing history with same contractor
- Newspaper ads
- Internet
- Price book/catalog
- Marketplace location limitations
- Single source area procurement (e.g. franchise, distribution territories)
- Other _____

Completed by _____ Date _____

**MONTEREY-SALINAS TRANSIT
CONTRACT CLOSEOUT CHECKLIST**

Date _____

Contract Number _____ Contract Value

Effective date of contract

Change order(s) date and dollar amount (if none, so
state) _____

Project Manager
(name/signature) _____

Completion of this Checklist certifies that contractor/supplier/supplier has completed work/services described in the contract and any change orders. Note the status (e.g. "received;" "completed;" "accepted" etc.) and the date for each work item. After completion, form is to be placed into Contract File.

WORK ITEM	STATUS	DATE
1. Resolution of all contract changes		
2. Determination of any liquidated damages		
3. Review of insurance claims. Determination if funds need to be withheld from final payment to cover unsettled claims against Contractor/Supplier		
4. Settlement of all sub-contracts by prime contractor/supplier		
5. Performance of required inspections/tests/etc.		
6. Contractor Performance Report		
7. All submittals/deliverables/services completed: -Reports -Final payroll records/wage rate certifications -Warranties/Guarantees -"As-Built" Drawings, Blueprints -Manuals and publications		

8. Final invoice -Consent of surety to release final payment		
9. Contractor's Affidavit of release of liens (Construction contracts)		
10. Contractor's general release (to MST) from any further claims/liabilities (Construction)		
11. Notification to Surety of release from any performance bonds		
12. Post-Delivery Audit (rolling stock)		

APPENDIX B REFERENCES

These policies and procedures reflect guidance contained in

- a. Federal Acquisition Regulation (FAR)
- b. FTA Circular 4220.1E, Third Party Contracting Requirements
- c. Code of Federal Regulations (CFR) Part 49, Part 663
- d. State of California law
- e. California Public Contracts Code
- f. Policy and Rules established by MST Board of Directors

Agenda # **6-3**
April 11, 2016 Meeting

To: Board of Directors

From: Michael Hernandez, Assistant General Manager/COO

Subject: Authorize Participation in the National Joint Powers Alliance Cooperative and Approve Facility Design/Engineering Coordination

RECOMMENDATION:

Authorize MST to participate in the National Joint Powers Alliance (NJPA) cooperative and formally approve the coordination of design/engineering efforts between AECOM and BlueScope Construction (BlueScope) for the remodel of MST's maintenance and operations facility.

FISCAL IMPACT:

None for participating in the NJPA. \$13,481 is related to design coordination between BlueScope and AECOM. This amount is included in the change order request; see agenda item 6-4.

POLICY IMPLICATIONS:

The use of purchasing cooperatives is routinely used by MST for the purchase of rolling stock and other fleet related products.

DISCUSSION:

MST is a member of the NJPA national contract purchasing cooperative. The NJPA's members include government, education and non-profit agencies nationwide and in Canada. The cooperative's various contracts, including construction contracts, offer both time and cost savings by consolidating various solicitations into one national, cooperatively shared process for services/products. This purchasing cooperative, which includes construction services, is similar to the CalAct Morongo Bay Purchasing consortium used for buses.

BlueScope Construction was awarded an exclusive contract by NJPA to provide their members with cost-competitive pre-engineered building construction services for national construction projects. Through the NJPA cooperative, BlueScope Construction has completed hundreds of projects ranging from large maintenance facilities to office buildings. BlueScope has also completed the construction of the Gonzales City Police Station. As a business model, BlueScope Construction utilizes local workers and has established partnerships with contractors in Monterey County, some of whom will be used for MST's remodel project.

MST has a contract with AECOM in the amount of \$1.9M for design/engineering work to remodel and expand MST's maintenance and operations facility. In February 2016, MST staff met with members of AECOM, NJPA and BlueScope Construction to determine the feasibility of incorporating pre-engineered building (PEB) elements and construction techniques into MST's remodel project. It is anticipated that incorporating PEB elements into MST's project will reduce construction costs by approximately 5-8% and reduce the project timeline by several months.

AECOM's design/engineering work is 65% complete. To achieve construction cost savings using the pre-engineered building design, work must be coordinated between AECOM and BlueScope Construction for the remaining 35% of the project design.

Approval of this item authorizes staff to utilize the NJPA cooperative for MST's construction project and formally authorizes BlueScope Construction to work with AECOM to incorporate PEB elements into MST's project.

It is anticipated that approval of this item will also result in a contract with Blue Scope to construct and remodel MST's Ryan Ranch Road facility, subject to your Board's approval at the September 2016 Board meeting.

PREPARED BY: Michael Hernandez REVIEWED BY: Carl Sedoryk
Michael Hernandez Carl Sedoryk

Agenda # **6-4**
April 11, 2016 Meeting

To: Board of Directors
From: Michael Hernandez, Assistant General Manager/COO
Subject: Authorize Change Order for Design & Engineering Services

RECOMMENDATION:

Authorize a change order to AECOM for additional design/engineering and support services for the remodel of MST's maintenance and operations facility.

FISCAL IMPACT:

Up to \$102,730. This work will be funded using State of California Proposition 1B funds.

POLICY IMPLICATIONS:

Your Board approves expenditures over \$25,000.

DISCUSSION:

In June 2014 MST issued a contract to AECOM in the amount of \$1.9M for architectural/engineering, environmental, permitting and other related pre-construction services to expand and remodel the Thomas D. Albert (TDA) facility. In April 2015 a contract modification in the amount of \$89,958 was approved for the upgrade and expansion of the fuel island, which was not part of the original scope of work.

AECOM has completed 65% of the design and engineering portion of the project and additional work is required for unforeseen jurisdictional requirements and design costs beyond the original contract budget allocations. The tasks associated with this change order are listed below:

1. Additional records/background research for environmental documents.
2. Extended entitlement support required from jurisdictions.
3. Incorporate electric charging stations for buses/trolleys and support fleet.
4. Include a recycled water irrigation, storage system.
5. Wash/fuel canopy replacement, site coordination.
6. Value engineering component.
7. Incorporate a pre-engineered building design into the facility.
8. Include an option for a storm water reclamation system.

As referenced in agenda item 6-3, the cost for incorporating a pre-engineered building design (#7 above) into this change order is \$13,481.

Construction costs for MST's remodel project are estimated to range between \$16M to \$18M. Based on that estimate, current design/engineering costs range from 13% to 11.6% of the construction costs, which is considered slightly lower than the accepted industry standard of 15%.

Approval of this item authorizes a change order up to \$102,730 for AECOM's design/engineering and support services related to MST's TDA remodel project.

PREPARED BY: Michael Hernandez / REVIEWED BY: Carl Sedoryk
Michael Hernandez / Carl Sedoryk

Agenda # **7-1**
April 11, 2016 Meeting

To: Board of Directors
From: C. Sedoryk, General Manager/CEO
Subject: Monthly Report – February 2016

Attached is a summary of monthly performance statistics for the transportation, maintenance, and administration departments for February 2016 (Attachments 1-4).

February 21 – 23 I attended the American Public Transit Association Legal Affairs Seminar in Santa Fe, NM with MST General Counsel Dave Laredo. This was the first time I attended this particular conference and found it to be interesting and enlightening. I attended many sessions including: legal issues relating to labor relations, transit advertising, procurement, environmental review, and construction projects. I attended another informative session that focused on changes in federal regulations regarding the implementation of the FAST ACT federal transportation authorization bill, including new safety management system and Buy America regulations.

Attachment #1 – Dashboard Performance Statistics

Attachment #2 – Operations Dept. Report – February 2016

Attachment #3 – Facilities & Maintenance Dept. Report – February 2016

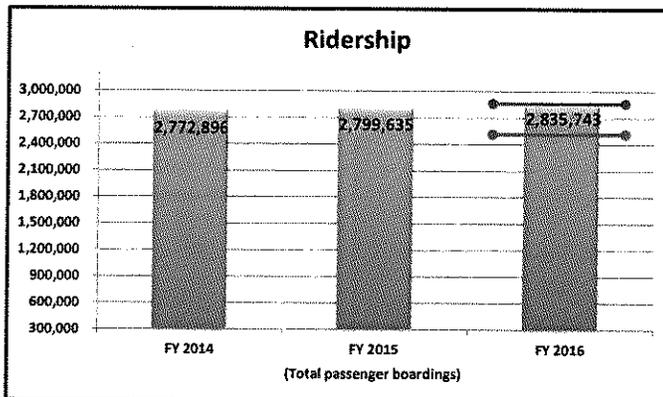
Attachment #4 – Administration Dept. Report – February 2016

A complete detail of Monthly Performance Statistics can be viewed within the GM Report at <http://www.mst.org/about-mst/board-of-directors/board-meetings/>

Prepared by: 

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MST Fixed Route YTD Dashboard Performance Comparative Statistics Months of July - February Fiscal Years 2014-2016

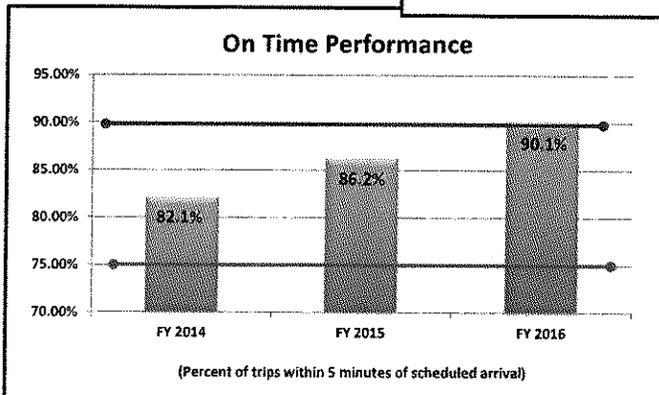
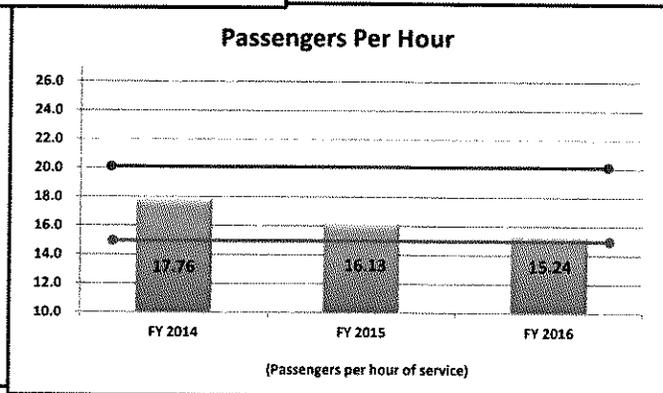


Goal = 2,855,628 passengers

Minimum = 2,519,672 passengers

Goal = 20 passengers p/h

Minimum = 15 passengers p/h

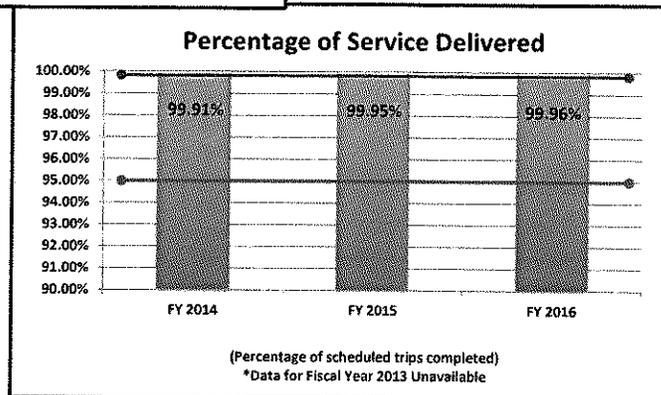


Goal = 90% on time

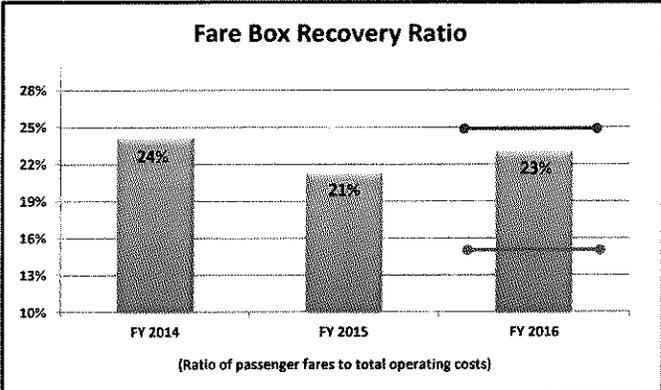
Minimum = 75% on time

Goal = 99% completed

Minimum = 95% completed



MST Fixed Route YTD Dashboard Performance Comparative Statistics Months of July - February Fiscal Years 2014-2016

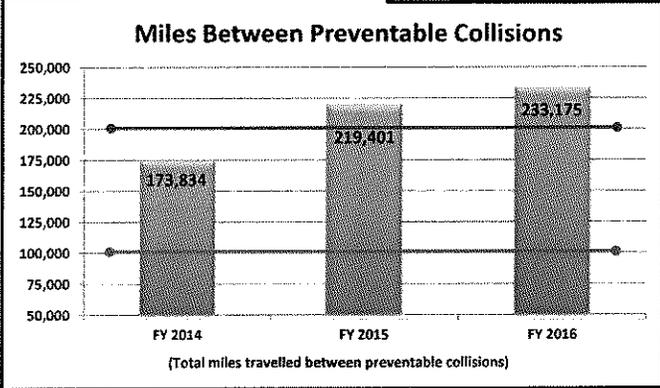
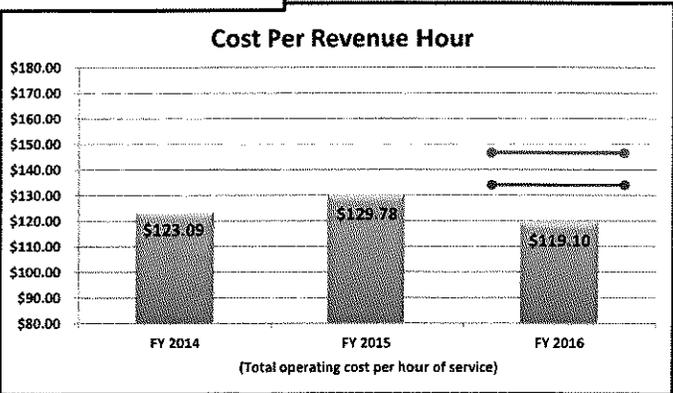


Goal = 25%

Minimum = 15%

Maximum = \$145.00 per RH

Goal = \$131.67 per RH

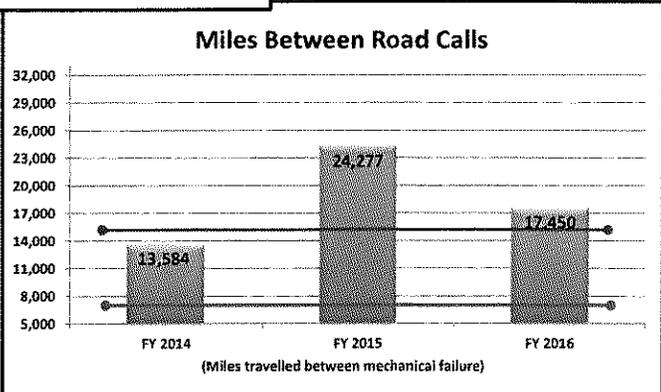


Goal = 200K Miles

Minimum = 100K Miles

Goal = 15K Miles

Minimum = 7K Miles

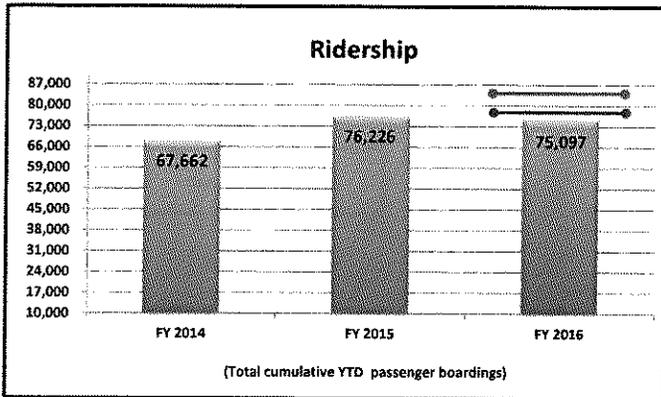


MST RIDES

YTD Dashboard Performance Comparative Statistics

Months of July - February

Fiscal Years 2014-2016

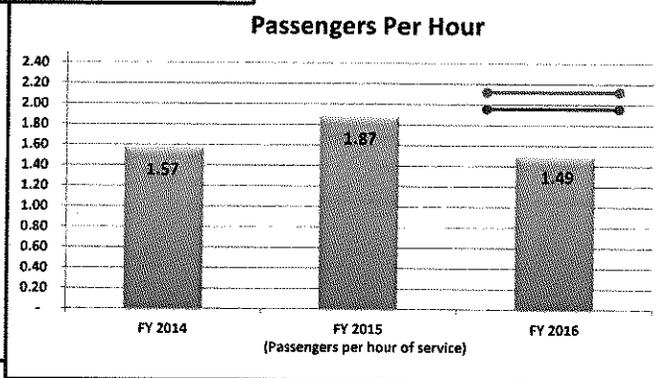


Goal = 78,119 passengers

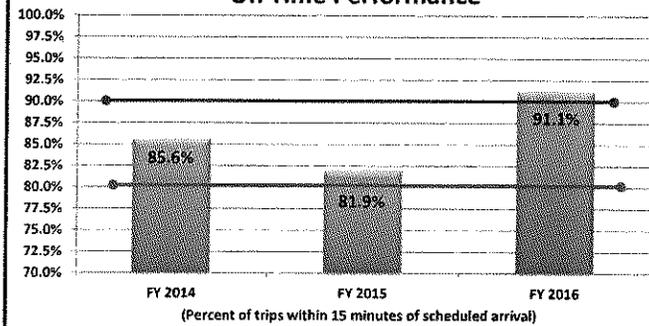
Maximum = 85,931 passengers

Goal = 1.87 passengers p/h

Maximum = 2.06 passengers p/h



On Time Performance

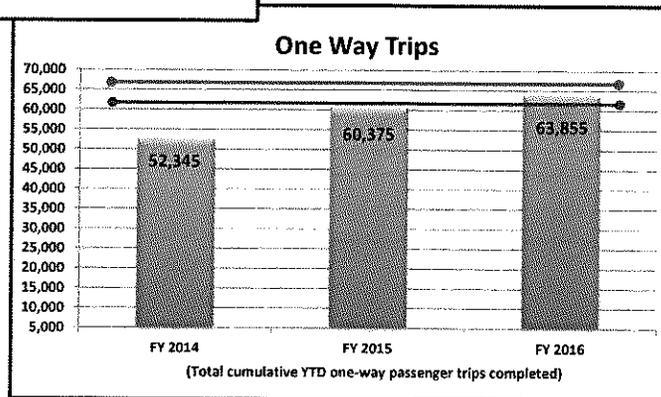


Goal = 90% on time

Minimum = 80% on time

Maximum = 67,754 one-way trips

Goal = 61,594 one-way trips

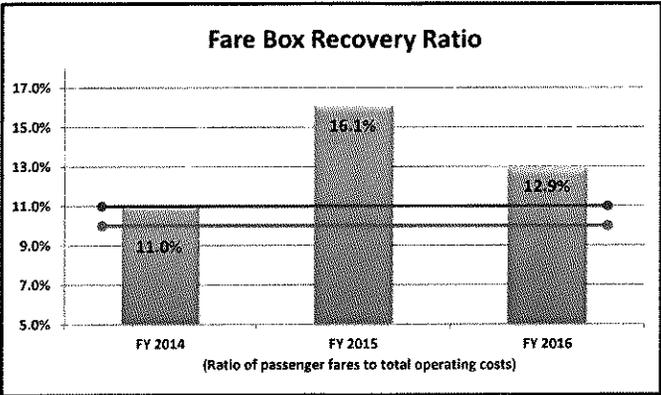


MST RIDES

YTD Dashboard Performance Comparative Statistics

Months of July - February

Fiscal Years 2014-2016

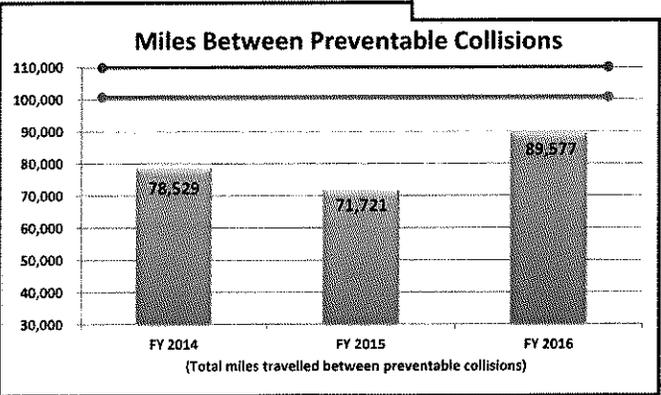
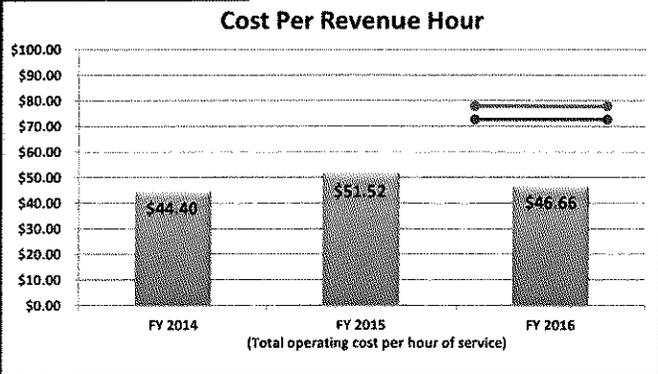


Goal = 11%

Minimum = 10%

Goal = \$70.86

Maximum = \$77.95

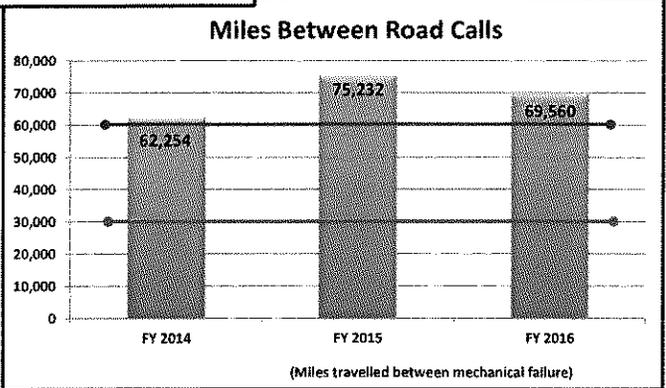


Goal = 110K Miles

Minimum = 100K Miles

Goal = 60,000 miles

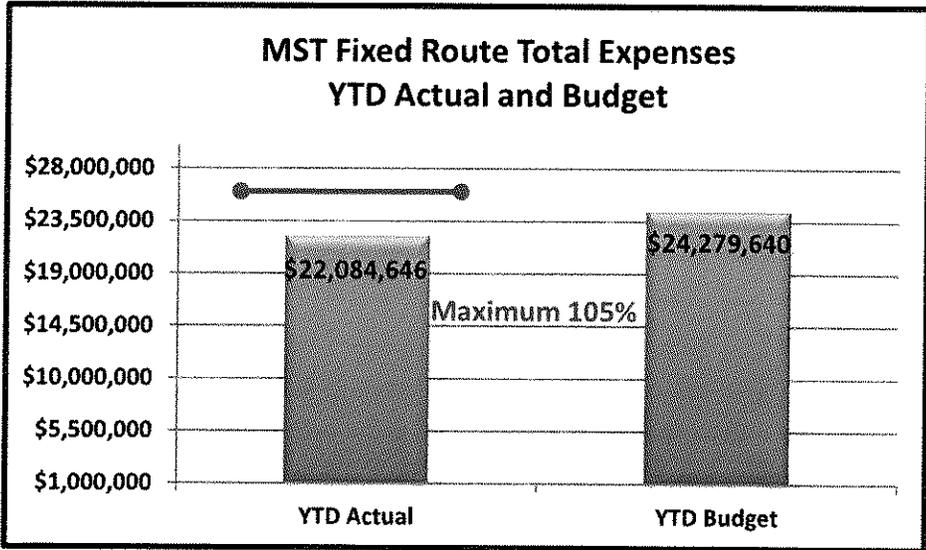
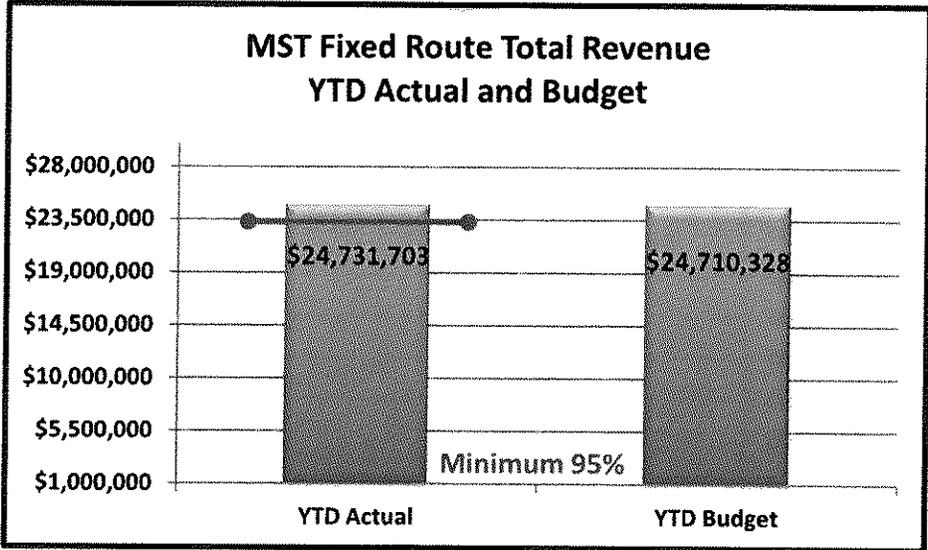
Minimum = 30,000 miles



MST Fixed Route

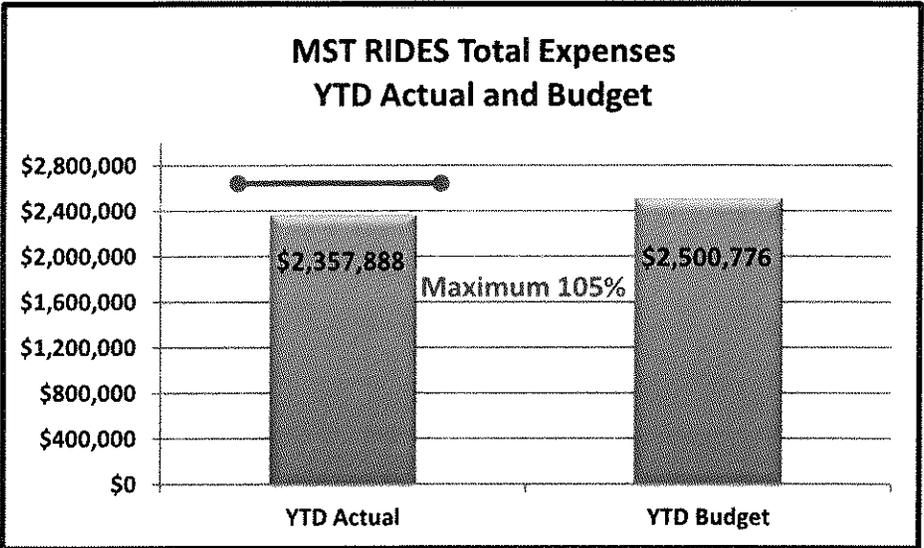
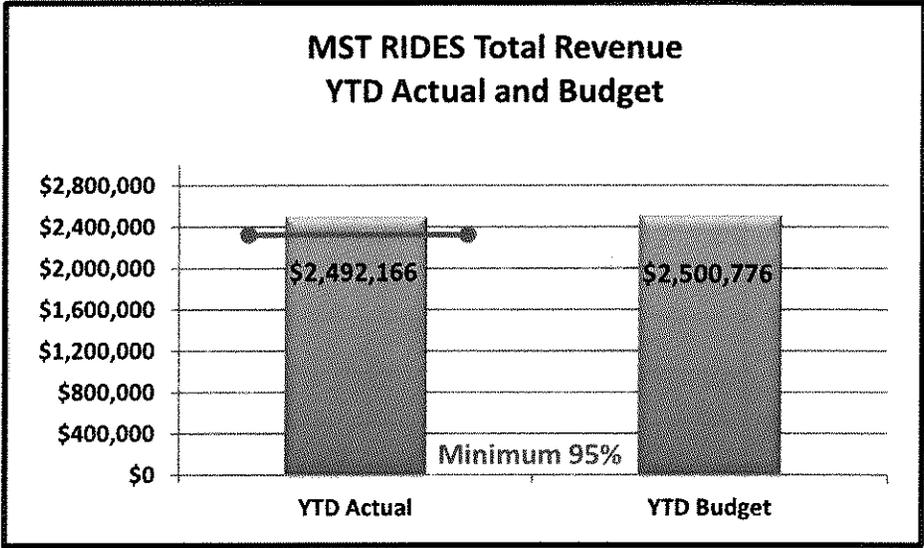
Financial Performance Comparative Statistics

July - February
Fiscal Year 2016



MST RIDES

Financial Performance Comparative Statistics July - February Fiscal Year 2016



ATTACHMENT 2

March 29, 2016

To: Mike Hernandez, Assistant General Manager / C.O.O.
From: Robert Weber, Director - Transportation Services
Cc: MST Board of Directors
Subject: **Transportation Department Monthly Report – February 2016**

FIXED ROUTE BUS OPERATIONS:

System Wide Service: (Fixed Route & On Call Services):

Preliminary boarding statistics indicate that ridership increased by 6.88% in February 2016, (344,458), as compared to February 2015, (322,284). Fiscal year to date – passenger boardings have increased by 1.29% as compared to the same period last year.

Productivity decreased slightly from 15.7 passengers per hour (February 2015) to 15.1 in February of this year.

Supplemental / Special Services:

February 21 & 28: In support of the Monterey Bay Aquarium “Free To Learn” program, MST provided shuttle services between; the Cities of; Greenfield and Salinas to the Aquarium. The service transported 185 passengers.

February 19 & 22: In support of the Monterey Symphony, MST provided shuttle services between; the Sally Griffin Center and the Ord Terrace School in Seaside to Sherwood Hall & the Sunset Center in Carmel. The service transported 66 passengers.

System Wide Statistics:

- Ridership: 344,458
- Vehicle Revenue Hours: 22,834
- Vehicle Revenue Miles: 357,421
- System Productivity: 15.1 Passengers Per Vehicle Revenue Hour
- One-Way Trips Provided: 32,937

Time Point Adherence: Of 131,896 total time-point crossings sampled for the month of February, the TransitMaster™ system recorded 14,961 delayed arrivals to MST’s published time-points system-wide. This denotes that **88.66%** of all scheduled arrivals at published time-points were on time. (See *MST Fixed-Route Bus ~ On Time Compliance Chart FY 2016.*)

Service arriving later than **5** minutes beyond the published time point is considered late. The on-time compliance chart, (attached), reflects system wide “on-time performance” as a percentage to the total number of reported time-point crossings.

Cancelled Trips: As listed below, there were a total of six (6) cancelled trips for the month of February for both directly operated and contracted services:

Total Trips Provided: 32,937			
Category	MST	MV	%
Collision	1	0	17%
Mechanical	4	0	67%
Employee Error	0	1	17%
Totals	5	1	100%

Documented Occurrences: MST Coach Operators are required to complete an occurrence report for any unusual incident that occurs during their work day. The information provided within these reports is used to identify trends, which often drive changes in policy or standard operating procedures. The following is a comparative summary of reported incidents for the month(s) of February 2015 and 2016:

Occurrence Type	February-15	February-16
Collision: MST Involved	9	5
Employee Injury	0	0
Medical Emergency	3	1
Object Hits Coach	0	4
Passenger Conflict	8	12
Passenger Fall	5	5
Passenger Injury	1	0
Other	2	3
Near Miss	0	0
Fuel / fluid Spill	3	4
Unreported Damage	1	1
Totals	32	35

CONTRACTED TRANSPORTATION SERVICES:

MST RIDES ADA / ST Paratransit Program:

Preliminary boarding statistics for the MST RIDES program reflect that for the month of February there were 9,257 passenger boardings. This denotes a 5.50% increase in passenger boardings from February of 2015, (8,774). Fiscal year to date – passenger boardings have decreased by 1.49% as compared to the same period last year.

- Productivity for February of this year was at 1.85 passengers per hour decreasing from February of 2015, (1.90).
- For the month of February, 91.61 % of all scheduled trips for the MST RIDES Program arrived on time, increasing from 86.36 % in February of 2015.

COMMUNICATIONS CENTER:

In February, MST's Communications Center summoned public safety agencies on *nineteen (19)* separate occasions to MST's transit vehicles and facilities:

Agency Type	Incident Type	Number Of Responses
Police	Passenger Incident / Other	14
EMS	Passenger Illness	5

Robert Weber

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ATTACHMENT 3

March 28, 2016

To: Carl G. Sedoryk, General Manager/CEO
 From: Michael Hernandez, Assistant General Manger/COO
 Subject: Monthly Maintenance/Facilities Report for February 2016

This monthly report summarizes the activities of the Maintenance and Facilities Departments as well as fuel prices during the past month.

FY16 Fuel Budget:	Average Fuel Price February 2016:	Average Fuel Price: FY2016
Diesel: \$3.25	\$1.35	\$1.74
Gasoline: \$3.35	\$1.78	\$2.32

Fleet Status:	Operating Cost Per Mile:	* Miles Between Major Mechanical Road Calls:
February 2016:	\$.84	13,390
FY2016	\$.96	17,450 YTD
FY2015:	\$1.01	24,277 YTD Comparison
FY2014	\$1.20	15,403

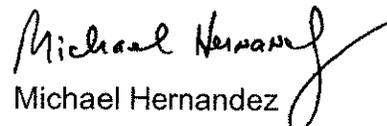
*Minimum: 7,000 Miles; Goal: 15,000 Miles

Department Activities/Comments:

In February the maintenance cost per mile for the MST fleet was \$0.84 per mile. There were 13,390 miles between major mechanical road calls with 23 categorized as "major mechanical" and four due to minor or non-mechanical reasons. The highest major road calls were for electrical issues (6).

Bus 994 was placed into service on Line 84 Soledad-Paso Robles during the month. Scheduled preventative maintenance (PMs) for February was at 98%. Facility repairs during the month included repairs to the in-ground hoist at TDA and repair of the CJW forklift.

Staff training included: Cummins "Insite" engine training for the Maintenance Department and Air/Brake systems (2 mechanics) at the SamTrans training center.


Michael Hernandez

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ATTACHMENT 4

Date: April 11, 2016

To: C. Sedoryk, General Manager/CEO

From: Hunter Harvath, Assistant General Manager – Finance & Administration; Andrea Williams, General Accounting & Budget Manager; Mark Eccles, Director of Information Technology; Kelly Halcon, Director of Human Resources/Risk Management; Zoe Shoats, Marketing Manager; Sonia Bannister, Customer Service Supervisor.

Subject: **Administration Department** Monthly Report – February 2016

The following significant events occurred in Administration work groups for the month of February 2016:

Human Resources

A total employment level for February 2016 is summarized as follows:

Positions	Budget FY16	Actual	Difference
Coach Operators F/T	137	141	4
Coach Operators Limited Duty	0	0	0
CO Occupational Injuries	5	0	-5
Operations Staff	30	30	0
Maintenance & Facilities	46	43	-3
Administrative (Interns 2 PT)	26	26	0
Total	244	240	-4

*Total budget numbers do not include the C/O on Long Term Leave as those numbers are already reflected in the Coach Operators/Trainees number.

February Worker's Compensation Costs	
<i>Indemnity (paid to employees)</i>	\$7,964.18
<i>Other (includes Legal)</i>	\$8,077.28
<i>Medical includes Case Mgmt, UR, Rx & PT</i>	\$19,674.34
<i>TPA Administration Fee</i>	\$5,000.00
<i>Excess Insurance</i>	\$7,775.33
Total Expenses	\$48,491.13
Reserves	\$1,387,005.82
Excess Reserved	(\$494,432.88)
# Ending Open Claims	38

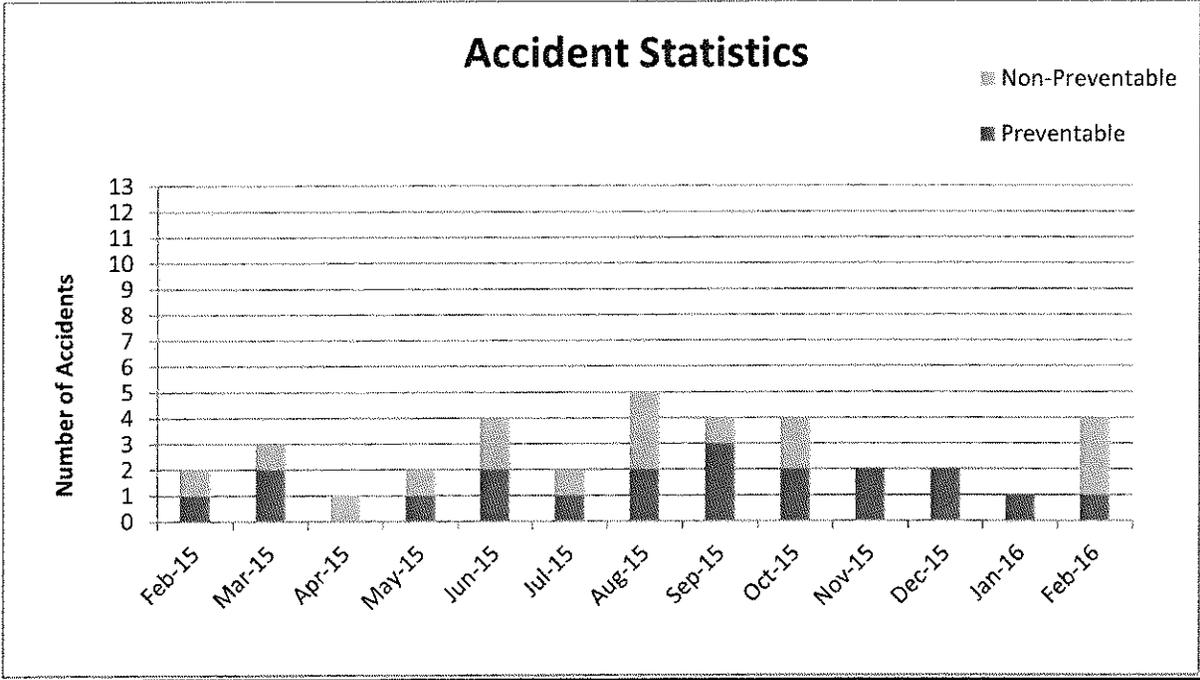
Training

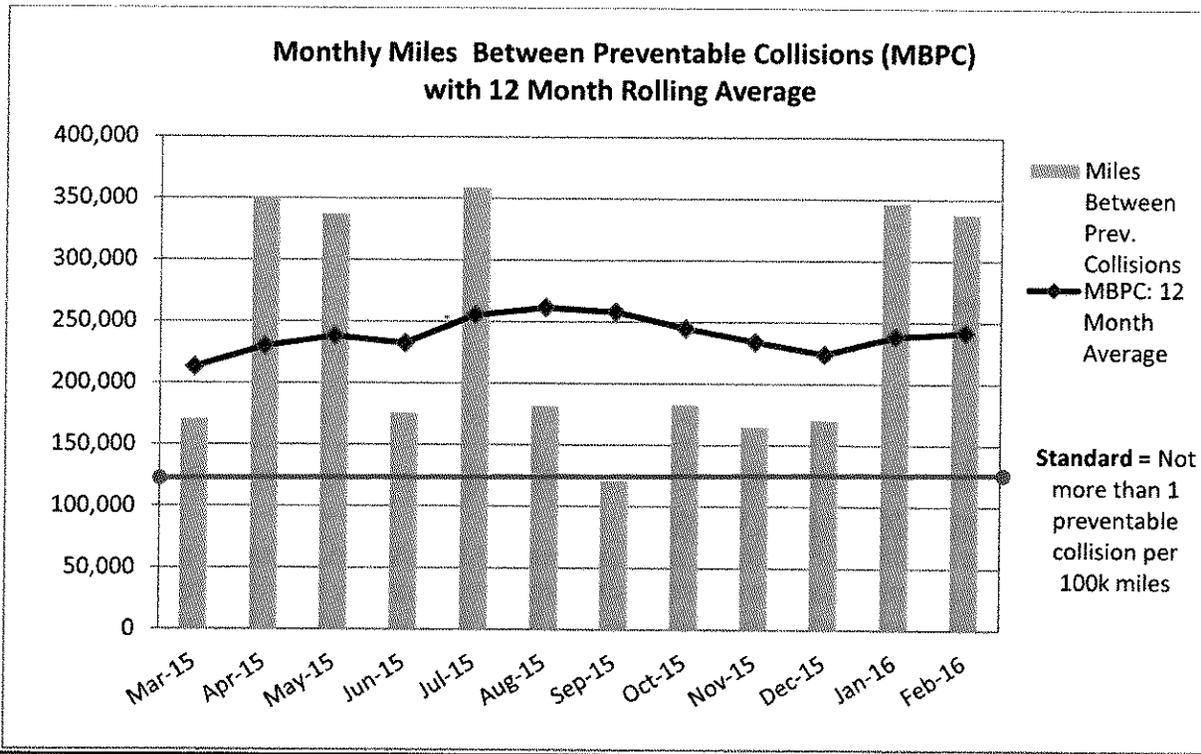
Description	Attendees
Post Accident/Incident Retraining	2
New Vehicle Familiarization Training (Vehicle 994)	33
Employee Harassment Prevention Training	33
Equal Employment Opportunity Policy Training	2
Drug and Alcohol Policy and Procedures Training	3
Return to Work Training	1
Maintenance Safety Training	33

Risk Management

Description	February 2016 Preventable		February 2015 Preventable	
	Yes	No	Yes	No
POV Vehicle hits MST Vehicle	0	3	0	1
MST bus hit stationary vehicle	1	0	1	0
TOTAL	1	3	1	1

In February 2016, there was one minor preventable collision involving a bus and a parked vehicle when pulling into a bus stop.





There were \$12,841.56 in claim recoveries during this period and no claims paid.

Customer Service Update

Service Report Type	MST	*Other Provider	# of valid reports	% of reports received	February '15	% of reports received
Improper Driving	7	2	1/2*	12.7%	8	14.8%
Fare / Transfer Dispute	0	3	3*	4.2%	2	3.7%
Passed By	3	4	3*	9.9%	3	5.6%
Improper Employee Conduct	6	2	1*	11.3%	7	13.0%
Bus Stop Amenities	4	2		8.5%	2	3.7%
Late Arrival	0	4	2*	5.6%	1	1.9%
No Show	0	6		8.5%	4	7.4%
Request to add service	0	0		0.0%	1	1.9%
ADA Compliance	1	0		1.4%	1	1.9%
Service Other	5	5	2/4*	14.1%	9	16.7%
Unsafe conditions	0	0		0.0%	1	1.9%
Early Departure	0	1	1*	1.4%	3	5.6%
Passenger Injury	0	0		0.0%	1	1.9%
Routing	3	0		4.2%	0	0.0%

Employee Other	3	3	1/2*	8.5%	6	11.1%
Agency Policy	3	0	1	4.2%	0	0.0%
Inaccurate public information	0	0		0.0%	2	3.7%
Left behind	0	0		0.0%	3	5.6%
Off Route	1	3	3*	5.6%	0	0.0%
Total Complaints	36	35		100.0%	54	100.0%
Employee Compliment		1			2	
Service Compliment					3	

Finance Update

General Accounting/Accounts Payable

During the month of February, staff processed timely and accurate payments to vendors, recorded appropriate revenues, and prepared monthly financial reporting and analysis. Staff also responded to validation inquiries for the required annual reporting to the NTD (National Transit Database, which aids in the appropriation of FTA formula funds to transit agencies).

Payroll

Payroll completed year-end submissions of W-2s to the Social Security Administration. Payroll continued to provide hours and earnings reports upon request to MST departments. Routine changes and adjustments to payroll records were maintained along with filing of all federal, state, and retirement reports and payments on a timely basis.

Grants

The semi-annual reports were submitted to the Public Transportation Modernization, Improvement, and Service Enhancement (PTMISEA) program at Caltrans. Staff attended a Caltrans workshop in Oakland for an introduction to the state's new grant management system. CHISPA reached out to staff to begin coordinating on an application to the State Department of Housing and Community Development for the Affordable Housing and Sustainable Communities grant program. Coordination with TAMC staff was initiated for a number of grant applications due during the spring. Staff initiated the process for the Section 5307 federal operating assistance grant application in FTA's new grant management system. Reimbursement requests to Caltrans were prepared and submitted.

Purchasing

During the month of February, parts staff was busy managing inventory levels and ensuring that supplies were delivered in a timely manner. Inventory levels are remaining under \$200K, and with the new buses added to the fleet, staff is seeing a decline in the expenditure of costly component replacements. For large procurements, a Request for Quotes was underway for a Survey Research Consultant.

IT Update

Staff monitored the hardware and software for the Trapeze Group TransitMaster (TM) Automatic Vehicle Location system. Staff liaised with MST maintenance department electronics technician colleagues regarding the installation of the TM system hardware on contractor operated revenue vehicles.

Staff monitored the Trapeze Enterprise Asset Management (EAM) vehicle maintenance system after the recent EAM system upgrade. Staff continued to support the users of the Serenic Navision accounting/payroll system.

Staff monitored the functionality of the customer service database. Staff liaised with the County of Monterey Information Technology Department regarding the radio hardware to be installed to extend data/radio/cell coverage to include San Jose, Paso Robles, and other outlying areas of service. Staff continued working on the configuration of the virtual computer system.

Staff worked with the telephone company to include the new administration building in the transition to a Voice Over IP (VOIP) telephone system as well as a fiber data connection between Ragsdale Road and Ryan Ranch Road.

Staff worked with the new vehicle camera systems vendor to coordinate the delivery and installation timeline. Staff continued to support other MST staff members as needed, proactively ensuring that all were supported fully with their IT needs.

Marketing and Sales Update

Published news stories include: "MST abandons plan to build a garage on Fort Ord" (Monterey County Weekly, 2/11/16); "MST 2015 Community Stakeholder Survey" (Monterey County Business Council's Friday Facts, 2/12/16); "What's open, closed on Presidents Day" (San Jose Mercury News, 2/14/16); "Monterey-Salinas Transit moves to handle growth" (Monterey County Business Council's Friday Facts, 2/19/16); "MST 2015 Community Stakeholder Survey" (Monterey County Business Council's Friday Facts, 2/19/16); "Letters to the editor: Get on the bus" (Monterey County Weekly, 2/25/16); "Big rig collides with MST bus in Castroville" (KSBW, 2/25/16); "MST 2015 Community Stakeholder Survey" (Monterey County Business Council's Friday Facts, 2/26/16).

Press releases sent include: "MST bus service on Presidents' Day" (2/10/16).

Marketing activities: Attended Monterey County Vintners and Growers Association annual luncheon; presented Salinas Transit Center paint/signage upgrade options to staff; ordered fare media; met with staff regarding displaying real-time transit information at bus stops, on MST's website, and through a mobile app; conducted 2015 Community Stakeholder Survey promoting it with eBlast advertisements sent out to all members of the Carmel, Monterey Peninsula, Pacific Grove, and Salinas Valley chambers of commerce; compiled a storyboard of paint and carpet color options for new admin building; attended a Liebert Cassidy Whitmore webinar on succession planning; met with representatives from the Boys & Girls Clubs of Monterey County to discuss advertising/sponsorship trade; continued work to determine how to best display accessible bus schedules on MST's website, keeping mobile-first design in mind; worked with Monterey Bay Aquarium staff regarding scheduling 2015-2016 Free to

Learn trips; worked on messaging showing how Measure Q funds are being spent; researched updating/re-designing MST's Busmobile; attended HWY 68 Roundabout Construction Project communications working group meetings; managed MST website content, Facebook page, and Twitter account.

Planning Update

During the month of February, staff continued to monitor the revenues and expenses for the military partnerships after implementation of the July 2014 Presidio reductions that were required because Congress allowed the expanded federal transit benefit to be reduced by nearly 50% effective December 2013. Revenues received from the federal transit benefit have stabilized and increased during recent months so that revenues are matching expenses and are starting to make up for previous losses. During the month the Presidio, with assistance of MST Business Development Planner, Mike Gallant, continued its targeted recruitment efforts to maximize military and civilian participation in the federal transit benefit program. This effort is intended to stabilize and grow revenues for MST to continue operating the military-funded routes. Fortunately, Congress voted in December to raise the transit benefit again on a permanent basis. The benefit will be raised for the Presidio participants on March 10, 2016. As such staff is re-evaluating the program with some expansions possible for the future.

Staff finalized Measure Q planning efforts by presenting the final Measure Q Transit Investment Plan to the MST Board for adoption.

Staff attended a California Environmental Quality Act Environmental Impact Report Scoping Meeting hosted by the Monterey Regional Airport.

Staff participated in coordination meetings with the City of Monterey as the Highway 68 Roundabout moves closer to construction. The project will impact traffic throughout the area as well as MST routes serving the Monterey Peninsula.

Throughout the month, staff continued participating in meetings with various local agencies, including Transportation Agency for Monterey County, Association of Monterey Bay Area Governments, the Monterey County Hospitality Association, the Salinas Valley Chamber of Commerce, Monterey County Business Council, and the Fort Ord Reuse Authority.

Agenda # **7-2**
April 11, 2016 Meeting

Monterey-Salinas Transit
Washington, D.C. Office

March 25, 2016

TO: Carl Sedoryk

FROM: Thomas P. Walters

The following report summarizes actions taken on behalf of Monterey-Salinas Transit in March.

FY 2017 Budget

The various House and Senate Appropriations Subcommittees have begun holding hearings in anticipation of drafting their respective FY 2017 spending bills later in the spring. President Obama released his FY 2017 Budget proposal to Congress on February 9, and the next stage is the Congressional Budget Resolution, which sets the broad, overall parameters for spending and is due by mid-April.

While the House Budget Committee voted March 15 to report out an FY 2017 Budget Resolution that follows the outlines of the *Bipartisan Budget Act of 2016*, further action has been delayed due to opposition by conservative Republican members of the "Freedom Caucus." Last year's budget deal increased the discretionary spending caps for FY 2016 and FY 2017 by \$80 billion, which was opposed by some fiscal conservatives, who are now looking for an opportunity to reduce the spending. One possible outcome is for the House Budget Committee to bring to the floor a Budget Resolution that adheres to last year's budget agreement but then also to bring to the floor a separate mandatory spending cuts package.

Transportation spending is not likely to be directly impacted because of passage of the FAST Act, but the overall budget fight could impact FTA if an impasse spills over to slow passage of the individual appropriations bills.

FAST Act Implementation

Throughout the year, DOT will be releasing guidance on FAST Act program implementation and grant opportunities. During the APTA Conference in Washington, DC, we assisted you with meeting with Acting FTA Associate Administrator Bruce Robinson to discuss the new bus discretionary grant program and the set-aside for no- and low-emission buses. In particular, we discussed the need for relief from FTA's fleet spare ratio regulations when public transportation agencies invest in new technologies like MST's wireless power transfer project. Mr. Robinson told us to expect a Notice of Funding Opportunity for the bus program within the next few weeks, with applications likely to be due in May.

Lobbying Strategies & Opportunities

On March 7, we participated in the MST Legislative Committee meeting to advise on the MST Federal agenda and to provide an update on legislative issues. Since that time, we have continued to work with you on actions to follow up and implement the Federal Agenda for 2016.

MST Staff and Board Members met with Congressman Farr's Legislative Director while at the APTA Conference in Washington, DC, to brief her on the FAST Act issues that we are tracking.

With the FY 2017 budget process well underway, Congress will hold hearings on the various spending proposals during the spring. We continue to closely monitor these actions for any impacts on MST. As the FAST Act implementation process continues, we will also recommend additional advocacy meetings or other lobbying opportunities for MST.

TPW:dwg

Agenda # **7-3**
April 11, 2016 Meeting

To: Board of Directors
From: Carl Sedoryk, General Manager/CEO
Subject: State Legislative Update – March 2016

The following updates provide recent state legislation activities that your board supports:

SB 824 (Beall) seeks to provide more tools and flexibility for public transit agencies, allowing them to effectively and efficiently manage and utilize their formula shares under the Low Carbon Transit Operation Program (LCTOP). This program was amended on March 15 to address a number of issues that were reported following the bill's introduction. Of note, the amendments provide more flexibility in terms of eligible projects/services for funding, and allow utilizing LCTOP money to support new/expanded services for more than one year.

AB 1640 (Stone), the PEPRA gap employees bill, has been scheduled to be heard by the Assembly Public Employees, Retirement, and Social Security Committee on Wednesday, April 6.

Submitted by 

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Agenda # **7-4**
April 11, 2016 Meeting



April 11, 2016

To: C. Sedoryk, General Manager/CEO
From: L. Rheinheimer, Director of Planning and Development
Subject: Trip Report – March 2016

I attended American Public Transportation Association Marketing and Communications Workshop in Phoenix, AZ February 28-March 2, 2016.

I attended the APTA Workshop with other transit agencies throughout the US. I attended several sessions which I found very useful. A few of the highlights include:

- Social Media Landscape – this session focused on the various strengths and weaknesses of social media platforms including Twitter, Facebook, and Instagram.
- Marketing and Communication Exchange and Roundtables – this session was an opportunity to gather other Rider's Guide and marketing materials and discuss various topics with our transit peers across the country.
- Metro Tour – this tour took place at Valley Metro's mobility and customer service center. Their mobility center includes a simulated real-world transit environment where ADA eligibility is determined.

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Agenda # **7-5**
April 11, 2016 Meeting



February 17, 2016

EXECUTIVE COMMITTEE

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Michael A. Sanders
Patrick J. Scully
Carl G. Sedoryk
Charles R. Wochele

PRESIDENT & CEO
Michael P. Melaniphy

Carl Sedoryk
General Manager/Chief Executive Officer
Monterey-Salinas Transit
One Ryan Ranch Road
Monterey, CA 93940

Dear Carl:

Thank you for your involvement in the American Public Transportation Association's 2016 Transit CEOs Seminar in Orlando.

We appreciate your leading the discussions on Saturday and the CEOs XChange. You added so much value in creating a high-quality program. Your experience and the discussions you have stimulated are key to the vitality of our association and industry.

Your contribution is well recognized in making this year's seminar a major success. I am looking forward to seeing you at the Legislative Conference.

Sincerely yours,



Michael P. Melaniphy
President & CEO

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Agenda # **10-1**
April 11, 2016 Meeting

March 18, 2016

To: Carl Sedoryk, General Manager/CEO; MST Board of Directors
From: Mike LeBarre, City of King
Subject: Trip Report APTA 2016 Legislative Conference, Washington D.C.

I attended the annual American Public Transportation Association (APTA) Legislative conference in Washington D.C. from March 12th thru the 15th. The conference theme was "Where public transit goes...Communities grow". The focus this year was on the passing and implementation of the FAST (Fixing America's Surface Transportation) Act, the first long term funding in over a decade.

There were several great speakers that spoke of the implementation phase and the need to produce results for our communities.

I attended the following committee meetings, sessions, and workshops:

Legislative Committee meeting

Chair J. Barry Barker

Transit Board Members Legislative Subcommittee meeting

Chair Kevin Holzendorf

Transit Board Members Committee meeting

Chair David Stackrow Sr., CPA

General Session: Welcome to Washington

Speakers David Wasserman and Nathan Gonzales talk election, politics, and transit funding.

The Insider perspective for the transit industry

Speaker Dr. T. Peter Ruane spoke about the FAST act and the need to expand surface transportation for a growing population and healthy economy.

Opening General Session:

Comments from APTA Chair Valerie J. McCall and APTA President Michael P. Melaniphy

General Session: APTA National Partners Roundtable

Speakers Hon. Peter McLaughlin, Hon. Patrick Wojahn, and Grace Gallucci discussed implementation of the FAST act. Great roundtable.

Meeting with Congressman Farr's staff

Discussed issues in Monterey County and its transit needs.

General Session: Update from the Federal Transit Administration

Remarks from acting administrator of the FTA, the Hon. Therese W. McMillan about the FAST act. She was recognized for her achievements and service as acting administrator for the FTA. Panelists, Carolyn Flowers, Vincent Valdes, Thomas Littleton, Bruce Robinson, and Lucy Garliauskas discussed administration priorities and answered questions from the audience. All panelists were FTA senior staff members.

General Session: View from the Hill

Panelists of congressional staff discussed writing and passing the FAST act and answered questions. Panelists were Homer Carlisle, Patrick Fuchs, Shannon Hines, Caryn Moore Lund, Auke Mahar-Piersma, and Fred Miller. Very informative.

General Session: Get started with members of Congress

Congressman Earl Blumenauer (OR), Senator Sherrod Brown (OH), Congressman Peter DeFazio (OR), Congressman Robert Dold (IL), and our California congressman Jeff Denham (CA), each spoke about the FAST act, it's importance and implementation of it in our communities.

This was a very informative conference that focused on the importance of the FAST act, implementation of the act, and to continue advocating for permanent funding solutions to meet the country's growing public transit needs. Highlights for me were to meet and hear from members of congress and their perspectives, attending my first APTA Legislative committee and subcommittee meetings, and meeting with Congressman Farr's staff and having the ability to speak one on one about the needs within our communities.

Submitted by: Mike LeBarre