

AGENDA
TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES
AND
MONTEREY COUNTY REGIONAL DEVELOPMENT IMPACT FEE
JOINT POWERS AGENCY

Meeting of January 27, 2016

Revised Agenda

Item: 3.2.3

Agricultural Center Conference Room

1428 Abbott Street

Salinas, California

9:00 AM

WIFI INFO:

Network: ABBOTT CONF-GUEST

Password (all caps): 1428AGGUEST

(Agendas are on display and are posted 72 hours prior to the scheduled meeting at the Transportation Agency office and at these public libraries: Carmel, Monterey, Salinas Steinbeck Branch, Seaside, Prunedale, King City, Hartnell College, Monterey Peninsula College, and Cal State University Monterey Bay. Any person who has a question concerning an item on this agenda may call the Transportation Agency office at 831-775-0903 to make inquiry concerning the nature of the item described on the agenda.) The agenda and all enclosures are available on the Transportation Agency website: www.tamcmonterey.org, by clicking on Transportation Agency Board, meetings & agendas, click on agenda item and open it, click on report attachments listed at end of report.

1. QUORUM CHECK – CALL TO ORDER. Transportation Agency by-laws require a quorum of a minimum of 9 voting members, including a minimum of 7 city representatives and 1 county representative.

If you are unable to attend, please contact your alternate. Your courtesy to the other Transportation Agency Board members to assure a quorum is appreciated.

PLEDGE OF ALLEGIANCE

1.1 ADDITIONS or CORRECTIONS to the agenda.

2. PUBLIC COMMENTS. Any person may address the Transportation Agency Board at this time. Presentations should not exceed three minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Transportation Agency Board. *Though it is not required, the Transportation Agency Board appreciates your cooperation in completing a speaker request form available on the table at the entrance to the meeting room. Please give the completed form to the Transportation Agency Administrative Assistant. If you have handouts, please provide 30 copies for the entire Board before the meeting starts or email to Agency Administrative Assistant 24 hours in advance of the meeting.*

2.1 Election of 2016 Officers - Edelen/Parker

- 1. RECEIVE** report from Nominating Committee and **ELECT** Chair, 1st Vice Chair and 2nd Vice Chair of the Board, for the term beginning upon their election through the next election of officers at the beginning of the January 25, 2017 Board meeting; and,
- 2. RECEIVE** report from Nominating Committee and **ELECT** members of the Executive Committee for the term beginning upon their election through the next election of officers at the beginning of the January 25, 2017 Board meeting.-Edelen/Parker

Agency bylaws require the election of officers at the beginning of the Agency's January meeting. The Board officers consist of the Chair, 1st Vice Chair and 2nd Vice Chair. The Executive Committee includes the Chair, 1st Vice Chair, 2nd Vice Chair, the immediate past Chair, and a City and a County voting Board member.

3. CONSENT AGENDA

APPROVE the staff recommendations for items 3.1.1 - 3.7.1 by majority vote with one motion. Any member may pull an item off the Consent Agenda to be considered for discussion and action after the Consent Agenda.

4. PRESENTATION of Transportation Agency Employee of the Quarter Mike Zeller. - Hale

Mike Zeller, Principal Transportation Planner has been selected by the employees of the Transportation Agency for Monterey County as the Employee of the Quarter for October 1st – December 31, 2015.

5. PRESENT 2015 Annual Transportation Excellence Awards Ceremony.- Wright

The Transportation Agency would like to show its appreciation to the local community for its outstanding efforts to improve transportation in Monterey County by awarding Transportation Excellence Awards.

6. RECEIVE state legislative update. - Watson/Arriaga

Agency staff and legislative consultant John Arriaga of JEA & Associates will present an update on state transportation legislative issues, including a briefing on the Governor's draft budget and an alternative transportation proposal introduced the same week.

- 7.** **RECEIVE** a presentation by staff and EMC Research on the results of their December 2015 poll on the Transportation Investment Plan.-Wright

The Transportation Agency is seeking to become a “self-help” county by placing a Transportation Investment Plan measure on the ballot in November 2016. During the week of December 7, 2015, EMC Research conducted polling to gauge potential support for the transportation investment plan.

- 8.** Reports on meetings attended by Board Members at Transportation Agency expense, as required by state law

- 9.** Reports from transportation providers:

- [. Caltrans Director’s Report – Project Update](#) – Gubbins
- Monterey Peninsula Airport District – Sabo
- Monterey-Salinas Transit– Sedoryk

- 10.** Executive Director's Report

- 11.** Announcements and/or comments from Transportation Agency members on matters that they wish to put on future Transportation Agency agendas.

- 12. ADJOURN**

Please send any items for the February 24, 2016 Transportation Agency agenda to Senior Administrative Assistant Elouise Rodriguez by 12 noon, Thursday, February 11, 2016.

The Transportation Agency Agenda will be prepared by Transportation Agency staff and will close at noon Thursday, February 11, 2016 nine (9) working days before the regular meeting. Any member may request in writing an item to appear on the agenda. The request shall be made by the agenda deadline and any supporting papers must be furnished by that time or be readily available.

If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals requesting a disability-related modification or accommodation, including auxiliary aids or services, may contact Transportation Agency at 831-775-0903. Auxiliary aids or services include wheelchair accessible facilities, sign language interpreters, Spanish Language interpreters and printed materials, and printed materials in large print, Braille or on disk. These requests may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting, and should be made at least 72 hours before the meeting. All reasonable efforts will be made to accommodate the request.

ANNOUNCEMENTS

Next Transportation Agency for Monterey County meeting will be on

February 24, 2016

Agricultural Center Conference Room

1428 Abbott Street

Salinas, California

9:00 A.M.

Transportation Agency Board members will receive automatic mileage reimbursement payments not to exceed current IRS rates, (or reimbursed for the cost of transit). Payments will be made quarterly based on attendance records. Board members must submit a mileage declaration form with their declared mileage to and from the transportation agency meetings. Please call Transportation Agency office at 831-775-0903 if you need a mileage declaration form.

For Transportation Agency related travel reimbursement other than the monthly Transportation Agency meetings, please call Transportation Agency office at 831-775-0903 to request a travel reimbursement form.

The Transportation Agency web site contains information from the Transportation Agency Resource Guide, including Transportation Agency Board members, Transportation Agency committee members, grant programs, etc. Visit us at:

<http://www.tamcmonterey.org>

Documents relating to an item on the open session that are distributed to the Board less than 72 hours prior to the meeting shall be available for public inspection at the Office of the Transportation Agency for Monterey County,

55-B Plaza Circle, Salinas, CA. Documents distributed to the Agency Board at the meeting by staff will be available at the meeting; documents distributed to the Board by members of the public shall be made available after the meeting.

**Transportation Agency for Monterey County
55-B PLAZA CIRCLE, SALINAS, CA 93901-2902**

Monday thru Friday

8:00 a.m. – 5:00 p.m.

TEL: 831-775-0903

FAX: 831-775-0897

BEGINNING OF CONSENT AGENDA: Approve the staff recommendations for items 3.1.1 - 3.7.1 below by majority vote with one motion. Any member may pull an item off the Consent Agenda to be moved to the end of the **CONSENT AGENDA** for discussion and action.

ADMINISTRATION and BUDGET

3.1.1 **APPROVE** minutes of the Transportation Agency For Monterey County (TAMC) Service Authority for Freeways and Expressways and Monterey County Regional Development Impact Fee Joint Powers Agency of December 2, 2015. – Rodriguez

3.1.2. **ACCEPT** the list of checks written for November and December 2015 and credit card statements for the months of October and November 2015. – Delfino

The list of checks and copies of credit card statements are submitted to the Transportation Agency Board each month in accordance with the recommendation from the Transportation Agency’s independent Certified Public Accountant to keep the Board informed about the Transportation Agency’s financial transactions.

3.1.3 **RECEIVE** report on conferences or trainings attended by agency staff. - Muck

Agency staff occasionally attends conferences or trainings at Agency expense that are pertinent to their roles in pursuing the Agency’s mission. These events allow the staff to stay current and par

3.1.4. **APPROVE** the Accounting and Financial Policies and Procedures Manual. - Goel

The Transportation Agency for Monterey County’s accounting and financial policies and procedures are outlined in this manual.

3.1.5 Contract Templates - Reimann

1. **APPROVE** four templates for use by the Transportation Agency for Monterey County in contracting for professional services;
2. **DIRECT** staff, when seeking Board approval of a Professional Services Agreement, to present just the payment amount, scope of work, work schedule, payment provisions, funding source, deliverables and material changes (if any) to template terms and conditions of all future agreements for professional services, without the need to attach the entire agreement; and
3. **AUTHORIZE** the Executive Director to sign the template agreements or sign the agreements with minor changes if such changes do not increase the Agency's net cost, subject to approval by Agency Counsel.

The language of the four template agreements modifies previously approved standard language to conform more closely to Caltrans requirements. Each template agreement is "boiler plate" and the same for all Agency agreements for professional services, depending upon the method of payment to be used. Approval of this action will continue existing practice that for board actions regarding professional services, the Board will only continue to review and approve what is unique to each agreement, and authorize the Executive Director to sign the standard agreements with those unique provisions.

3.1.6 ACCEPT State of California Transportation Development Act Compliance and Audit Reports for fiscal year ending June 30, 2015.-Goel

For all of the audits completed for the year ending June 30, 2015, the auditors found no instances of noncompliance that is required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

BICYCLE, PEDESTRIAN, TRANSIT, and SOCIAL SERVICES

3.2.1 Ecology Action Bike Rodeos Contract - Green

1. **AUTHORIZE** the Executive Director to execute contract with Ecology Action, subject to approval by Agency Counsel, in an amount not-to-exceed amount of \$7,500, to provide bicycle safety trainings at two schools in Monterey County during Bike Month;
2. **APPROVE** the use of Transportation Development Act funds budgeted to this purpose;
3. **AUTHORIZE** the Executive Director to make administrative changes to the contract if such changes do not increase the Agency's net cost, subject to approval by Agency counsel; and
4. **APPROVE** sole source procurement finding.

The Transportation Agency has financially supported school bicycle safety training every year since 2012 as part of the Agency's bicycle education and public awareness program. The proposed contract will continue bicycle safety training in Monterey County in 2016.

3.2.2 Cap and Trade Funds for Transit. - Murillo

1. **ADOPT** Resolution 2016-01 designating the Transportation Agency's allocation of \$412,065 of FY 2015/2016 Low Carbon Transit Operations funds to the Monterey-Salinas Transit District for a new all electric bus for transit services in East Salinas and repayment to the Santa Cruz Metropolitan District; and
2. **AUTHORIZE** the Executive Director to sign and submit required documentation to Caltrans.

The California Legislature established the Low Carbon Transit Operations Program to distribute cap and trade funds to implement transit projects that reduce greenhouse gas emissions, with a priority on serving disadvantaged communities. Program funds are distributed to regional agencies and transit agencies using the State Transit Assistance distribution formula.

3.2.3 ADOPT Resolution 2016-02 allocating \$2,219,751 of State Transit Assistance funds to Monterey-Salinas Transit for Fiscal Year 2015-16. - Murillo

The Transportation Agency is responsible for allocating State Transit Assistance funding, generated through the state sales tax on diesel fuel, to transit operators pursuant to the Transportation Development Act.

PLANNING

3.3.1 RECEIVE federal legislative update. - Watson

On December 4, 2015, the President signed a \$300 billion, five-year authorization bill called the "Fixing America's Surface Transportation" (FAST) Act.

3.3.2 ADOPT final 2016 Legislative Program. - Watson

The purpose of the legislative program is to set general principles to guide staff and Board responses to proposed legislative or budgetary issues. The program also notifies state representatives of the Transportation Agency's position on issues of key importance to the agency.

PROJECT DELIVERY and PROGRAMMING

3.4.1 Cost Estimating/Engineering Services - Request for Qualifications - Myers

1. **APPROVE** the Cost Estimating/Engineering Scope of Services; and
2. **AUTHORIZE** staff to release a request for qualifications with the scope of work, score the received statements of qualifications, and conduct interviews as necessary.

The Transportation Agency is seeking qualified consultants to provide cost estimating and/or engineering services for various transportation projects for a two-year period on an "on-call" basis. Staff will return to the Board with a pre-qualified list of recommended consultants for approval.

RAIL PROGRAM

3.5.1 APPROVE allocation of Monterey Branch Line lease revenues for a busway study by the Monterey-Salinas Transit District. - Murillo

The Rail Policy Committee recommends the allocation of Monterey Branch Line lease revenues for a "Monterey Bay Feasibility Study of Bus Operations on State Route 1 Shoulders and in the Monterey Branch Line right-of-way."

REGIONAL DEVELOPMENT IMPACT FEE

3.6.1 ACCEPT the Regional Development Impact Fee Joint Powers Agency's audit report for fiscal year ending June 30, 2015. - Goel

The auditors found no instances of noncompliance that are required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

COMMITTEE MINUTES

3.7.1 ACCEPT minutes from Transportation Agency committees:

- Executive Committee – Draft January 6, 2016
- Bicycle & Pedestrian Facilities Advisory Committee - Draft January 6, 2016 (online at www.tamcmonterey.org)
- Technical Advisory Committee – Draft January 7, 2016 (online at www.tamcmonterey.org)
- Rail Policy Committee – Draft January 11, 2016

END OF CONSENT AGENDA

CORRESPONDENCE, REPORTS, MEDIA CLIPPINGS

Online at www.tamcmonterey.org

C1 January 27, 2016 memo to the Transportation Agency Board of Directors, from Debra L. Hale, Executive Director, regarding Cost / Benefit Analysis for Projects



Memorandum

To: Board of Directors
From: Rita Goel, Director of Finance & Administration
Meeting Date: January 27, 2016
Subject: **ELECTION OF 2016 OFFICERS**

RECOMMENDED ACTION:

1. **RECEIVE** report from Nominating Committee and **ELECT** Chair, 1st Vice Chair and 2nd Vice Chair of the Board, for the term beginning upon their election through the next election of officers at the beginning of the January 25, 2017 Board meeting; and,
2. **RECEIVE** report from Nominating Committee and **ELECT** members of the Executive Committee for the term beginning upon their election through the next election of officers at the beginning of the January 25, 2017 Board meeting.

SUMMARY:

Agency bylaws require the election of officers at the beginning of the Agency's January meeting. The Board officers consist of the Chair, 1st Vice Chair and 2nd Vice Chair. The Executive Committee includes the Chair, 1st Vice Chair, 2nd Vice Chair, the immediate past Chair, and a City and a County voting Board member.

FINANCIAL IMPACT:

None.

DISCUSSION:

At its December 2, 2015 meeting, the Board appointed Mayor Jerry Edelen, and Supervisor Parker to the Nominating Committee.


Current members of the Executive Committee are Kimbley Craig, Chair; Fernando Armenta, 1st Vice Chair; Alejandro Chavez, 2nd Vice Chair; Jane Parker, Past Chair; Dave Potter, County representative; and Robert Huitt, City representative.

The Nominating committee is recommending the following:

- Fernando Armenta, Chair
- Alejandro Chavez, 1st Vice Chair
- Dave Potter, 2nd Vice Chair
- Kimbley Craig, Past Chair
- John Phillips, County Representative
- Robert Huitt, City Representative

There will also be an opportunity for nominations from the floor.

Staff is asking the Board to elect the officers of the Board and members of the Executive Committee for 2016.

Approved by: 
Debra L. Hale, Executive Director

Date: January 6, 2016

Regular Agenda

Counsel Approval: N/A
Finance Approval: N/A



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Debra L. Hale, Executive Director
Meeting Date: January 27, 2016
Subject: **Employee of the quarter**

RECOMMENDED ACTION:

PRESENTATION of Transportation Agency Employee of the Quarter Mike Zeller.

SUMMARY:

Mike Zeller, Principal Transportation Planner has been selected by the employees of the Transportation Agency for Monterey County as the Employee of the Quarter for October 1st – December 31, 2015.

FINANCIAL IMPACT:

None.

DISCUSSION:

The Agency employees recognize Mike Zeller for being helpful in keeping staff computers functioning, for being the expert on AgendaPal software, and supporting the new “Paper-Lite” policy. Staff also recognizes him for his professionalism, diligence and most notably for his excellent work on the new TAMC website.

Approved by: 
Debra L. Hale, Executive Director

Date signed January 27, 2016

Regular Agenda

Attachment: Certificate of recognition for Mike Zeller

EMPLOYEE OF THE QUARTER

PRESENTED TO

Mike Zeller

It is hereby certified that Mike Zeller has been selected by the employees of the Transportation Agency for Monterey County as the Employee of the Quarter for October 1st – December 31, 2015.

The Agency employees recognize Mike Zeller for being helpful in keeping staff computers functioning, for being the expert on AgendaPal software, and supporting the new “Paper-Lite” policy. Staff also recognizes him for his professionalism, diligence and most notably for his excellent work on the new TAMC website.

On behalf of the Board of Directors of the Transportation Agency for Monterey County, it is our great pleasure to recognize Mike Zeller for his exemplary service.

The term of recognition is: October 1, 2015 – December 31, 2015.

Recognized By

Acknowledged By

*TAMC Chair
Fernando Armenta*

*Executive Director
Debra L. Hale*

Date: January 27, 2016



Memorandum

To: Board of Directors
From: Christina Watson, Principal Transportation Planner
Meeting Date: January 27, 2016
Subject: State Legislative Update

RECOMMENDED ACTION

RECEIVE state legislative update.

SUMMARY

Agency staff and legislative consultant John Arriaga of JEA & Associates will present an update on state transportation legislative issues, including a briefing on the Governor's draft budget and an alternative transportation proposal introduced the same week.

FINANCIAL IMPACT

The state is facing a huge transportation investment deficit, estimated at \$6 billion per year, just for basic maintenance and repairs to state highways, not counting any expansion of the transportation networks to support the state's expanding economy. New funding sources are being discussed by the Governor and Legislature to try to close that gap. Such funding would complement the Transportation Agency's proposed local transportation sales tax measure, and provide state funding to match the local investment in county roads, city streets and regional projects.

DISCUSSION

Governor Brown's Draft Budget

On January 7, 2016, Governor Brown announced his draft budget for fiscal year 2016-17. The budget reflects the Governor's transportation funding and reform package (first outlined in September) that would provide \$36 billion over the next decade to improve the maintenance of highways and roads, expand public transit, and improve critical trade routes.

The 10-year proposal includes annualized funding sources as follows:

- \$2 billion from a \$65 "Road Improvement Charge" levied on all vehicles;
- \$1 billion from raising and indexing the gas and diesel excise taxes;
- \$500 million in new cap and trade proceeds;
- \$100 million from cost saving reforms at Caltrans; and
- \$879 million in loan repayments from the General Fund (accelerated from the current 20-year repayment plan to be paid back in four years).

The budget allocates the transportation funding as follows:

- \$16.2 billion for highway repairs and maintenance;
- \$2.3 billion for trade corridors;
- \$13.5 billion for local roads; and
- \$4 billion for transit and intercity rail (minimum of 50% for disadvantaged communities).

Specific new allocations of these funds in the first year would be as follows:

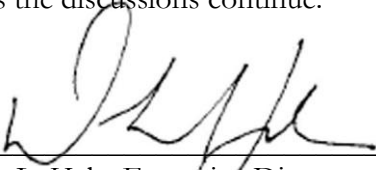
- \$342 million for local streets and roads;
- \$100 million for a new “Low Carbon Road Program” for local projects that encourage active transportation (minimum of 50% for disadvantaged communities);
- \$409 million for the Transit and Intercity Rail Capital Program (TIRCP) (minimum of 50% for disadvantaged communities);
- \$515 million for highway repairs and maintenance; and
- \$211 million for trade corridor improvements.

Starting in the second year, the proposal includes “local partnership grants” as a match for local funds at \$250 million annually. Other reforms proposed in the Governor’s budget include a California Environmental Quality Act (CEQA) exemption for “fix-it-first” projects within the existing road right-of-ways and an extension of the state’s public-private partnership authority to 2027. **Attachment 1** is the transportation section excerpted from the Governor’s budget summary (full summary available here: <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>).

Assembly Member Frazier’s proposal

On January 6, Assembly Transportation Committee Chair Jim Frazier introduced Assembly Bill (AB) 1591, which proposes \$7 billion annually for trade corridor improvements and road maintenance and rehabilitation projects, more than twice what the Governor is proposing. The funding would be generated by an increase in gas and diesel excise taxes, reclaiming weight fees from the general fund, repayment of loans, fees on electric vehicles and an increase of vehicle registration fees. A portion of cap and trade funds would go to goods movement and congestion relief. **Good news for aspiring “self-help” counties, 5% of the funds for road rehabilitation projects are dedicated off the top to counties that pass a new transportation sales tax after July 2016.** More details can be found in **Attachment 2**, the author’s bill fact sheet.

Hitting the ground running in the first week of the year, the debate over transportation revenues and expenditures is expected to heat up over the next few months. Agency staff and consultant will continue to stay abreast of the proposals and report back to the Executive Committee and Board of Directors as the discussions continue.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 11, 2016

Regular Agenda

Counsel Approval: N/A
Finance Approval: N/A

Attachments:

1. Transportation section from Governor’s Budget Summary 2016-17
2. Assembly Bill 1591: Transportation 18 ng

TRANSPORTATION

The Transportation Agency is responsible for developing and coordinating the policies and programs of the state's transportation entities to improve the mobility, safety, and environmental sustainability of the state's transportation system. The Agency consists of the following six state entities:

- Department of Transportation (Caltrans)
- California Transportation Commission
- High-Speed Rail Authority
- Department of Motor Vehicles
- California Highway Patrol
- Board of Pilot Commissioners

The Office of Traffic Safety operates within the Office of the Secretary for Transportation and the New Motor Vehicle Board operates within the Department of Motor Vehicles. The transportation area also includes the State Transit Assistance item, which supports local transit operators.

The Budget includes total funding of \$16.2 billion for all programs administered within the Agency. In addition, the Shared Revenues budget in the General Government

area allocates over \$1.4 billion in fuel excise tax to cities and counties for local streets and roads.

TRANSPORTATION INFRASTRUCTURE

California has a vast state transportation infrastructure, which includes 50,000 lane miles of state and federal highways, 304,000 miles of locally owned roads, operation of three of the top five Amtrak intercity rail services in the nation (nearly 900 miles of track), and numerous transit systems operated by 180 local transit agencies. Efficient operation of this vast network is a key component of the state's continued economic growth. The state's transportation infrastructure serves a large portion of the country's trade, with nearly 20 percent of the goods imported to the United States moving through California ports, highways, and railways.

The repair, maintenance, and efficient operation of the state's highway system are vital to California's economic growth. In addition, a recent transportation study found that Californians spend on average \$762 annually on vehicle repair costs due to poorly maintained roads. However, state funding has fallen dramatically below the levels needed to maintain the system. Annual maintenance and repair needs on the state's highway system are significantly more than can be funded within existing resources, with a current identified funding gap of almost \$6 billion annually.

To address these needs, the Legislature has convened a conference committee as part of the transportation special session and that work continues toward delivering a comprehensive transportation funding plan to address decades of deferred maintenance on state and local transportation facilities. The Administration remains hopeful the conference committee will adopt a funding package in 2016 that addresses the state's most urgent transportation needs and reflects the following principles:

- Focusing new revenue primarily on "fix-it-first" investments to repair neighborhood roads and state highways and bridges.
- Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy.
- Providing funding to match locally generated funds for high-priority transportation projects.

- Continuing measures to improve performance, accountability and efficiency at Caltrans.
- Investing in passenger rail and public transit modernization and improvement.
- Avoiding an impact on the precariously balanced General Fund.

As such, the Budget reflects the Governor's transportation funding and reform package, including reforms first outlined in September 2015. The package includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies and streamlined project delivery, accountability measures, and constitutional protections for the new revenues.

The Governor's package of revenues will be split evenly between state and local transportation priorities. The ten-year funding plan will provide a total of \$36 billion for transportation with an emphasis on repairing and maintaining the existing transportation infrastructure. It also includes a significant investment in public transit. Specifically, the proposal includes annualized resources as follows:

- Road Improvement Charge—\$2 billion from a new \$65 fee on all vehicles, including hybrids and electrics.
- Stabilize Gasoline Excise Tax—\$500 million by setting the gasoline excise tax beginning in 2017-18 at the historical average of 18 cents and eliminating the current annual adjustments. The broader gasoline tax would then be adjusted annually for inflation to maintain purchasing power.
- Diesel Excise Tax—\$500 million from an 11-cent increase in the diesel excise tax beginning in 2017-18. This tax would also be adjusted annually for inflation to maintain purchasing power.
- Cap and Trade—\$500 million in additional cap and trade proceeds.
- Caltrans Efficiencies—\$100 million in cost-saving reforms.

Additionally, the Budget includes a General Fund commitment to transportation by accelerating \$879 million in loan repayments over the next four years. These funds will support additional investments in the Transit and Intercity Rail Capital Program, trade corridor improvements, and repairs on local roads and the state highway system. Without this commitment, these funds would be paid back over the next 20 years.

TRANSPORTATION

Over the next ten years, the \$36 billion transportation package will provide \$16.2 billion for highway repairs and maintenance, and invest \$2.3 billion in the state's trade corridors. Local roads will receive more than \$13.5 billion in new funding. Transit and intercity rail will receive over \$4 billion in additional funding. Because the state's disadvantaged communities are often located in areas affected by poor air quality, a minimum of \$2 billion (50 percent) of these funds will be spent on projects that benefit these communities.

2016-17 SPENDING

For 2016-17, the Budget reflects partial first-year resources from the transportation package of over \$1.7 billion (including nearly \$1.6 billion from new revenues and \$173 million from loan repayments), which will be distributed as follows:

- Local Streets and Roads—An increase of \$342 million in Shared Revenues to be allocated by the Controller to cities and counties for local road maintenance according to existing statutory formulas. The Budget also includes an additional \$148 million from loan repayments to reimburse cities and counties for funds already spent on Traffic Congestion Relief Program projects.
- Low Carbon Road Program—\$100 million Cap and Trade for Caltrans to implement a new Low Carbon Road Program for local projects that encourage active transportation such as bicycling and walking, and other carbon-reducing road investments, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- Transit and Intercity Rail Capital Program—An increase of \$409 million Cap and Trade (also includes \$9 million from loan repayments) for transit capital investments that provide greenhouse gas reductions, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- Highway Repairs and Maintenance—An increase of \$515 million (\$5 million from loan repayments) for Caltrans to fund repairs and maintenance on the state highway system.
- Trade Corridor Improvements—An increase of \$211 million (\$11 million from loan repayments) for Caltrans to fund projects along the state's major trade corridors, providing ongoing funding for a program originally established with \$2 billion in one-time Proposition 1B bond funding.

See Figure TRN-01 for totals by investment category for 2016-17 as well as anticipated annualized expenditures.

Figure TRN-01
Governor's Transportation Package
(Dollars in Millions)

<i>Investment Category</i>	<i>Program</i>	<i>2016-17 Amount</i>	<i>Annualized Amount³</i>
Local Streets and Roads	Low Carbon Road Program	\$100	\$100
	Local Road Maintenance & Repairs ¹	\$490	\$1,010
	Local Partnership Grants ²	\$0	\$250
Transit	Transit Capital ¹	\$409	\$400
State Highway Repair and Maintenance	Pavement ¹	\$220	\$900
	Bridges and Culverts	\$155	\$500
	Traffic Management Systems	\$20	\$90
	Maintenance	\$120	\$120
Trade Corridors	Improved Goods Movement ¹	\$211	\$200
Total		\$1,725	\$3,570

¹ The 2016-17 totals include anticipated loan repayments.

² Provides up to \$250 million per year beginning in 2017-18.

³ Excludes one-time loan repayments totaling \$879 million.

PROJECT REFORMS AND CALTRANS EFFICIENCIES

The transportation package also includes the following reforms and efficiencies at Caltrans to streamline project delivery and advance projects more quickly:

- State Highway Performance Plan—Establish measurable targets for improvement including regular reporting to California Transportation Commission, the Legislature, and the public.
- Streamlined Project Delivery—Provide a limited California Environmental Quality Act (CEQA) exemption; remove the sunset date for the federal delegation of environmental reviews so they can be completed concurrent with the state review; advance project environmental mitigation to get early buy-in on activities and reduce late challenges that delay projects; and implement more innovative procurement methods, such as combining design and construction management elements to accelerate project delivery, commonly known as Construction Manager/General Contractor (CMGC) procurements.

TRANSPORTATION

- Staffing Flexibility—Permit Caltrans to deliver projects funded with new revenue by doubling contract staff over the next five years.
- Extend Public-Private Partnership Authority—Allow for these partnerships through 2027 by extending the current sunset date by ten years.

IMPROVING PERFORMANCE

The transportation package will improve performance of California's transportation system. A ten-year investment of the increased funding on state highways, bridges, and culverts—totaling over \$16 billion—will achieve measurable improvements for the state's network as outlined in Figure TRN-02. Across these categories, new funding directed to preventative maintenance would save up to \$5.8 billion in higher future costs.

Figure TRN-02
Ten-Year Highway Condition
With and Without the Governor's Transportation Package

Asset	Performance Target	Without New Investment	With New Investment
Pavement (50,000 lane miles)	90% Good Pavement	47% of pavement either needing preventative maintenance (30%) or already distressed (17%)	Additional 10,000 lane miles receive preventative maintenance and additional 3,000 lane miles rehabilitated, resulting in 90% good, not distressed
Bridges (13,100 bridges)	95% Good Condition	Distressed bridges increase by 90 bridges to 654 bridges	Additional 164 distressed bridges fixed, plus more functionally deficient bridges fixed, 200 more bridges repaired overall
Culverts (205,000 culverts)	80% Good Condition	78,000 culverts in poor or fair condition or 38%	37,000 additional culverts fixed, resulting in 80% in good condition
Traffic Management Systems (TMS) (48,850 elements)	90% Good Condition	10,000 TMS elements that are inoperable representing 20% of ramp meters, cameras, changeable message signs, and loop detectors	Additional 5,000 TMS elements fixed or rehabilitated, resulting in 90% in good condition
Maintenance (assets identified above)	90% - 95% Good Condition	Graffiti, litter, pothole repairs, and other indicators do not achieve performance targets	Pothole repairs, seal cracks, graffiti/ litter removal, and other indicators achieve performance targets at least 90% meeting the good performance target

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers, and protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. The Budget proposes \$1.1 billion, mostly from non-General Fund sources, and 8,324 positions to support DMV operations.

Significant Adjustments:

- Road Improvement Charge Billing—\$170,000 for DMV staff to make system changes to allow for the collection of the new Road Improvement Charge as part of the transportation package.
- Self-Service Terminals—\$8 million to expand DMV’s existing network of self-service terminals to increase public accessibility and provide additional transaction options. This is part of DMV’s continuing effort to identify opportunities for providing greater convenience, at reduced costs, while managing current and future workload demands.
- New Motor Voter Program—\$3.9 million General Fund to create an automatic voter registration process that is integrated with DMV’s driver license application and renewal process. The California New Motor Voter Program, authorized by Chapter 729, Statutes of 2015 (AB 1461), is intended to increase the number of registered voters in the state by automatically registering eligible individuals to vote when applying for or renewing a driver license unless the individual opts out.
- Green Decal Program—The “green decal” statutory cap of 85,000 was met in December 2015. This program allows transitional and partial zero-emission vehicle use of High Occupancy Vehicle (HOV) lanes as single-occupant vehicles. The Administration will propose trailer bill language to extend this program.

MOTOR VEHICLE ACCOUNT FEE INCREASE

The Motor Vehicle Account is the primary funding source for DMV and the California Highway Patrol (CHP). The Motor Vehicle Account receives an average of \$3.4 billion in revenues, primarily from annual vehicle registrations (\$2.3 billion) and driver license, identification cards, and other fees (\$1.1 billion). Over the next five years, annual expenditures are projected to be \$3.9 billion from the Account. The CHP will spend an average of about \$2.5 billion out of the Account, DMV about \$1.2 billion, and the Air Resources Board and other departments spend the remaining \$200 million. Therefore, the Account has an annual shortfall of about \$500 million.

TRANSPORTATION

Absent a fee increase, significant budgetary cuts would need to be made to the departments that spend out of the Account, such as reductions in the number of officers patrolling the state highways or closures of DMV field offices. To avoid these types of cuts, the Budget includes a \$10 increase in the vehicle registration fee to address this imbalance between operating costs and available revenues.

ASSEMBLY BILL 1591: TRANSPORTATION FUNDING

Assemblymember Jim Frazier

THE PROBLEM IN BRIEF:

California's transportation infrastructure is extremely underfunded, which has led to significant deferred maintenance and a lost opportunity on economic growth. The current resources are not sufficient to cover the most basic and crucial maintenance and repair of our core transportation infrastructure: state highways, local streets, roads, and bridges. Without increased funding today, the deferred maintenance will soon be too much for our state to catch up.

BACKGROUND:

2015 was supposed to be the year to fix transportation funding in the Capitol. The Governor declared a \$6 billion a year need for basic maintenance and repairs to state highways alone and challenged the Legislature to deliver a funding plan to meet that need. A special session was called, hearings were held, and proposals and counter-proposals were floated. Nonetheless, the call for more transportation funding went unanswered.

THE BILL:

AB 1591 answers the call for a long-term sustainable funding solution for transportation focused on relieving congestion, maintaining highways, and improving trade corridors. This bill provides nearly \$8 billion a year in additional transportation funding. It also provides clear direction as to how those funds will be used.

AB 1591 takes a broad portfolio approach to investing in our state's transportation infrastructure by:

- Increasing the excise tax on gasoline by 22.5 cents per gallon and indexing it against the Consumer Price Index every three years thereafter. Almost half of this amount (9.5 cents) will restore funding lost from declining tax revenues in just the last two years due to rate adjustments by the Board of Equalization.

Revenue raised from the gas tax increase (over \$3.3 billion annually) will be split 50/50 between the state and local transportation authorities for highway maintenance and rehabilitation, after setting a nominal portion aside to encourage state-local partnerships.

- Increasing the diesel fuel tax by 30 cents a gallon and indexing it, too. Revenue raised (\$840 million annually) will be directed right to where trucks need it most—the state's trade corridors.
- Increasing the vehicle registration fee by \$38 annually (just over 10 cents a day) and directing those funds (\$1.254 billion) to road maintenance and rehabilitation.

- Imposing an electric vehicle surcharge of \$165. Consideration will be given to delaying this fee until the second year of ownership and thereafter. Delaying this fee to the second year of ownership allows financial incentives offered at the purchase of such zero-emission vehicles to remain in full effect while ensuring they do their part to help pay for the system they travel on. The \$16 million raised will be directed to road maintenance and rehabilitation.
- Requiring repayment of outstanding transportation loans. Now that the General Fund is stable, it's time to pay these loans (\$879 million) back. Repayments will be sent directly to cities and counties to boost their road improvement efforts.
- Allocating cap and trade revenue auctions, as follows:
 - 20% (approximately \$400 million annually) for major freight corridors. Communities near our major freight corridors have borne the brunt of the nation's goods movement system. Improving congestion in these corridors will inherently improve air quality.
 - 10% (\$200 million) more for intercity rail and transit, for a total of 20% of the auction proceeds.
- Restoring the truck weight fees. Again, the General Fund is now stable. It's time for transportation dollars to go back to transportation. This restores \$1 billion to the State Highway Account where it belongs.

AB 1591 also includes greater oversight responsibilities for the California Transportation Commission over the state's roadway operation and rehabilitation efforts and imposes maintenance of effort requirements on cities and counties.

Finally, AB 1591 supports local communities and regional planning efforts to reduce greenhouse gas emissions. It provides the critical funding needed to implement sustainable communities' strategies.

FOR MORE INFORMATION

Janet Dawson
(916) 319-2093
Janet.Dawson@asm.ca.gov



Memorandum

To: Board of Directors

From: Theresa Wright, Community Outreach Coordinator/
Associate Transportation Planner

Meeting Date: January 27, 2016

Subject: **Transportation Investment Plan Poll**

RECOMMENDED ACTION:

RECEIVE a presentation by staff and EMC Research on the results of their December 2015 poll on the Transportation Investment Plan.

SUMMARY:

The Transportation Agency is seeking to become a “self-help” county by placing a Transportation Investment Plan measure on the ballot in November 2016. During the week of December 7, 2015, EMC Research conducted polling to gauge potential support for the transportation investment plan.

FINANCIAL IMPACT:

Funding for the poll is included in the Agency’s approved budget. If adopted, the transportation sales tax measure would raise approximately \$20 million, or \$600 million over a 30 year period. This funding would make a significant dent in the over \$1 billion in unmet road repair needs and the over \$1 billion in regional road safety and mobility project needs.

DISCUSSION:

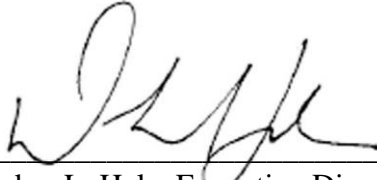
In May of 2015, The Agency’s Board of Directors authorized staff to implement a public outreach plan to inform the public about Monterey County transportation needs and the funding shortfall to address this need. Staff was also authorized to engage the public and identify what they felt were important transportation needs.

After months of public engagement, Agency staff presented the Transportation Agency Board of Directors an initial draft transportation plan with the needs identified by the community through

the outreach process. The Board of Directors approved that initial draft investment plan on December 2, 2015 and authorized its release for public review and discussion.

The public outreach effort is complemented by polling which provides statistically valid results to gauge the opinions of the broader public before the plan is finalized. On December 7-16, 2015, EMC Research conducted polling of likely voters to gauge their support for a transportation investment measure. Poll results indicate that 68% of Monterey County voters are initially supportive of a 2016 transportation sales tax measure that includes funding for road repairs, safety and mobility projects. EMC Research will provide a detailed presentation on the poll results at the January Board meeting.

Staff is continuing to collect comments and solicit input on the initial draft plan from the public, each city and the County of Monterey in January and February. Our work during this timeframe is to develop a plan that has broad consensus. After gathering their input, a final draft of the investment plan will be presented to the Agency's Board on February 27, 2016 for approval and release. Once released, the final investment plan must be adopted by a majority of the cities representing a majority of the population, and the County Board of Supervisors – these adoptions are currently scheduled for March and April. In June, the Transportation Agency will consider adopting ballot language and asking the County to place the measure on the November 2016 ballot. The deadline for placing the measure on the November 2016 ballot is early August, 2016.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 11, 2016

Regular Agenda

Counsel Approval: N/A
Admin/Finance Approval: N/A



Looking south at the new US 101 Crazy Horse Canyon Road Interchange in Monterey County

WINTER 2015

Caltrans District 5



District Director
Timothy Gubbins

Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability.

District Director's Report

A quarterly publication for our transportation partners



PIP Completion Celebration

Recently completing the US 101 Prunedale Improvement Project was cause for great celebration among all the transportation partners. The American Public Works Association-Monterey Bay Chapter also recognized the PIP as the *Project of the Year* for its safety benefits, innovative engineering, construction and strong local and state partnerships.

The \$225 million project provides safer access on US 101 and reduces congestion for up to 80,000 vehicles daily. The PIP upgraded nine miles of the highway. Major project features included: two new interchanges, an undercrossing and overcrossing, a realigned Echo Valley Road, and an additional lane to the San Miguel Canyon Road bridge. These grade-

separated crossings and continuous concrete median barrier eliminated all left turning movements across the lanes of US 101 in this segment.

Management changes at District 5



District Director Timothy Gubbins with his management team. From left to right: Gubbins; Sara Von Schwind; Steve Price; Julia Bolger, Administration; and Aileen Loe, Planning and Local Assistance.

District leadership changes are in place with Steve Price's recent retirement after serving 35 years with Caltrans.

Sara Von Schwind is now Interim Deputy District Director of Maintenance and Operations. She previously served two years as Deputy District Director of Program Project Management (PPM) with prior service in Program Management, Project

Control, Project Management and geotechnical engineering.

John Luchetta is now the Acting Deputy District Director of PPM. He served more than seven years as a project manager overseeing multiple projects to include the Highway 46 East major widening in San Luis Obispo County. He also served 15 years in Environmental Planning with some construction as well.

2014 Freight Plan completed



The completed 2014 *California Freight Mobility Plan* is now online. This plan will help address long-term freight funding, truck parking and intermodal connections—three main challenges for freight in District 5.

The plan features current conditions, future trends and major issues in goods movement across all modes and regions of the state. More information is available at:

<http://dot.ca.gov/hq/tpp/offices/ogm/cfmp.html>

Fish passage restored along Gaviota Coast

Caltrans has nearly completed a US 101 southbound culvert project restoring passage for Southern California steelhead trout migration in the Tajiguas Creek watershed along the Gaviota Coast in Santa Barbara County. The estimated \$160,000 project is a key element to recovering the endangered steelhead and ensuring their long-term self-sustaining wild populations—a main goal of the federal National Marine Fisheries Service's 2012 *Southern California Steelhead Recovery Plan*. Major project features included installing concrete drop weir structures, which control the water surface profile. The structures accommodate both juvenile and adult steelhead.

Safer mobility for all transportation users

The Caltrans 2014-2017 *Complete Streets Implementation Action Plan 2.0* is now online. This updated strategy addresses the safety and mobility needs for all transportation modes. The plan includes 109 actions to further institute complete streets into all Caltrans' functions and processes.

These include developing a State Bicycle and Pedestrian Plan, collecting complete streets data and performance measures, continuing to revise Caltrans' manuals for consistency and support, providing staff training, and supporting district complete street plans and partnerships. Caltrans will continue to provide updates as these new activities are implemented. More information is available at:

http://www.dot.ca.gov/hq/tpp/offices/ocp/complete_streets.html.

Caltrans' partners on this project included: California Department of Fish and Wildlife, U.S. Army Corps of Engineers, National Marine Fisheries Service, U.S. Fish and Wildlife Service, and the Central Coast Regional Water Quality Control Board.



Facing upstream, southbound US 101 culvert fish passage at Tajiguas Creek along the Gaviota Coast in Santa Barbara County.

Retired Caltrans employee recognized for Adopt-a-Highway service



Fred Brebes, Sr., retired Caltrans District 5 Maintenance Superintendent in Santa Maria, was recently recognized in the local media for his long-term volunteer service with the Adopt-a-Highway Program.

Caltrans appreciates Brebes, who served Caltrans 39 years, and his wife, Diane, who have removed litter in San Luis Obispo County since 1992.

Transit and rail program call for projects



A call for projects for the Transit and Intercity Rail Capital Program in February 2015 follows publication of the State Transportation Agency's final guidelines. Grant funding will be available for capital and operational improvements for the state's transit and rail (intercity, commuter and urban) systems that help reduce greenhouse gas emissions by decreasing vehicle miles traveled in California. More information is available at:

<http://www.dot.ca.gov/hq/MassTrans/tircp.html>.

Improvement Project online

The California Transportation Agency and Caltrans recently released the 2015 *Caltrans Improvement Project* Final Report online. In addressing the recent State Smart Transportation Initiative, Caltrans formed five new workgroups to improve performance and human resources, smart investments, strategic partnerships, innovation and risk, and communication.

The project details all of the activities and actions that have occurred as a result of the January 2014 SSTI Assessment, and demonstrates Caltrans responsiveness and flexibility to change.

A main accomplishment last year was adopting our new mission and vision, which laid the groundwork for a more transparent, accountable and sustainable agency. More information is available at: <http://www.dot.ca.gov/CIP/>.



PROJECT UPDATE – MONTEREY COUNTY

PREPARED FOR JANUARY 27, 2016 TRANSPORTATION AGENCY FOR MONTEREY COUNTY'S MEETING

CONSTRUCTION PROJECTS

	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Contractor	Comments
1.	Highway 1 Elephant Trunk Slide Permanent Restoration (1A7004)	On Highway 1 in northern San Luis Obispo County and southern Monterey County about 3 miles north of San Carpoforo Creek Bridge to Limekiln Creek (PM 73.7-74.0)	Construct a 1,000-foot-long retaining wall for permanent restoration and to stabilize settlement	Spring 2015 – Winter 2016/17	\$9.5 million	SHOPP	Caltrans	Lisa Lowerison (RS)	John Madonna Construction of San Luis Obispo, CA.	Daytime work only, consisting of one-way reversing traffic control.
2.	Highway 1 Cow Cliffs Viaduct (1F8904)	In Monterey County Near Lucia from 0.1 Mile South of Big Creek Bridge to 2.8 Miles South of Dolan Creek Bridge (PM 28.0-28.4)	Construct Viaduct	Summer 2015- Fall 2016	\$3.9 million	SHOPP	Caltrans	Ken Dostalek (TL)	RGW Construction Inc. Livermore, CA	Signal controlled one-way traffic control. 10-minute traffic holds for movement of equipment. A few full overnight closures starting in February, weather permitting.
3.	Highway 68 Salinas River Bridge Widening (0F700)	In Monterey County on Route 68 near Salinas from 0.2 mile East of Reservation Rd. undercrossing to Spreckels Blvd. undercrossing (PM R17.4/R18.0)	Bridge Widening	Spring 2016	\$9.8 million	SHOPP	Caltrans	David Rasmussen (PM)	-TBD-	Project is in process of being awarded. Construction expected in Spring 2016
4.	Route 68 East Hitchcock Road Signal (0T2704)	Along SR 68 near Salinas at Hitchcock Road (PM 19.2)	Install traffic signal	Summer 2015- Winter 2016	\$904,000	SHOPP	Caltrans	David Rasmussen (TL)	Granite Rock Construction, Watsonville	Project is approximately 80% complete.



PROJECT UPDATE – MONTEREY COUNTY

PREPARED FOR JANUARY 27, 2016 TRANSPORTATION AGENCY FOR MONTEREY COUNTY'S MEETING

CONSTRUCTION PROJECTS (Cont'd.)

	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Contractor	Comments
5.	Hwy. 101 South Greenfield Median Barrier (1E0604)	In and near Greenfield from Teague Ave. to Walnut Ave. OC (PM 47.7-53.9)	Concrete median barrier, inside shoulder widening and rumble strip	Spring 2016— Summer 2016	\$4, 475,000	SHOPP	Caltrans	Aaron Henkel (PM)	Granite Construction, Watsonville	Project currently in winter suspension until April and will take approximately three months to complete.
6.	Hwy. 101 Soledad CAPM (1F69U4)	In Monterey County North of Greenfield Overcrossing to North of Gonzales Overcrossing (PM 55.2-73.8)	Pavement Preservation	Spring 2016- Winter 2016	\$22.9 million	SHOPP	Caltrans	Aaron Henkel (PM)	Graniterock Construction Co. Watsonville, CA	Construction scheduled to begin in April
7.	Hwy. 101 Monterey to Marina CAPM (1A7604)	In Monterey County, from Sloat Avenue Undercrossing to South Marina Overhead (PM R77.56- R85.3)	Pavement Preservation (CAP M)	Fall 2015- Winter 2015	\$9.2 million	SHOPP	Caltrans	Richard Rosales (TL)	Granite Construction Co. Watsonville, CA	Contract was awarded on Aug. 12 and approved Sept. 3, 2015
8.	Hwy. 101/San Juan Road Interchange (31580_)	On Route 101 near Prunedale.4 mile south of Dunbarton Road in Mon. Co. (PM 100.0-101.3)	Construct new interchange at San Juan Road and US 101	Dec. 3, 2012- Summer 2016 (Timeframe includes Plant Establishment Work)	\$46.2 Million	STIP/CMI A/ARRA	Caltrans	David Silberberger (JW)	GCC/MCM A JV, Watsonville	The new interchange and related improvements were fully open to traffic on July 17, 2015. However, the project remains active due to a 1 year plant establishment process which is targeted to be completed by the Summer of 2016.



PROJECT UPDATE – MONTEREY COUNTY

PREPARED FOR JANUARY 27, 2016 TRANSPORTATION AGENCY FOR MONTEREY COUNTY'S MEETING

PROJECTS IN DEVELOPMENT									
	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Comments
9.	Highway 1 Paul's Slide Repair (0T850)	Near Lucia north of Limekiln Creek Bridge to south of Lucia (PM 21.6/22.1)	Widen Highway, Install Catchment	Fall 2019	\$16 million	SHOPP	Caltrans	Ken Dostalek (PM)	Project scope has changed from constructing a viaduct to installing a catchment and improving drainage. May require widening of highway and installation of retaining structures.
10.	Highway 1 Safety Upgrades: Hurricane Pt. to Rocky Creek Viaduct (1A000)	In Monterey County north of Big Sur south of Bixby Creek Bridge to south of Rocky Creek Bridge (PM 58.3/59.8)	Shoulder Widening, Guardrail Upgrades, Potential Retaining Wall	Summer 2019	\$5 million	SHOPP	Caltrans	Ken Dostalek (PM)	Project Development Team making concerted effort to minimize visual impacts. Formation of proposed Aesthetic Design Advisory Committee (ADAC) put on hold until visual impacts better assessed (target date around the time environmental phase in September of 2016).
11.	Highway 68 Pacific Grove Shoulder Widening (1C250)	In Monterey County, Pacific Grove to Scenic Drive (PM 1.6/L4.0)	Shoulder Widening, Rumble Strips, Guardrail	Spring 2021	\$2.5 million	SHOPP	Caltrans	David Rasmussen (PM)	Project is currently in environmental phase and it is expected to move to design phase in 2016.
12.	Highway 68 Pacific Grove Centerline Rumble Strip (1G450)	In Monterey County East of Piedmont Avenue to West of the JCT RTE 1/68 (PM1.6/L4.1)	Centerline Rumble Strip & OGAC	Summer 2018	\$1.7 million	SHOPP	Caltrans	David Rasmussen (PM)	Project is currently in environmental phase and it is expected to move to design phase in 2016.
13.	Highway 101 North Greenfield Median Barrier (1G380)	In Monterey County from just North of Walnut Avenue (53.9-57.1)	Median barrier and inside shoulder rumble strip with shoulder widening	Fall 2018	\$4.1 million	SHOPP	Caltrans	Aaron Henkel (PM)	Project is in design phase and will be ready to go to bid by 3/1/2017.



PROJECT UPDATE – MONTEREY COUNTY

PREPARED FOR JANUARY 27, 2016 TRANSPORTATION AGENCY FOR MONTEREY COUNTY'S MEETING

PROJECTS IN DEVELOPMENT (Cont'd.)

	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Comments
14.	Highway 156 Castroville Median Barrier (1F730)	In Monterey County in and near Castroville from junction of SR1 to Castroville (PM R0.1/R1.6)	Median Barrier and Rumble Strip	Summer 2016	\$900,000	SHOPP	Caltrans	David Silberberger (PM)	Project ready to go out for bid Winter 2016.
15.	Highway 156 West Corridor (31600)	On SR 156 btwn Castroville and Prunedale (PM R1.6-T5.2)	Construct new 4-lane divided freeway and new interchanges	Fall 2019-Fall 2023	\$264 million	STIP / Federal Demo	Caltrans	David Silberberger (PM)	The project team is now focusing their attention on delivering a Supplemental Environmental Impact Report (EIR) through a standard process, with Caltrans and TAMC partnering to produce the final document. This Supplemental EIR will provide important information regarding the feasibility of moving ahead with tolling as a source of revenue for this project.



A Year in Review - 2015 Highlights

Completed

- San Juan Road interchange - APWA Monterey Bay Chapter project of the year!
- Discussion Draft Transportation Investment plan, crafted with community leaders
- Marina to Salinas Multimodal Corridor Plan – improves bus transit, auto and bike travel
- Bikes Secure Program - new bike racks, skateboard racks and repair stations
- New TAMC website - Live as of Jan 19

Initiated

Highway 68 activities:

- Holman Highway 68 Roundabout at Pebble Beach – public outreach, employer trip reduction initiatives, construction prep, and interagency task force
- Pacific Grove Highway 68 Corridor Study - public meetings
- Monterey - Salinas SR 68 Scenic Highway plan, consultant selected

156 improvements: Level 2 Traffic and Revenue Study, consultant selected and work initiated

Rail to Salinas: Round 2 of Right-of-Way Acquisition, made offers

Active Transportation Projects:

- Via Salinas Valley – safety projects in Salinas, Gonzales, Soledad, Greenfield and King City
- Wayfinding plan for bicycle, pedestrian routes
- New bicycle/pedestrian map, Active Transportation Plan

National, Regional and Local Coordination

- APWA - Government Affairs Committee – monitored federal transportation issues
- Women in Transportation Seminar – formed Monterey Bay Program Committee
- Central Coast Coalition – held annual Sacramento Day, developed legislative platform, sent letters
- Aspiring Counties Coalition – worked w/other agencies seeking to become self-help counties
- Trail Planners Advisory Committee – formed to coordinate and exchange local information

TRANSPORTATION AGENCY FOR MONTEREY COUNTY (TAMC)
 SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
 MONTEREY COUNTY REGIONAL DEVELOPMENT IMPACT FEE
 JOINT POWERS AGENCY

Draft Minutes of December 2, 2015 TAMC Board Meeting

Held at the
 Agricultural Center Conference Room
 1428 Abbott Street, Salinas

TAMC BOARD MEMBERS	DEC 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUN 15	AUG 15	SEP 15	OCT 15	DEC 15
F. Armenta, Supr. Dist. 1- 1st Vice Chair (J. Martinez)	P	P	P(A)	P	P	P(A)	P	P	P	P	P(A)
J. Phillips, Supr. Dist. 2 (J. Stratton; C. Link)	P	P	P	P	P	P	P	P(A)	P	P	P(A)
S. Salinas, Supr. Dist. 3- (C. Lopez)	P	P	P(A)	P	P	P(A)	P	P	P	P	P(A)
J. Parker, Supr. Dist. 4- Past Chair (K. Markey)	P	P	P	P(A)	P(A)	P	P(A)	P(A)	P	P	P
D. Potter, Supr. Dist 5 (K. Lee ; J. Mohammadi)	P(A)	P	P(A)	P	P	P(A)	P(A)	P(A)	P	P	P(A)
J. Burnett, Carmel-by-the-Sea (V. Beach)	E	P	P(A)	P	P	P(A)	P	P(A)	P(A)	P	-
J. Edelen, Del Rey Oaks- (K. Clark)	E	P	P	P	P	P	P	E	P	P	P
M. Orozco, Gonzales (J. Lopez)	P	P	P	-	P	P	P(A)	P	P	P	P
J. Huerta, Greenfield (R. Rodriguez)	-	P	P	P	P	P	P	P	-	-	P(A)
B. Hendrickson, King City (M. Lebrarre)	E	P	P	-	P	P	E	P	P	P	P
B. Delgado, Marina (F. O'Connell)	P	P	P(A)	P(A)	P	P	-	P	P	P	P
E. Smith, Monterey (R. Deal)	P	P	P(A)	P	P	-	P	P	E	P	-
R. Huitt, Pacific Grove (C. Lucius)	P	P	P	P	P	P	P	P	P	P	P
K. Craig, Salinas- Chair (R. Russell, J. Serrano)	P(A)	P	P	P	P	P	P	E	P	P	P(A)
T. Bodem, Sand City (L. Gomez)	P	-	E	P	P	P	P	P	-	P	-
R. Rubio, Seaside (I. Oglesby)	P	P	P	P	P	P	P	P	P	P	P
A. Chavez, Soledad, - 2nd Vice Chair (F. Ledesma)	P	E	P	P	P	P	P	P	P	P	P
M. Twomey, AMBAG (H. Adamson)	P	P	P(A)	P(A)	P	P	P	P(A)	P(A)	P(A)	P(A)
T. Gubbins, Caltrans, Dist. 5 (A. Loe , C. Jones , J. Olenik , Rider)	P	P(A)	P(A)	P	P	P	P(A)	P(A)	P(A)	P(A)	P(A)
R. Stedman, Monterey Bay Unified Air Pollution Control District (A. Clymo, A. Romero)	-	P(A)	P(A)	P(A)	P(A)	P	-	-	P(A)	P	P
B. Sabo, Monterey Regional Airport	P	P	P	P	-	P	P	P	-	P	P
C. Sedoryk, MST (M. Hernandez , H. Harvath , L. Rheinheimer)	P(A)	P	P	P	P	P	P	P(A)	P	P	P(A)
E. Montesino, Watsonville (D. Dodge)	-	-	-	-	-	-	-	-	-	-	-

TAMC STAFF	DEC 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUN 15	AUG 15	SEP 15	OCT 15	DEC 15
D. Delfino, Finance Officer/Analyst	P	P	P	P	P	P	P	P	P	P	P
R. Goel, Dir. Finance & Administration	P	P	P	P	P	P	P	P	P	P	P
A. Green, Transportation Planner	P	P	P	P	P	P	P	P	P	P	P
G. Leonard, Transportation Planner	P	P	P	P	P	P	P	P	P	P	P
M. Montiel, Administrative Assistant	P	P	P	P	P	P	P	P	P	P	P
T. Muck, Deputy Executive Director	P	P	P	P	P	P	P	P	P	P	P
V. Murillo, Assistant Trans. Planner	P	P	P	P	P	P	P	P	P	P	P
H. Myers, Sr. Trans. Planning Engineer	P	P	P	P	P	P	P	P	P	P	P
K. Reimann, Legal Counsel	P	P	P	P	P	P	P	P	P	P	P
E. Rodriguez, Senior Admin. Assistant	P	P	P	E	P	P	P	P	P	P	P
L. Terry, Accountant Assistant	P	E	E	E	E	E	E	E	E	E	E
C. Watson, Principal Trans. Planner	P	P	P	E	P	P	E	E	P	P	P
M. Zeller, Senior Trans. Planner	P	P	P	E	P	P	P	P	P	P	P
T. Wright, Community Outreach	P	P	P	P	P	P	P	P	P	P	P

OTHERS PRESENT

Dell Matt	101 Bypass Committee	Eric Petersen	Salinas resident
Tim O'Halloran	City of Seaside	Leslie Llantero	City of Seaside
Alex Vasquez	Access Monterey Peninsula	Sam Teel	Monterey Co Hospitality Assn.
Mario Romo	Access Monterey Peninsula	John Arriaga	JEA & Associates
Meagan Edwards	Moxxy Marketing	Scott Waltz	FORTAG
Terry Feinberg	Moxxy Marketing	Kelly McClendon	Caltrans D5 Planning

1. **CALL TO ORDER**
 2nd Vice Chair Chavez called the meeting to order at 9:00 a.m., and led the pledge of allegiance.

- 1.1 **ADDITIONS OR CORRECTIONS TO THE AGENDA**
 None.

2. **PUBLIC COMMENTS**
 None.

-
3. **CONSENT AGENDA**
 M/S/C Parker/Huitt/unanimous
 The Board approved the consent agenda excluding item 3.2.1, as follows:

- M/S/C Parker/Delgado
 Noes: Stratton
 Item 3.2.1, was approved separately
 Board alternate Stratton pulled item 3.2.1, for comment.

ADMINISTRATION and BUDGET

- 3.1.1 Approved minutes of the Transportation Agency for Monterey County and the Joint Powers Agency for Monterey County meetings of October 28, 2015.
- 3.1.2 Accepted the list of checks written for October 2015 and credit card statements for the month of September 2015.

- 3.1.3 Received report on conferences attended by agency staff.
- 3.1.4 Approved calendar year 2016 schedule of meetings for Agency Board of Directors and Executive Committee.
- 3.1.5 Approved the hiring of an additional staff position to FY 15/16 budget; and Authorized the use of Service Authority for Freeway Emergencies funds for this purpose.
- 3.1.6 FY 2015/16 Overall Work Program and Budget Amendment No. 1,
- 3.1.7 Approved Resolution 2015-18 declaring as surplus selected furniture, equipment, and computers; and Authorized the Executive Director to dispose of the surplus property in accordance with the Disposition of Surplus Property Policy, paragraph 4.

BICYCLE, PEDESTRIAN, TRANSIT and SOCIAL SERVICES

- 3.2.1 Adopted the revised unmet transit needs process, and amended the Agency's Transportation Development Act Guidelines to include the revised unmet transit needs process.

Board alternate Stratton expressed concern that amending the unmet transit needs process could reduce the amount of funding available for local streets and roads in Monterey County. He noted that there are local and county roads that need repair. Director Hale replied that funding transit is the priority use of Transportation Development Act funds, and that TDA funds could be used for local streets and roads only if there are no unmet transit needs that are reasonable to meet. Director Hale noted that the Board adopted an unmet transit need finding in 2010 that allows Monterey-Salinas Transit to claim all available TDA funds to support public transit.
- 3.2.2 Released call for 2016 Bicycle Secure Program applications.
- 3.2.3 Approved appointments of Michael LeBarre representing King City and Lisa Rheinheimer representing Monterey-Salinas Transit to the Bicycle and Pedestrian Facilities Advisory Committee.

PLANNING

- 3.3.1 Authorized the Executive Director to execute contract Amendment #2 with Kittelson & Associates to extend the Term of the Agreement to June 30, 2016.
- 3.3.2 Regarding Monterey-Salinas Scenic Highway 68 Plan Contract:
 - 1. Authorized the Executive Director to execute an agreement not to exceed \$249,949 with Kittelson and Associates, Inc. to produce the Monterey-Salinas Scenic Highway 68 Plan;
 - 2. Authorized the use of federal, state and local funds budgeted to this project; and
 - 3. Authorized the Executive Director to make administrative changes to the agreement if such changes do not increase the Agency's net cost, subject to approval by Agency Counsel.
- 3.3.3 Regarding Monterey-Salinas Scenic Highway 68 Plan: Wildlife Connectivity Analysis Contract:
 - 1. Authorized the Executive Director to execute an agreement not to exceed \$52,980 with Pathways for Wildlife for the wildlife connectivity analysis for the Monterey-Salinas Scenic Highway 68 Plan;
 - 2. Authorized the use of federal, state and local funds budgeted to this project; and
 - 3. Authorized the Executive Director to make administrative changes to the agreement if such changes do not increase the Agency's net cost, subject to approval by Agency counsel.

3.3.4 Regarding Fort Ord Reuse Authority Fee Reallocation Update:

1. Authorized the Executive Director to execute an agreement not to exceed \$74,998 with Kimley-Horn to produce the Fort Ord Reuse Authority Fee Reallocation Update, pending Agency counsel approval;
2. Authorized the use of local funds budgeted to this project; and
3. Authorized the Executive Director to make administrative changes to the agreement if such changes do not increase the Agency's net cost, subject to approval by Agency counsel.

PROJECT DELIVERY and PROGRAMMING

No items this month.

RAIL PROGRAM

3.5.1 Received Final Program Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) and Record of Decision (ROD) on the Coast Corridor rail project.

3.5.2 Authorized the Executive Director to execute updated leases with Graniterock Company and Lithia Real Estate Inc.

REGIONAL DEVELOPMENT IMPACT FEE

No items this month.

COMMITTEE MINUTES

3.7.1 Accepted minutes from Transportation Agency committees:

- Executive Committee – Draft November 4, 2015
- Bicycle & Pedestrian Facilities Advisory Committee – Draft November 4, 2015
- Rail Policy Committee – Draft November 2, 2015
- Technical Advisory Committee – No meeting this month

4. 2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

M/S/C Huitt/Delgado/unanimous

The Board approved Resolution 2015-19 adopting the Monterey County 2016 Regional Transportation Improvement Program.

Mike Zeller, Senior Transportation Planner, reported that the Regional Transportation Improvement Program includes \$72.8 million for nine regionally-significant projects and Agency expenses for planning, programming and monitoring. The 2016 State Transportation Improvement Program fund estimate includes no new funding for the next five year cycle. Mr. Zeller noted that one of the 2016 projects, which may be delayed if state funding falls short, is the Castroville Bike and Pedestrian overcrossing.

5. TRANSPORTATION INVESTMENT MEASURE EXPENDITURE PLAN

M/S/C Parker/Huitt/unanimous

The Board received an update on the development of the Transportation Expenditure Plan; provided comments on the discussion draft Transportation Expenditure Plan; and authorized the release of the discussion draft Transportation Expenditure Plan for public review and comment.

Theresa Wright, Community Outreach Coordinator/Associate Transportation Planner, highlighted the list of projects in the draft plan. She noted that based upon TAMC analysis, safety priorities, and input from the Agency's Board of Directors and outreach efforts, a list of safety and improvement projects has been identified for an early discussion draft of a proposed Transportation Expenditure Plan, noting this is the first look at the projects have been identified.

Board Alternate Stratton asked if the share of local vs. regional funding couldn't be changed from a 50%/50% to a 60%/40% share. Board Alternate Deal stated that it should be noted that the local share is larger than 50% since two of the categories (Safe Routes to Schools and Downtown Walkability) are actually local programs. Board member Parker noted her support for the 50/50 split.

Board member Parker added that she thought it was a good regional project list, and asked to know the safety ranking of the back-up projects on the list; staff noted that the regional projects included eight of the top ten collision locations and two other locations were local roads. Board members Delgado and Parker asked that the project summary list the regional project cost in addition to the proposed allocation of funding.

Board member Rubio was concerned that the draft plan had not been included with the packet; staff replied that they wanted the Board to see the plan at the meeting before it was released for public discussion, which will occur over the next two months. Board member Rubio also expressed his concern with the \$25 million proposed for Recreation Trails and the Fort Ord Recreational Trail and Greenway, noting that he is not convinced it should be part of the Expenditure Plan. Board member Delgado responded that the plan should have a balance of motorized and non-motorized transportation, and added that the proposed funding will not cover the full cost of the trail. Board member Rubio made a proposal to allocate funding to the Eastside Parkway project. Staff noted that this project is listed as fully-funded in the Fort Ord Reuse Authority capital program.

Board member Huitt commented that he thinks the plan is remarkably well balanced, but understands Board member Rubio's concerns. Director Hale noted that the next steps are to take the list to the ad hoc and stakeholders group, and each of the City Councils, with the goal to revise it and bring it back to the Board for final approval in Feb

with any excess revenues. It was suggested that a list of back up projects could be developed, or any excess funding could be reserved for innovative, future projects whose need isn't known at this time.

Board member Delgado commented that the cities need to include a list of proposed projects to be paid for with the local road funding in their jurisdictions. Director Hale suggested that the cities and the county list their top three proposed repair projects. Board Ex-Officio Lisa Rheinheimer asked that the Commuter Bus category refer to "Salinas Valley" rather than "South County" bus facilities.

Board member Hendrickson noted that Soledad has more local funding than King City; staff replied that is due to the Soledad prison population which is counted as a "group home" with workers and visitors making trips on the roads. Board member Hendrickson added her opinion that the regional list doesn't have many projects in South County.

Public comment:

Dell Matt, 101 Bypass Committee concurred with Board member Rubio's comments. She noted that the roads in Prunedale are too narrow and the voters will not vote for recreation trails.

Eric Petersen, Salinas resident, stated that the cities need to specify the use of their local funding and if not the measure will lose votes. He concurred with the need for funding, stating that "we need to pass this or we're all in trouble".

6. LEGISLATIVE PROGRAM

M/S/C Delgado/Parker/unanimous

The Board received a state legislative update; reviewed and discussed the draft 2016 Legislative Program; and approved releasing the program to Committees for comment.

John Arriaga, JEA & Associates, reported on the state legislative program. He reported that the good news is that the state continues to operate with a surplus of approximately \$8-11 billion. Given the voter-approved rainy day fund, most of the surplus is likely to be set aside for future fluctuations in the state's resources. The Governor called a special session on transportation in June, acknowledging the estimated \$6 billion annual shortfall in transportation funding. Multiple proposals have been floated but nothing was adopted by the end of the year; the discussions will continue in early January. Staff presented the draft 2016 legislative program.

Ex-Officio Board Alternate Rheinheimer noted that MST would support changes to the definition of disadvantaged communities which is used to give priority for grants in the state's cap and trade program. Ex-Officio Board Member Stedman remarked that the Air District was also looking at changes to the data underlying the CalEnviroScreen tool which is currently being used to determine which communities are considered disadvantaged. Board Member Delgado noted that stormwater runoff was a hot topic and asked if the state was looking at new regulations or new funding sources to assist cities with compliance. Mr. Arriaga responded that the League of Cities was looking at this issue. Board Alternate Stratton asked for more information about the issue of the fully-protected Santa Cruz Long-Toed salamander. Mr. Arriaga replied that there was more work to do with the Administration before TAMC should seek legislation.

7. **MONTEREY REGIONAL AIRPORT MASTER PLAN**

The Board received a presentation from Airport Executive Director Michael La Pier.

Director La Pier reported that the Monterey Regional Airport Master Plan is being updated to evaluate the Airport's capabilities and role, to forecast future aviation demand, and to plan for new or expanded facilities that may be required to meet that demand. The Airport Master Plan will have a 20-year planning horizon and will be developed through a combination of professional and public involvement. The goal of the Airport Master Plan is to provide the framework needed to guide future airport development that will cost-effectively satisfy aviation demand, while considering potential environmental and socioeconomic issues. The Airport Master Plan will not include land use policies that would guide growth in the manner that a specific plan or general plan would provide, nor will it work in conjunction with any type of implementing regulations, such as a zoning ordinance. Rather, the Airport's Master Plan is essentially a facilities planning study that sets forth a conceptual framework for possible future airport development.

Director LaPier noted that the plan calls for improvements at Highway 68 and Olmsted Road, including consideration of a roundabout.

8. **REPORTS ON MEETINGS ATTENDED BY BOARD MEMBERS AT TRANSPORTATION AGENCY EXPENSE, AS REQUIRED BY STATE LAW**

Board member Edelen reported that he along with Director Hale, Deputy Executive Director Muck and Theresa Wright attended the Focus on the Future Conference on November 16th and 17th in Newport Beach. He thanked Director Hale for her outstanding performance on the Aspiring Counties general session panel. He found that the Conference's slogan, "promises made, promises kept", was very affective. He noted that to become a self-help county everyone needs to get involved to bring our communities on board. Overall he felt it was an outstanding conference.

9. **REPORTS FROM TRANSPORTATION PROVIDERS**

Caltrans – Brandy Rider, Caltrans, announced that the draft 2016 State Highway Operations and Protection Program (SHOPP) project list is available for review and discussion through December 15, 2015. She also reported that Caltrans is seeking input on the Interregional Transportation Improvement Program (ITIP) and comments are also due by December 15, 2015. In conclusion, Ms. Rider reported that Caltrans is making efforts to remove dead trees statewide.

Monterey Regional Airport District – Bill Sabo reported that there is no major planned airport growth at this time. He is pleased to announce the runway safety improvements have been completed. He encouraged the Board to *Fly Monterey*.

Monterey-Salinas Transit District – Lisa Rheinheimer, Director of Planning and Environment, reported that beginning on Saturday, December 5, 2015, all veterans will be eligible for MST's discount fare, noting this is the first new major initiative as a result of the passage of the 1/8% sales tax Measure Q.

Monterey Bay Unified Air Pollution Control District – No report this month.

11. EXECUTIVE DIRECTOR'S REPORT

Director Hale reported that the new 5-year federal transportation authorization bill passed and is waiting to be signed by the President. The legislation emphasizes a new freight funding program, and provides more funding for the Surface Transportation Program that TAMC allocates. The legislation also includes a pilot program allowing five states to use their environmental review process to substitute for the federal review process; in California this provision would allow the California Environmental Quality Act (CEQA) to substitute for the National Environmental Policy Act (NEPA). Staff will talk to Caltrans to encourage them to participate in the pilot program.

She announced the call for nominations for the 14th annual Transportation Agency Excellence awards to honor individuals, businesses, groups or projects for their efforts to improve the transportation system in Monterey County. The deadline for nominations is December 4, 2015. She also announced the availability of grants from TAMC's Bicycle Secure Program, which provides secure bicycle parking, lockers and racks; applications are due by February 4, 2016. In conclusion, Director Hale announced the TAMC office would be closed December 26th through 30th.

12. ANNOUNCEMENTS AND/OR COMMENTS FROM TRANSPORTATION AGENCY MEMBERS

None this month.

13. ADJOURNMENT

2nd Vice Chair Chavez adjourned the meeting at 11:12 a.m.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: David Delfino, Finance Officer / Analyst
Meeting Date: January 27, 2016
Subject: TAMC payments for the months of November and December 2015

RECOMMENDED ACTION

ACCEPT the list of checks written for November and December 2015 and credit card statements for the months of October and November 2015.

SUMMARY

The list of checks and copies of credit card statements are submitted to the Transportation Agency Board each month in accordance with the recommendation from the Transportation Agency's independent Certified Public Accountant to keep the Board informed about the Transportation Agency's financial transactions.

FINANCIAL IMPACT

The checks processed this period total \$ 610,775.14 which, included checks written for November and December 2015 and payments of the October and November 2015 Platinum Plus Credit Card statements.

DISCUSSION

During the months of November and December 2015 normal operating checks were written, as well as, a check for \$5,200.00 to Meyers, Nave, Riback, Silver and Wilson and two checks totaling \$13,955.00 to Overland, Pacific & Cutler, Inc. for right of way services regarding the purchase of real property for the Salinas Rail Extension Kick-Start Project, two checks totaling \$128,107.67 to HDR Engineering Inc. for engineering services for the Salinas Rail Extension Kick-Start Project, a check for \$82,185.89 to the California Department of Transportation for the Audit, two checks totaling \$6,000.00 to Moss, Levy and Hartzheim for the 2014/15 Financial Audit, a check for \$11,605.00 to Quality Traffic Data LLC for traffic counts and a check for \$244.80 to Pacific Municipal Consultants for website work.

Approved by:  Date signed: January 12, 2016
Debra L. Hale, Executive Director

Consent Agenda

Counsel Review: N/A

Financial Review: yes

Attachments: 1. List of checks written during the month of November and December 2015.
2. Platinum Plus Credit Card Statements for October and November 2015.

Transportation Agency for Monterey County (TAMC)
 Union Bank Operating Account
 November 30, 2015

DATE	ITEM NAME	CHECK	DEPOSIT	DESCRIPTION
11/02/2015	EFT CalPers Health Benefits	7,809.63		Employee Benefit
11/06/2015	16447 United Way of Monterey County	65.00		Employee Deduction - Charitable
11/06/2015	16448 AT & T (Carol Stream, Il.)	358.80		Telecommunications, Call Box - Phone Service and Rideshare
11/06/2015	16449 AT&T Wireless Services	48.02		SAFE Call Box - Phone Service
11/06/2015	16450 California Department of Transportation	82,185.89		Audit Reimbursement
11/06/2015	16451 California Highway Patrol	192.87		Freeway Service SAFE Call Box Program
11/06/2015	16452 California Towing and Transport	15,049.91		Freeway Service Patrol
11/06/2015	16453 CSMFO	220.00		Dues
11/06/2015	16454 De Lage Landen Financial Services	280.91		Office Copier Lease
11/06/2015	16455 Enterprise Rent-a-Car	58.08		Auto Rental
11/06/2015	16456 Monterey County Tax Collector	3,261.38		Property Taxes
11/06/2015	16457 Overland, Pacific & Cutler, Inc.	10,700.00		Right of Way Services for Salinas Rail Extension Kick-Start Project
11/06/2015	16458 Red Shift Internet Services	109.90		Internet Services
11/06/2015	16459 Tri-County Business Systems	581.72		Office Copier Expenses
11/06/2015	16460 Verizon Wireless	147.34		Call Box-Phone Service
11/06/2015	16461 VSP	166.60		Employee Benefits
11/06/2015	EFT Payroll	34,448.78		Payroll
11/06/2015	EFT Form 941	8,739.64		Payroll Taxes & Withholding
11/06/2015	EFT EDD	2,818.38		Payroll Taxes & Withholding
11/06/2015	EFT Pers Retirement	6,233.71		Employee Benefits
11/06/2015	EFT Pers Retirement PEPR	870.59		Employee Benefits
11/06/2015	EFT CalPERS	5,688.66		Employee Benefits
11/13/2015	16462 Access Monterey Peninsula, Inc. (AMP)	1,410.00		TV Video Services
11/13/2015	16463 Delta Dental	849.43		Employee Benefits
11/13/2015	16464 Moss, Levy & Hartzheim	1,000.00		TAMC Financial Audit
11/13/2015	16465 Overland, Pacific & Cutler, Inc.	3,255.00		Right of Way Services for Salinas Rail Extension Kick-Start Project
11/16/2015	DEP Portola Leasing, Marina Concrete and AllUs Credit Union		5,782.00	Railroad Right Way Rent
11/16/2015	DEP Saroyan, Jaguar, Wilson, Graniterock, P & S R/E and Lithia		14,930.50	Railroad Right Way Rent
11/16/2016	DEP City of Monterey		5,202.08	HWY 68 Roundabout Public Outreach Reimbursement
11/17/2015	EFT TAMC Monterey County Acct. 691		200,000.00	Funds Transfer from TAMC County Acct. 691
11/18/2015	EFT Debbie Hale	1,714.57		Expense Reimbursement for DC Trip
11/18/2015	EFT Theresa Wright	327.00		125 Plan Reimbursement
11/18/2015	EFT Christina Watson	275.10		WTS Leadership Conference
11/18/2015	EFT Dave Delfino	256.05		125 Plan and Travel Reimbursement
11/18/2015	EFT Rita Goel	518.29		Calperla and CalPERS Educational Forums
11/19/2015	16481 Oppidea, LLC	2,335.00		Accounting Services
11/20/2015	16466 Alvarez Technology Group, Inc.	1,481.08		Computer Support
11/20/2015	16467 Business Card	1,517.45		Supplies, Staff Travel & Professional
11/20/2015	16468 Case Systems Inc.	6,700.05		SAFE Call Box - Maintenance
11/20/2015	16469 CDS Net, LLC	437.30		Safe Call Boxes
11/20/2015	16470 Comcast	132.54		Telecommunications
11/20/2015	16471 Enterprise Rent-a-Car	72.01		Auto Rental
11/20/2015	16472 FedEx (Printing)	353.04		Agenda Printing
11/20/2015	16473 JEA & Associates	1,774.19		Legislative Consultants
11/20/2015	16474 Lincoln National Life Insurance Co.	588.28		Employee Benefits
11/20/2015	16475 Office Depot	758.84		Office Supplies
11/20/2015	16476 Peninsula Messenger LLC	250.00		Courier Service
11/20/2015	16477 PMC - Pacific Municipal Consultants	244.80		Website Services
11/20/2015	16478 Pure Water	64.20		Water
11/20/2015	16479 Quality Traffic Data LLC	11,605.00		Traffic Counts
11/20/2015	16480 United Way of Monterey County	65.00		Employee Deduction - Charitable

Transportation Agency for Monterey County (TAMC)
 Union Bank Operating Account
 November 30, 2015

DATE	ITEM NAME	CHECK	DEPOSIT	DESCRIPTION
11/20/2015 EFT	Payroll	34,008.93		Payroll
11/20/2015 EFT	Form 941	8,517.64		Payroll Taxes & Withholding
11/20/2015 EFT	EDD	2,737.53		Payroll Taxes & Withholding
11/20/2015 EFT	Pers Retirement	6,233.71		Employee Benefits
11/20/2015 EFT	Pers Retirement PEPRA	870.59		Employee Benefits
11/20/2015 EFT	CalPERS	5,688.66		Employee Benefits
11/25/2015 EFT	Union Bank	46.00		Bank Service Charges
11/27/2015 16482	Alta Planning + Design	6,855.25		Services for Wayfinding Plan for Monterey County
11/27/2015 16483	Clifford Moss	12,749.65		Public Outreach & Research for Transportation Improvements for Monterey Cty
11/27/2015 16484	Fedex (Postage)	65.71		Delivery Service
11/27/2015 16485	Plaza Circle, Ltd	7,793.80		Office Rent
11/27/2015 16486	Valero Marketing and Supply	59.63		Vehicle Costs
TOTAL		303,647.13	225,914.58	

Transportation Agency for Monterey County (TAMC)
 Union Bank Operating Account
 December 31, 2015

DATE	ITEM NAME	CHECK	DEPOSIT	DESCRIPTION
12/02/2015	EFT TAMC Monterey County Acct. 691		150,000.00	Funds Transfer from TAMC County Acct. 691
12/04/2015	16487 United Way of Monterey County	65.00		Employee Deduction - Charitable
12/04/2015	16488 AT&T Wireless Services	44.79		SAFE Call Box - Phone Service
12/04/2015	16489 Californian	421.60		Advertising RFP for FOR A Fee Update and HWY 68 Study
12/04/2015	16490 De Lage Landen Financial Services	280.91		Office Copier Lease
12/04/2015	16491 Shell	42.53		Auto Expense - Gasoline
12/04/2015	16492 Verizon Wireless	147.99		Call Box-Phone Service
12/04/2015	16493 VSP	166.60		Employee Benefits
12/04/2015	EFT CalPers Health Benefits	7,809.50		Employee Benefit
12/04/2015	EFT Payroll	34,255.92		Payroll
12/04/2015	EFT Form 941	8,650.08		Payroll Taxes & Withholding
12/04/2015	EFT EDD	2,785.45		Payroll Taxes & Withholding
12/04/2015	EFT Pers Retirement	6,233.71		Employee Benefits
12/04/2015	EFT Pers Retirement PEPRA	870.59		Employee Benefits
12/04/2015	EFT CalPERS	5,688.66		Employee Benefits
12/04/2015	EFT Christina Watson	581.71		Reimbursement for 125 Plan and TIRCP Workshop
12/04/2015	EFT Debbie Hale	495.85		Staff Development & Travel - Focus on the Future
12/09/2015	16508 Alejandro V Chavez	411.52		Board Member Stipend
12/09/2015	16509 Belinda T Hendrickson	182.90		Board Member Stipend
12/09/2015	16510 Bruce C Delgado	228.62		Board Member Stipend
12/09/2015	16511 Edwin D Smith	91.45		Board Member Stipend
12/09/2015	16512 Jerry B Edelen	137.18		Board Member Stipend
12/09/2015	16513 John P Huerta	45.72		Board Member Stipend
12/09/2015	16514 Kimbley J Craig	228.63		Board Member Stipend
12/09/2015	16515 Maria Orozco	182.90		Board Member Stipend
12/09/2015	16516 Ralph S Rubio	274.35		Board Member Stipend
12/09/2015	16517 Robert E Huitt	365.80		Board Member Stipend
12/09/2015	EFT Form 941	359.56		Payroll Taxes Withheld
12/09/2015	EFT EDD	63.45		Payroll Taxes Withheld
12/09/2015	EFT EDD	21.15		Payroll Taxes Withheld
12/09/2015	16518 Belinda Hendrickson	207.00		Board Member Mileage
12/09/2015	16519 Dave Potter	49.45		Board Member Mileage
12/09/2015	16520 Ed Smith	48.78		Board Member Mileage
12/09/2015	16521 Jerry B. Edelen	57.96		Board Member Mileage
12/09/2015	16522 Maria Orozco	71.30		Board Member Mileage
12/09/2015	16523 Ralph Rubio	41.40		Board Member Mileage
12/09/2015	16524 Robert Huitt	114.08		Board Member Mileage
12/09/2015	EFT Debbie Hale	187.54		Expense Reimbursement
12/09/2015	EFT Maria Montiel	77.28		Mileage Reimbursement
12/09/2015	EFT State of California		230,127.00	Freeway Service Patrol 15/16 Funding
12/10/2015	DEP Newton, Headrich, Jaguar, Wilson, Graniterock, Cardinale and Lithia		22,308.68	Railroad Right Way Rent
12/10/2015	DEP Marina Concrete and Portola Leasing		850.00	Railroad Right Way Rent
12/11/2015	16494 Alvarez Technology Group, Inc.	1,466.37		Computer Support
12/11/2015	16495 AT & T (Carol Stream, Il.)	6.19		Telephone Expense
12/11/2015	16496 Void	0.00		Void
12/11/2015	16497 Delta Dental	849.43		Employee Benefits
12/11/2015	16498 Enterprise Rent-a-Car	58.08		Auto Rental
12/11/2015	16499 HDR Engineering Inc.	126,559.29		Engineering Services Salinas Rail Extension Kick-Start Project

Transportation Agency for Monterey County (TAMC)
 Union Bank Operating Account
 December 31, 2015

DATE	ITEM NAME	CHECK	DEPOSIT	DESCRIPTION
12/11/2015	16500 JEA & Associates	2,083.33		Legislative Consultants
12/11/2015	16501 Meyers, Nave, Riback, Silver & Wilson	5,200.00		Right of Way Services for Salinas Rail Extension Kick-Start Project
12/11/2015	16502 Moss, Levy & Hartzheim	5,000.00		TAMC Financial Audit
12/11/2015	16503 Peninsula Messenger LLC	250.00		Courier Service
12/11/2015	16504 Pure Water	64.20		Water
12/11/2015	16505 Red Shift Internet Services	109.90		Internet Services
12/11/2015	16506 Costco Wholesale	198.42		Office and Meeting Supplies
12/11/2015	16507 HDR Engineering Inc.	1,548.38		Engineering Services Salinas Rail Extension Kick-Start Project
12/15/2015	EFT State of California		97,010.08	Rural Planning Funds - 1st Quarter 15/16
12/18/2015	16525 United Way of Monterey County	65.00		Employee Deduction - Charitable
12/18/2015	16526 AT & T (Carol Stream, Il.)	344.50		Telephone Expense
12/18/2015	16527 Business Card	1,464.42		Supplies, Staff Travel & Professional
12/18/2015	16528 Case Systems Inc.	6,700.05		SAFE Call Box - Maintenance
12/18/2015	16529 CDS Net, LLC	156.60		Safe Call Boxes
12/18/2015	16530 Comcast	132.54		Telecommunications
12/18/2015	16531 FedEx (Printing)	603.69		Agenda Printing
12/18/2015	16532 Monterey County Hospitality Assoc	475.00		Dues
12/18/2015	16533 Office of the County Counsel	10,140.29		Legal Services
12/18/2015	16534 Oppidea, LLC	2,335.00		Accounting Services
12/18/2015	16535 Plaza Circle, Ltd	7,793.80		Office Rent
12/18/2015	EFT Payroll	34,564.76		Payroll
12/18/2015	EFT Form 941	8,737.82		Payroll Taxes & Withholding
12/18/2015	EFT EDD	2,826.89		Payroll Taxes & Withholding
12/18/2015	EFT Pers Retirement	6,244.66		Employee Benefits
12/18/2015	EFT Pers Retirement PEPRA	870.59		Employee Benefits
12/18/2015	EFT CalPERS	5,697.42		Employee Benefits
12/21/2015	16536 Jerry B. Edelen	553.32		Reimbursed Travel for Focus On the Future
12/21/2015	ACH Debbie Hale	910.19		Reimbursement 125 Plan
12/21/2015	ACH Mike Zeller	696.62		Reimbursement for RTPA and CTC Meetings
12/21/2015	ACH Christina Watson	36.00		Reimbursement for Caltrans/WTS Mixer
12/21/2015	ACH Rita Goel	35.65		Mileage Reimbursement for CSMFO Meeting
12/21/2015	DEP Alliant Insurances Services		20.61	Insurance Refund
12/21/2015	DEP State of California		322.70	Payroll Tax Refund
12/21/2015	DEP Cardinale, Sparolini , P&S R/E and Giustinaini		9,321.88	Railroad Right Way Rent
12/21/2015	DEP AllUs Credit Union		4,932.00	Railroad Right Way Rent
12/22/2015	ACH Payroll	294.07		Payroll
12/18/2015	E-pay Form 941	14.03		Payroll Taxes Withheld
12/18/2015	E-pay EDD	1.60		Payroll Taxes Withheld
12/26/2014	EFT Union Bank	51.00		
TOTAL		307,128.01	514,892.95	

DD - Checks November and December 2015 Att. 2.



DEBRA L HALE

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October 05, 2015 - November 04, 2015

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Payment Information

New Balance Total \$298.22
Minimum Payment Due \$10.00
Payment Due Date 12/01/15

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a fee based on the outstanding balance:
\$19.00 for balance less than \$100.01
\$29.00 for balance less than \$1,000.01
\$39.00 for balance less than \$5,000.01
\$49.00 for balance greater than \$5,000.01

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

Account Summary

Previous Balance \$2,465.00
Payments and Other Credits -\$2,465.00
Balance Transfer Activity \$0.00
Cash Advance Activity \$0.00
Purchases and Other Charges \$298.22
Fees Charged \$0.00
Finance Charge \$0.00

New Balance Total \$298.22
Credit Limit \$5,000
Credit Available \$4,701.78
Statement Closing Date 11/04/15
Days in Billing Cycle 31

Transactions

Posting Date	Transaction Date	Description	Reference Number	Amount
10/26	10/23	Payments and Other Credits PAYMENT - THANK YOU TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD		- 2,465.00 -\$2,465.00
		Purchases and Other Charges		
10/08	10/07	NOB HILL #607 SALINAS CA	05530	125.07
10/19	10/16	DRI*PRINTING SERVICES 888-888-4211 CA		127.80
10/22	10/21	TURF CLUB CATERING AND SALINAS CA		45.35
		TOTAL PURCHASES AND OTHER CHARGES FOR THIS PERIOD		\$298.22

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DEBRA L HALE
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SALINAS, CA 93901-295274

Account Number
October 05, 2015 - November 04, 2015

New Balance Total \$298.22
Minimum Payment Due \$10.00
Payment Due Date 12/01/15

Enter payment amount

\$

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ELOUISE RODRIGUEZ

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Cardholder Statement

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For Lost or Stolen Card:
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Business Offers:
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Payment Information	
New Balance Total	\$1,219.23
Minimum Payment Due	\$12.19
Payment Due Date	12/01/15
Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a fee based on the outstanding balance: \$19.00 for balance less than \$100.01 \$29.00 for balance less than \$1,000.01 \$39.00 for balance less than \$5,000.01 \$49.00 for balance greater than \$5,000.01	
Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.	

Account Summary	
Previous Balance	\$240.04
Payments and Other Credits	-\$240.04
Balance Transfer Activity	\$0.00
Cash Advance Activity	\$0.00
Purchases and Other Charges	\$1,219.23
Fees Charged	\$0.00
Finance Charge	\$0.00
New Balance Total	\$1,219.23
Credit Limit	\$5,000
Credit Available	\$3,780.77
Statement Closing Date	11/04/15
Days in Billing Cycle	31

Transactions				
Posting Date	Transaction Date	Description	Reference Number	Amount
Payments and Other Credits				
10/26	10/23	PAYMENT - THANK YOU		- 240.04
TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD				-\$240.04
Purchases and Other Charges				
10/05	10/02	SMARTNFINAL43110404317 SALINAS CA		53.12
10/06	10/05	DELLA-ROSE DELI SALINAS CA		171.71
10/08	10/06	DEVICE MAGIC INC DURHAM NC		30.00
10/09	10/07	THE BAGEL CORNER SALINAS CA		20.50

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ELOUISE RODRIGUEZ
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ATTN DAVE DELFINO
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SALINAS, CA 93901-295274

Account Number: !
October 05, 2015 - November 04, 2015

New Balance Total \$1,219.23
Minimum Payment Due **\$12.19**
Payment Due Date 12/01/15

Enter payment amount

\$

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Transactions

Posting Date	Transaction Date	Description	Reference Number	Amount
10/19	10/16	MSFT * E02001F9MM	08006427676 NV	68.00
10/21	10/20	CAPIO	05309245444 CA	60.00
10/21	10/20	DREAMHOST DH-FEE.COM	877-8294070 CA	59.40
10/22	10/21	WAL-MART #2458	SALINAS CA	215.83
10/23	10/22	WM SUPERCENTER #5751	SALINAS CA	224.01
10/28	10/27	STARBUCKS #06629	SALIN Salinas CA	29.90
10/29	10/27	LUCKY #747	SALINAS CA	11.00
11/02	10/30	DELLA-ROSE DELI	SALINAS CA	217.70
11/02	10/30	SMARTNFINAL43110404317	SALINAS CA	46.40
11/04	11/02	LUCKY #747	SALINAS CA	11.66
TOTAL PURCHASES AND OTHER CHARGES FOR THIS PERIOD				\$1,219.23

Finance Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

	Annual Percentage Rate	Balance Subject to Interest Rate	Finance Charges by Transaction Type
PURCHASES	17.99%	\$0.00	\$0.00
CASH	24.24% V	\$0.00	\$0.00

V = Variable Rate (rate may vary), Promotional Balance = APR for limited time on specified transactions.

Important Messages

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1.509.353.6656, 24 Hours

For Lost or Stolen Card:
1.800.673.1044, 24 Hours

Business Offers:
www.bankofamerica.com/mybusinesscenter

Payment Information

New Balance Total \$1,384.42
Minimum Payment Due **\$13.84**
Payment Due Date 12/31/15

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a fee based on the outstanding balance:
\$19.00 for balance less than \$100.01
\$29.00 for balance less than \$1,000.01
\$39.00 for balance less than \$5,000.01
\$49.00 for balance greater than \$5,000.01

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

Account Summary

Previous Balance \$1,219.23
Payments and Other Credits -\$1,219.23
Balance Transfer Activity \$0.00
Cash Advance Activity \$0.00
Purchases and Other Charges \$1,384.42
Fees Charged **\$0.00**
Finance Charge **\$0.00**

New Balance Total \$1,384.42
Credit Limit \$5,000
Credit Available \$3,615.58
Statement Closing Date 12/04/15
Days in Billing Cycle 30

Transactions

Posting Date	Transaction Date	Description	Reference Number	Amount
		Payments and Other Credits		
12/01	11/30	PAYMENT - THANK YOU		- 1,219.23
		TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD		-\$1,219.23
		Purchases and Other Charges		
11/05	11/04	NOB HILL #607 SALINAS CA		131.85
11/06	11/04	THE BAGEL CORNER SALINAS CA		20.50
11/09	11/06	201 MAIN SALINAS CA		668.74
11/09	11/06	DEVICE MAGIC INC RALEIGH NC		30.00

Account Number:
November 05, 2015 - December 04, 2015

New Balance Total \$1,384.42
Minimum Payment Due **\$13.84**
Payment Due Date 12/31/15

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Transactions

Posting Date	Transaction Date	Description	Reference Number	Amount
11/17	11/16	MSFT * E02001IOHX	08006427676 NV	68.00
11/23	11/19	HYATT REGENCY NEWPORT NEWPORT BEACHCA Arr: 11/18/15 Dep: 11/19/15 Inv: 000005474		325.10
11/25	11/24	OFFICEMAX/OFFICE DEPOT SALINAS CA		110.33
12/02	12/01	STARBUCKS #06629 SALIN Salinas CA		29.90
TOTAL PURCHASES AND OTHER CHARGES FOR THIS PERIOD				\$1,384.42

Finance Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

	Annual Percentage Rate	Balance Subject to Interest Rate	Finance Charges by Transaction Type
PURCHASES	17.99%	\$0.00	\$0.00
CASH	24.24% V	\$0.00	\$0.00

V = Variable Rate (rate may vary), Promotional Balance = APR for limited time on specified transactions.

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Outside the U.S.:
1.509.353.6656, 24 Hours

For Lost or Stolen Card:
1.800.673.1044, 24 Hours

Business Offers:
www.bankofamerica.com/mybusinesscenter

Payment Information	
New Balance Total	\$80.00
Minimum Payment Due	\$10.00
Payment Due Date	12/31/15
Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a fee based on the outstanding balance: \$19.00 for balance less than \$100.01 \$29.00 for balance less than \$1,000.01 \$39.00 for balance less than \$5,000.01 \$49.00 for balance greater than \$5,000.01	
Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.	

Account Summary	
Previous Balance	\$298.22
Payments and Other Credits	-\$298.22
Balance Transfer Activity	\$0.00
Cash Advance Activity	\$0.00
Purchases and Other Charges	\$80.00
Fees Charged	\$0.00
Finance Charge	\$0.00
New Balance Total	\$80.00
Credit Limit	\$5,000
Credit Available	\$4,920.00
Statement Closing Date	12/04/15
Days in Billing Cycle	30

Transactions				
Posting Date	Transaction Date	Description	Reference Number	Amount
Payments and Other Credits				
12/01	11/30	PAYMENT - THANK YOU		- 298.22
TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD				-\$298.22
Purchases and Other Charges				
11/24	11/23	CALIFORNIA SOCIETY OF 916-2312137 CA		40.00
11/24	11/23	CALIFORNIA SOCIETY OF 916-2312137 CA		40.00
TOTAL PURCHASES AND OTHER CHARGES FOR THIS PERIOD				\$80.00

BUSINESS CARD
PO BOX 15796
WILMINGTON, DE 19886-5796

DEBRA L HALE
TAMC
ATTN DAVE DELFINO
55 PLAZA CIR STE B
SALINAS, CA 93901-295274

Account Number
November 05, 2015 - December 04, 2015

New Balance Total \$80.00
Minimum Payment Due \$10.00
Payment Due Date 12/31/15

Enter payment amount

\$

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Memorandum

To: Board of Directors
From: Todd Muck, AICP, Deputy Executive Director
Meeting Date: January 27, 2016
Subject: Conferences Attended by Agency Staff

RECOMMENDED ACTION:

RECEIVE report on conferences or trainings attended by agency staff.

SUMMARY:

Agency staff occasionally attends conferences or trainings at Agency expense that are pertinent to their roles in pursuing the Agency's mission. These events allow the staff to stay current and participate in the development of transportation practices and policies related to their roles.

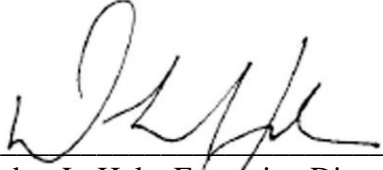
FINANCIAL IMPACT:

Expenses related to staff conferences are included in the Travel and Training item in the adopted Agency budget.

DISCUSSION:

November 15-17, 2015, Executive Director Debbie Hale, Deputy Executive Director Todd Muck, Community Outreach Coordinator Theresa Wright and TAMC Past Chair Jerry Edlen attended the annual Self-Help Counties Coalition conference, Focus on the Future, in Newport Beach. The conference emphasized networking with high-level decision-makers on funding and project priorities, developing strategies for outreach to the community, and learning about new technology and projects related to Monterey County priorities. A summary report on the conference is attached.

On September 17, September 18, October 16, November 5, and November 6, Principal Transportation Planner Christina Watson participated in San Francisco Women's Leadership Program. The leadership program is the first of its kind in the San Francisco Bay Area specifically developed by Woman's Transportation Seminar for women leaders in the transportation industry. Principal Planner Watson's summary on the training is attached.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 13, 2016

Consent Agenda

Counsel Approval: N/A
Finance Approval: N/A

Attachments: Summary Report Focus on the Future 2015
Summary Report for WTS Woman's Leadership Program



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Debra L. Hale, Executive Director
Meeting Date: January 27, 2016
Subject: Focus on the Future – Self Help Counties Conference

In order to help prepare for the development of our countywide Transportation Investment Plan effort, on November 15-17, 2015, four representatives from TAMC attended the annual Self-Help Counties Coalition conference, Focus on the Future, in Newport Beach. Attendees included the core staff team on the project – myself, Deputy Executive Director Muck and Community Outreach Coordinator Wright – and TAMC Past Chair Edelen. It was a very productive conference, with an emphasis on:

- Networking with high-level decision-makers on funding and project priorities;
- Developing strategies for outreach to the community; and,
- Learning about new technology and projects related to Monterey County priorities.

Sharing with, Learning from Others

I served on a panel of Aspiring Counties who discussed the challenges of reaching the 2/3 vote threshold, the contents of our sales tax measures, and exchanged ideas on how to best join the Self Help Counties Coalition. The audience included several consultant representatives who were interested in our efforts. We also heard from a panel and discussed with individual representatives of existing Self-Help Counties how to best structure our measure so that it provides good guarantees to the voters, but provides flexibility necessary to leverage matching funds and adapt to new technologies. Finally, the General Session included a presentation by AutoDesk which showed how new technology can help visualize land use developments and transportation projects to assist with decision-making and public outreach.

Networking

Federal Highway Administrator Greg Nadeau, Caltrans Director Malcolm Dougherty and Assembly Transportation Committee Chair Jim Frazier were among the transportation leaders who we heard from and had the chance to talk to. Our discussions emphasized our transportation needs, our desire for streamlined Federal and Caltrans processes and the need for enhanced state funding to match our anticipated local monies.

We also attended a session on Caltrans' efforts to streamline project delivery and shift from a culture of "standards" to a culture of "innovation", provided suggestions, and offered to participate in a pilot program to test their strategies.

Orange County Express Lanes Field Trip

Our TAMC team took a very informative field trip to visit the Orange County Highway 91 Express Lanes, a four-lane, 10-mile toll road built in the median of the Riverside Freeway (SR-91) between the Orange/Riverside County line and the Costa Mesa Freeway (SR-55). This toll road, in its 20th year of operation, is managed by the Orange County Transportation Authority, a public tolling authority with a governing body of appointed elected officials. Since the road was taken over by the public authority, it has been highly successful in meeting its goals:

- Provide customers a safe, reliable, predictable commute.
- Optimize throughput at free-flow speeds.
- Increase average vehicle occupancy.
- Balance capacity and demand, thereby serving both full-pay customers and carpoolers with three or more people who are offered discounted tolls.
- Generate sufficient revenue to sustain the financial viability of the 91 Express Lanes.

All revenues generated must be used in the corridor, for expenses including operations, capital improvements to the express lanes, and even expansion of the toll-free lanes. Last year, the facility raised \$39 million. Riverside County is now working to extend the express lanes into its county. Through this visit, TAMC established relationships that will allow us to utilize their knowledge in the design and evaluation of the potential for a similar facility to finance the construction of express lanes for Highway 156.

Outreach Strategies

Members of our team attended an excellent session on *Maintaining the Public Trust through Consistent Outreach and Engagement*. This session provided new ideas for the development of and education about our expenditure plan, as well as strategies for keeping the public informed and engaged after a measure is approved by the voters.

Conclusion

As always, this conference was very valuable, but most particularly this year given our efforts to become a self-help county.



Memorandum

To: Todd Muck, Deputy Executive Director
From: Christina Watson, Principal Transportation Planner
Meeting Date: January 27, 2016
Subject: **Women's Leadership Training**

I was honored to be selected for the second San Francisco Women's Leadership Program in fall 2015. The leadership program is the first of its kind in the San Francisco Bay Area specifically developed for women leaders in the transportation industry by WTS. I had the opportunity to learn from and network with industry leaders, develop leadership skills, and form close relationships with peers. The leadership program sessions took place on September 17, September 18, October 16, November 5, and November 6.

I have taken leadership classes in the past (I am a 2009 graduate of the Leadership Monterey Peninsula program), and found this one to be unique for its focus on the transportation industry and on women's perspectives. My classmates had varied levels of professional experience and came from both public and private sectors, and from all levels of the organizations, from planners to executives. This diversity informed the discussions and team coaching sessions.

The five-day course covered many topics, including:

- Values
- Resilience
- Emotional Intelligence
- Feedback
- Peer coaching
- Group dynamics
- Developing high-performance teams
- Leadership presence
- Body language
- Networking

In addition to the strong bonds I formed with my fellow classmates, and the potential for advancement in the WTS San Francisco Chapter (I am the Monterey Bay Programs Committee Chair), I feel that I will be able to translate several of the key lessons to the office. One lesson of particular interest was the "four-player model" described by David Kantor ("Reading the Room"), which we acted out and made some interesting discoveries.



Memorandum

To: Board of Directors
From: Rita Goel, Director of Finance & Administration
Meeting Date: January 27, 2016
Subject: ACCOUNTING & FINANCIAL POLICIES

RECOMMENDED ACTION:

APPROVE the *Accounting and Financial Policies and Procedures Manual*.

SUMMARY:

The Transportation Agency for Monterey County’s accounting and financial policies and procedures are outlined in this manual.

FINANCIAL IMPACT:

There is no direct financial impact of the proposed policies.

DISCUSSION:

The *Accounting & Financial Policies and Procedures Manual* contains the Agency’s accounting and financial policies covering issues such as Security, Accounts Payable Management, Credit Cards, Payroll, Cash Management, Property & Equipment, Financial Statements, Budgeting, Annual Audits, and Insurance.

While there is no direct financial impact of the proposed policies, they document, consolidate and clarify the Transportation Agency for Monterey County’s existing policies and procedures. Caltrans’s Incurred Cost Audit recommended that the Agency have written accounting and financial policies that are approved by the Board of Directors. Staff submitted a draft of the proposed policies to Caltrans in April 2015 for their review but has not received any comments. Staff is requesting that the Board approve the policies.

Approved by: _____ Date: December 14, 2015
 Debra L. Hale, Executive Director

Consent agenda _____ Counsel Review Yes

Web Attachment: *TAMC Accounting and Financial Policies and Procedures Manual*

Transportation Agency for Monterey County

**Accounting & Financial
Policies and Procedures Manual**

Adopted January 27, 2016

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INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures for the Transportation Agency for Monterey County, which shall be referred to as “TAMC” or “Agency” throughout this manual. The policies and procedures herein are intended to reflect current federal, state and local laws and regulations, and are subservient to such actual laws and regulations.

This manual shall document the financial operations of the Agency. Its primary purpose is to provide overall guidance, formalize accounting policies and selected procedures, and provide written policies to ensure that the Agency complies with financial management standards.

These financial management standards require accurate, current and complete disclosure of the results of its financial activities in accordance with the reporting requirements of all grants and sub grants. Accounting records will be maintained to identify the sources and uses of funds which will include awards and authorizations, obligations, unobligated balances, assets, liabilities, expenditures, and income. Accounting records will be supported by source documentation such as paid bills, payrolls, time and attendance records, contract and sub grant awards and other appropriate documents.

It also documents internal controls. Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Budgetary control will be maintained by the comparison of actual expenditures with budgeted amounts for each grant or sub grant. Financial information will be related to performance or productivity data whenever appropriate or specifically required in the grant agreement.

Applicable OMB cost principles and the funding terms and conditions will be followed by determining the reasonableness, allowability, and allocability of costs.

The contents of this manual have been approved as official policy of the Agency by the Board of Directors. All Agency staff is bound by the policies herein and any deviation from established policy is prohibited unless it is established that the policy conflicts with current law, regulations or procedures of the State or Federal government. Financial procedures will be reviewed as deemed necessary by the Executive Director or his/her designee.

GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Transportation Agency for Monterey County (Agency) is an independent association of local officials who have joined together to solve transportation problems throughout Monterey County. The Agency's Mission Statement is "Develop and maintain a multi-modal transportation system that enhances mobility, safety, access, environmental quality and economic activities in Monterey County". The legal authority for the Agency is found in California Government Code Title 7.89, Sections 67930 and 67931.

The Agency Board of Directors is comprised of five (5) members from the County of Monterey Board of Supervisors; and one (1) member each from the Cities of Salinas, Monterey, Carmel, Pacific Grove, Marina, Seaside, Sand City, Del Rey Oaks, Gonzales, Soledad, Greenfield and King City. In addition, there are six (6) Ex-Officio members from Association of Monterey Bay Area Governments, Caltrans, Monterey Salinas Transit, Monterey Regional Airport, Monterey Bay Unified Airport Pollution Control District and the City of Watsonville. The members shall be appointed by the member agencies. Each member agency designates at least one alternate.

The Agency is organized into a Board of Directors supported by the Executive Committee, the Technical Advisory Committee, Rail Policy Committee and Bike & Pedestrian Committee. The Agency staff includes an Executive Director; a Deputy Executive Director; a Director of Finance and Administration, a Finance Officer/ Analyst; four to six Transportation Planners; an engineer; and two and a half Administrative Assistants. The relationship between the Board, its staff and the committees is illustrated in Exhibit A and discussed in more detail below.

The Executive Committee is comprised of six (6) members of the Board of Directors. This committee reviews budget, overall work program, transportation plans and programs, state and federal legislative matters and other policy matters prior to action by the Board.

The Technical Advisory Committee (TAC) is comprised of one person representing each agency member including ex-officio members, and transportation providers in Monterey County. Additional members from organizations and jurisdictions not presently represented may be appointed by the agency. The Technical Advisory Committee advises the Agency Board on regional transportation improvement projects, transportation planning programs, and transportation funding programs.

The Rail Policy Committee is composed of Board members or their alternates from the following jurisdictions on the rail lines: Cities of Salinas, Marina, Sand City, Seaside, and Monterey, Supervisorial District 1, Supervisorial District 2, Supervisorial District 4, Supervisorial District 5 and South Monterey County, either the 3rd District County Supervisor or a voting Board member from one of the South Monterey County Cities. The Chair may appoint annually ex-officio members as needed. The Rail Policy Committee advises the Board on matters related to the establishment of passenger rail service in Monterey County.

The Citizens Advisory Committee for Bicycle and Pedestrian Facilities is composed of one representative from each city and supervisorial district. Additional members from organizations

and jurisdictions not presently represented may be appointed by the Agency. The purpose of the committee is to advocate bicycle and pedestrian travel as viable alternative means of transportation, and advise the Agency, its member agencies, and private development with respect to bicycle and pedestrian facilities and travel.

The Role of Board of Directors

The Agency is governed by its Board of Directors, which is responsible for the oversight of the Agency by:

1. Employment of the Executive Director
2. Establishing broad policies, including financial and personnel policies and procedures
3. Approving grant applications and amendments
4. Ongoing process of overall work program and budget development, approval, and review
5. Reviewing and approving the annual audit
6. Reviewing financial information
7. Identifying and proactively dealing with emerging issues and community needs
8. Reviewing the compensation of the Executive Director
9. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants
10. Reviewing operations and activities
11. Authorizing establishment of all bank accounts and check signers. The Executive Director shall be responsible for the day-to-day oversight and management of the Agency. The primary responsibility for the Agency's financial reporting, internal control and management rests with management, as overseen by the Board of Directors.

Documentation of Governing Board Meetings

Accurate minutes of all meetings of the Board of Directors will be prepared and retained by the Administrative Assistant, following all the applicable guidelines and procedures for meetings of the Agency. The Executive Director will receive and review a copy of all minutes of the Board of Directors. The Director of Finance and Administration will note all items in the minutes relating to financial matters and take appropriate action.

The Roles of the Executive Director and Staff

The Board of Directors jointly hires the Executive Director who reports directly to the Board. The Executive Director has responsibility for the day-to-day operations and activities of the Agency, including financial management. The Executive Director is responsible for hiring and evaluating the Deputy Executive Director, Director of Finance and Administration and other staff.

Current job descriptions will be maintained for all employees, indicating duties and responsibilities.

The lines of authority on the Agency Organizational Chart will be followed by all employees.

Organization Chart (See Exhibit A)

Responsibilities

The primary responsibilities of the Director of Finance and Administration and Finance Officer/Analyst consist of:

- General ledger
- Budgeting
- Cash and investment management
- Asset management
- Grants and contracts administration
- Purchasing
- Accounts receivable and billing
- Cash receipts
- Accounts payable
- Cash disbursements
- Payroll and benefits
- Financial statement processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with government reporting requirements
- Annual audit
- Leases
- Insurance

Standards for Financial Management Systems

In accordance with 2 CFR Part 200, Subpart E- Cost Principles, the Agency maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

1. Accurate, current, and complete disclosure of the financial results of each Federally, State and Locally sponsored project or program in accordance with the reporting requirements of 2 CFR Part 200 and/or the award.
2. Records that identify adequately the source and application of funds for Federally, State and locally-sponsored activities. These records shall contain information pertaining to awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest.
3. Effective control over and accountability for all funds, property, and other assets. The Agency shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award.
5. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal and State cost principles and the terms and conditions of the award. (See section on Charging of Costs to Awards in this manual)
6. Accounting records including cost accounting records that are supported by source documentation.

POLICY ON SUSPECTED FINANCIAL MISCONDUCT

Introduction

This policy communicates the actions to be taken for suspected financial misconduct committed, encountered, or observed by employees.

Like all organizations, the Agency faces many risks associated with fraud, abuse, and other forms of misconduct related to the Agency's financial rights and obligations. The impact of these acts, collectively referred to as misconduct throughout this policy, may include, but not be limited to:

- Financial losses and liabilities
- Loss of current and future revenue
- Negative publicity and damage to the Agency's good public image
- Loss of employees and difficulty in attracting new personnel
- Deterioration of employee morale
- Harm to relationships with vendors, bankers, and subcontractors
- Litigation and related costs of investigations, etc.

The Agency is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee at all levels of the Agency.

Definitions

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate this Agency financial policies
2. Fraud (see below)
3. Forgery or alteration of checks, bank drafts, documents or other records (including electronic records)
4. Destruction, alteration, mutilation, or concealment of any financial document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the Federal or State government or by the Agency in connection with this policy
5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Agency
6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel or other resources
7. Acts that violate federal, state, or local laws or regulations
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the Agency for personal use or gain.
9. Impropriety of the handling or reporting of money in financial transactions.
10. Failure to report known instances of financial misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

- Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Agency, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom the Agency has a business relationship)
- Intentional misstatements in the Agency's records, including intentional misstatements of accounting records or financial statements
- Authorizing or receiving payment for goods not received or services not performed
- Authorizing or receiving payments for hours not worked
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, receiving reports
- The manipulation or disregard of policies or provisions to secure a benefit for friends and family members.

The Agency prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers and others responsible for carrying out the Agency's activities.

Reporting Responsibilities

Every employee, officer, board member, committee member and volunteer is responsible for immediately reporting suspected misconduct to the Executive Director, or designee.

Whistleblower Protection

Notwithstanding the prior provision on reporting responsibilities, an employee may report allegations of financial misconduct to an appropriate state or federal agency.

The Agency will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the Agency or possible Agency of a Federal or State offense.

Investigative Responsibilities

The Executive Director has the primary responsibility for investigating suspected misconduct involving any employees. Due to the sensitive nature of suspected misconduct, supervisors and managers other than the Executive Director or his or her designee, should not, perform any investigative procedures.

The Board of Directors has the primary responsibility for investigating suspected misconduct involving the Executive Director, as well as board members and officers.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with the Agency.

In fulfilling its investigative responsibilities, the Executive Director and/or the Board shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc. (investigative team)

Members of the investigative team as authorized by the Board or Executive Director shall have access to all Agency records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

Protection of Financial Records

The Agency prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or government agency, or in relation to or contemplation of any such matter or case.

Employees that are in violation of this policy will be subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Financial Misconduct.

Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be by the Executive Director. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- Reprimand
- Probation
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Agency to follow any particular policy or procedure.

Confidentiality

Any employee, officer, or board member who suspects dishonest or fraudulent activity should notify the Executive Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see "Investigative Responsibilities" section above).

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

Any employee, officer, board member, committee member or volunteer who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Board, legal counsel or Executive Director. No information

concerning the status of an investigation will be given out. The proper response to any inquiry is “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Agency’s legal counsel or the Board.

Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Agency to aid in an investigation) or as otherwise required by law.

Nothing in this provision shall relieve or prevent the Agency from making appropriate disclosures in compliance with its audit responsibilities.

SECURITY

Access to Check Stock & Petty Cash

The Agency's blank check stock shall be kept locked. Access to this is restricted to the Finance Officer/Analyst and Director of Finance and Administration.

Petty cash is stored in a box locked with a combination code. The Accounting Clerk, Director of Finance and Administration and the Finance Officer/Analyst will be the only employees with the combination to the petty cash box.

Access to Electronically Stored Accounting Data

Access to the Agency's computers is password protected. Additionally, the Agency utilizes additional passwords to restrict access to accounting software and data. The Agency uses off the shelf software to record financial transactions. Only duly authorized personnel with data input responsibilities will be assigned passwords that allow access to the system and only for those modules that are required for them to perform their duties.

Accounting personnel are expected to keep their passwords secret and to change their passwords as necessary. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Storage of Back-Up Files

The Agency maintains back-up copies of electronic data files in a secure environment, both on-site and off-site with a cloud-based service. The Agency utilizes a Business Continuity Server Backup, which is comprised of a software and hardware solution that is installed at TAMC to allow real-time, image backup of the server so that in case of a catastrophic hardware failure that incapacitates the server for any length of time, the server can be rebuilt from previous backups. Access to backup files shall be limited to individuals authorized by management. Multiple copies of backups are kept so as to not overwrite the most recent backup. The Agency's backup monitoring ensures that the server-based backup system works as intended.

Storage of Sensitive Data

In addition to accounting and financial data, other sensitive data may be retained and stored. Therefore, the Agency:

1. Minimizes the storage of sensitive data outside the secure accounting and human resources file cabinets by shredding documents with such data or deleting the sensitive data from documents that are stored outside the accounting and human resources file cabinets whenever possible and in compliance with applicable law; and

2. Requires that all sensitive data that is stored in areas other than the secured accounting and human resources file cabinets be secured in other locked filing cabinets/offices.

Further, the Agency restricts access to sensitive data only to such individuals with a legitimate need for such access. The Agency also requires these individuals to claim any print jobs which contain sensitive information immediately upon printing.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all asset, liability, net position, revenue and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts. The general ledger is the foundation for the accumulation of data and production of reports. The Agency utilizes a double entry system of accounting for all funds so that information can be provided by cost objectives.

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue and expense.

The Agency's chart of accounts is generally comprised of the following accounts:

1. Assets
2. Liabilities
3. Net position (Fund Balances)
4. Revenues
5. Expenses

Distribution of Chart of Accounts

All Agency employees involved with account coding or budgetary responsibilities will have access to the most current chart of accounts.

Control of Chart of Accounts

The Director of Finance and Administration and the Finance Officer/Analyst monitor and control the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Director of Finance and Administration, who ensures that the chart of accounts is consistent with the Agency's structure and meets the needs of the Agency.

Account Definitions

Assets

Assets are probable future economic benefits obtained or controlled by the Agency as a result of past transactions or events. Assets are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets (property and equipment) are tangible assets with a useful life of more than one year that are acquired for use in the operation of the Agency and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable.

Other assets include long-term assets that are acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

Liabilities

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the Agency to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue (unearned revenue).

Long-Term liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

Net position (Fund Balance)

The Agency reports its fund balances in accordance with applicable Governmental Accounting Standards Board Statements as non-spendable, restricted, committed, assigned and unassigned. When resources are available to be spent from multiple constraint levels, the Agency's policy is to use the default approach by using the restricted balance first, committed second, assigned next and then unassigned.

A reserve equivalent to at least 50% (six months) of budgeted operating expenditures is set aside each fiscal year from the unassigned fund balance for cash flow purposes.

Revenues

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute the Agency's ongoing major or central operations. Revenues include grants received from government agencies, private foundations and corporations, and contributions received from donors.

Gains are increases in net position from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the Agency except those that result from revenues.

Losses are decreases in net position from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the Agency except those that result from expenses.

Gains or losses occur when the Agency sells a fixed asset or write-offs as worthless a fixed asset with remaining book value.

Expenses

Expenses are outflows or other activities using assets, or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute the Agency's ongoing major or central operations.

Fiscal Year of Agency

The Agency shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the Agency must be ratified by majority vote of the Agency's Board of Directors.

Accounting Estimates

The Agency utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment
2. Fair market values of investments
3. Allocations of certain indirect costs
4. Allocations of time/salaries

The Finance Officer/Analyst will reassess, review, and approve all estimates yearly. All key conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the external audit firm.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Nonrecurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accruals of recurring expenses
4. Amortization of deferred revenue (unearned revenue)

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal voucher.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

REVENUE

Revenue Recognition Policies

The Agency receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements in the following manner:

1. **Grant income** - Quarterly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).
2. **Lease revenues** –Recorded upon receipt
3. **Interest**- Recorded quarterly upon receipt of statements from account holders, such as the County of Monterey
4. **Donations**-Recorded upon receipt and used to offset expenditures for the appropriate activity for which the donation is made

Revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the Director of Finance and Administration and adjusted on the Agency's fiscal year end or the grant year end, as applicable.

ADMINISTRATION OF AWARDS

Definitions

The Agency may receive financial assistance from a grantor agency through the following basic types of agreements:

Grant: A financial assistance award given to the Agency to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the Agency agrees to provide services and the funder agrees to pay for them.

Cooperative Agreement: A legal agreement where the Agency implements a program with the direct involvement of the funder.

Notwithstanding these basic types of agreements, documentation of the receipt of assistance from another agency will be in some form of generic contract.

Compliance with Laws, Regulations and Provisions of Awards

The Agency recognizes that as a recipient of grant and public funds, the Agency is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Agency meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from an agency:

1. For each grant award, the Executive Director will be ultimately responsible for administering the award.
2. The Executive Director or Program/Project Manager shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award and understand the key compliance requirements and references to specific laws and regulations.
 - b. The Executive Director or Program/Project Manager will communicate grant requirements to those who will be responsible for carrying them out, or impacted by them.
3. The Program/Project Manager shall identify and communicate any special changes in policies and procedures necessitated by the awards as a result of the review of each award.
4. The Program/Project Manager shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the appropriate cost principles regulations, and communications with the awarding agency personnel.
5. The Program/Project Manager shall assure that originals of signed grants and contracts are filed in the Finance Officer/Analyst's office with copies going to the program/project manager.

6. The Director of Finance and Administration and Finance Officer/Analyst will assign appropriate general ledger account numbers for each new grant or contract.
7. The Program/Project Manager will work with the Finance Department to prepare reports, payment requests and /or invoices.
8. The Finance Officer/Analyst will maintain individual files containing originals of the grant/contract, any amendments, copies of relevant correspondence and reports of expenditures or billings.
9. The Director of Finance and Administration and/or the Finance Officer/Analyst shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants, as well as known instances of noncompliance with laws, regulations, or provisions of contracts and grants.

Close Out of Federal and Non-Federal Awards

The Agency shall follow the close out procedures described in 2 CFR Part 200 and in the grant agreements as specified by the granting agency. The Agency and all sub recipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement, unless prior approval is received from the granting agency.

BILLING/INVOICING POLICIES

Overview

The Agency's primary source of revenue is:

- Reimbursement (planning grants) – billed quarterly, or as funders require, based on allowed, incurred expenses

Responsibilities for Billing and Collection

The Agency's Finance Officer/Analyst and Director of Finance and Administration are responsible for the invoicing of funding sources and the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection policies are discussed in subsequent sections.)

Billing and Financial Reporting

The Agency strives to provide management, staff and funding sources with timely and accurate financial reports applicable to all awards. These reports shall include quarterly and cumulative expenditures, a project budget, and balance remaining.

The Agency shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Finance Officer/Analyst and Director of Finance and Administration.

The following policies shall apply to the preparation and submission of billings to agencies under awards made to the Agency:

1. The Agency will request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
4. All financial reports required by each award will be prepared and filed on a timely basis. To the extent the Agency's year-end audit results in adjustments to amounts previously reported to agencies, revised reports shall be prepared and filed in accordance with the terms of each award.

The Agency shall maintain separate billing records for each award in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a quarterly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of the Agency by the Finance Officer/Analyst or contract accountant.

If an award authorizes the payment of cash advances to the Agency, the Finance Officer/Analyst may request that such an advance be made. Upon receipt of a cash advance, the Agency shall reflect deferred revenue (unearned revenue) equal to the advance. As part of the periodic invoicing process, the deferred revenue (unearned revenue) shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Accounts Receivable Entry Policies

As much as possible, individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

CASH RECEIPTS

Overview

Cash (including checks payable to the Agency) is the most liquid asset the Agency has. Therefore, it is the objective of the Agency to establish and follow the strongest possible internal controls in this area.

Where applicable, wire fund transfers (Electronic Fund Transfers payments) shall be encouraged in order to expedite funds/receipt reimbursement. Money expected to be received including EFT's shall be set up as a receivable.

Processing of Checks and Cash Received in the Mail

The following procedures will be followed:

- All cash and checks received by mail shall be forwarded to the Finance Officer/Analyst, who will record the cash receipts in the Check & Cash Receipt Log and shall stamp the checks as "for deposit only".
- In the event that the Finance Officer/Analyst is absent or on leave, the Director of Finance and Administration shall record the cash receipts.
- The deposit permit and accompanying checks shall be prepared and taken to the County Treasurer or Bank by the Accounting Clerk or Finance Officer/Analyst. Funds not deposited shall be stored in a locked office and accessible only to accounting staff.
- The Finance Officer/Analyst shall record the deposit on the general ledger.

Timeliness of Bank Deposits

Deposits shall be made by the Accounting Clerk or Finance Officer/Analyst at least once a week.

GRANTS RECEIVABLE MANAGEMENT

Monitoring and Recognition

The Agency shall record grants receivable and income as follows:

1. Upon billing the granting agency, grants receivable and grants revenue shall be recorded in the financial management system. If a cash advance is received, the deferred revenues balance (unearned revenue balance) shall be reduced and grants revenues shall be recognized in an amount equal to the expenses incurred for that period.
2. As cash is received for expenses incurred, the grants receivable shall be reduced.
3. The accounts receivable shall be reviewed by the Director of Finance and Administration and/or Finance Officer/Analyst on a monthly basis to ensure that funds are received.

**POLICIES ASSOCIATED WITH EXPENDITURES AND
DISBURSEMENTS**

PROCUREMENT POLICIES AND PROCEDURES

**(Please refer to the Agency's Procurement Policies and Procedures
Manual.)**

LOBBYING

The Agency must comply with all government statutes relating to lobbying activities.

What is lobbying?

A lobby activity is any contact with an executive or legislative official with regard to governmental policy, action, legislation, programs including negotiation and administration of grants, contracts and loans. It includes urging others to make governmental contacts.

Lobbying does **not** include:

- Broad discussion of social, economic and other policy issues (cannot address merits of specific legislation).
- Monitoring legislative, regulatory or other activities (unless part of other lobby activity).
- Responding to a request from an executive agency or legislature for information, advice, recommendations or comment.

Federal Requirements:

As currently required by Section 1352, Title 31 of the U.S. Code, and implemented as 34 CFR Part 82, when entering into a grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Section 82.105 and 82.10, the Agency is required to certify that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Agency, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an office or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a federal or State grant or cooperative agreement, the Agency is required to complete and submit a Disclosure of Lobbying Activities form pursuant to 31 U.S.C. 1352.
3. The Agency shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts, under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

State Requirements:

4. If the Agency has incurred lobbying expenses, the Agency shall file Form 602-Lobbying form Registration with the California Fair Political Practices Commission at the beginning of each 2 year legislative session.
5. If the Agency has incurred \$2,500 in lobbying activity in a quarterly filing period, it shall electronically file Form 635-Report of Lobbyist Employer for that quarter and all subsequent

filing periods (regardless of the level of activity) with the California Fair Political Practices Commission.

CHARGING OF COSTS TO AWARDS

Overview

The Agency charges costs that are reasonable, allowable, and allocable to an award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to any awards.

Local funds shall be used for eligible expenses that are unallowable for state and federal expenses such as Board members stipend and travel expenses, food, lobbying or travel that exceeds state limits.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Employees shall be familiar with the allowability of costs provisions of 2 CFR Part 200, Subpart E- Cost Principles," particularly:
 - a. The list of specifically unallowable costs such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal or State agencies in order to be allowable, such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.
4. For each award, an appropriate set of general ledger accounts shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to an award or to activity associated with an award.

Criteria for Allowability

All costs shall meet the following criteria from 2 CFR Part 200, in order to be treated as allowable direct or indirect costs under an award:

1. The cost shall be "reasonable" for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Agency or the performance of the award;

- b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, federal and state laws and regulations, and the terms and conditions of the award;
 - c. Whether the individuals concerned acted with prudence in the circumstances;
 - d. Consistency with established policies and procedures of the Agency, deviations from which could unjustifiably increase the costs of the award.
2. The cost shall be "allocable" to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for an award;
 - b. The cost benefits both the award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Agency, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
 3. The cost shall conform to any limitations or exclusions of 2 CFR Part 200 or the award itself.
 4. Costs shall be consistently treated over time.
 5. The cost shall be determined in accordance with generally accepted accounting principles.
 6. Costs may not be included as a cost of any other financed program in the current or prior periods.
 7. The cost shall be adequately documented.

Direct Costs

Direct costs are costs that are incurred/performed primarily as a service to clients or the general public, when significant and necessary to the organization's mission. These costs are generally incurred for a specific objective and can be easily identified with a particular project (fund/contract) or activity. The Agency identifies and charges these costs exclusively to each award or program receiving the benefit.

Each invoice shall be coded with the appropriate account reflecting which program received direct benefit from the expenditure. Direct costs may be allocated as either program expenses or program coordination (administration). Invoices are approved by the appropriate project manager and reviewed by the Finance Officer/Analyst.

Time sheets or personnel activity reports are also submitted on a regular basis, reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions. See the Payroll section of this Policies and Procedures manual for detailed procedures.

Equipment purchased for exclusive use on an award and reimbursed by an agency shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated).

Indirect Costs

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular grant or program but are necessary to the operation of the organization. Indirect costs may be allocated to benefiting grants through the use of an indirect cost rate.

Indirect Cost Rate

The Agency maintains an annual indirect cost proposal. Each year a new indirect cost proposal is prepared and submitted with documentation to Caltrans, Division of External Audits, for approval. The indirect cost rate approved by Caltrans is used when determining the overhead applied to Federal and State awards.

Examples of the types of expenditures normally included in the indirect cost pool are:

1. General administration
2. Salaries and benefits of the executive officers, fiscal, human resources and administrative personnel
3. Depreciation of equipment and buildings
4. Office rent and maintenance
5. General office repairs and maintenance

These rates are submitted to the Agency's Cognizant Agency (Caltrans) and will be applied on other Federal and State agencies and their contracting officers unless specifically prohibited by statute.

The following costs are unallowable as part of the indirect cost base (administrative cost center):

- Interest
- Equipment of \$5,000 and greater except with prior approval
- Building improvements
- Building renovations

Accounting for Specific Elements of Cost

The Agency shall utilize the following methods of charging specific elements of cost to Federal and State awards as direct or indirect costs:

Salaries and Wages – Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet (or personnel activity sheet), as follows:

Direct costs – The majority of the employees of the Agency charge their time directly since their work is specifically identifiable to specific grants, programs or functions of the Agency.

Mixed charges – The following employees may charge their salary costs to both direct and indirect activities:

Executive Director
Deputy Executive Director
Director of Finance and Administration
Finance Officer/Analyst
Administrative Assistants

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The costs associated with compensated absences will be recorded as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits – The Agency incurs costs for the following statutory and non-statutory employee benefits:

- FICA
- Unemployment insurance
- Worker's compensation
- Health insurance
- Contributions to pension plan
- Accrued vacation fringe
- Other employee benefits as approved by the Board

The Agency will charge each such benefit cost directly and indirectly in the same proportion as salaries and wages.

Occupancy Expenses – Monthly rent expense and related pass-through expenses shall be allocated indirectly.

Utilities – Utilities costs include electricity and water. If applicable, such utilities costs shall be charged indirectly.

Supplies and Materials – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials. All supplies and materials used by staff that is engaged in indirect activities shall be charged indirectly.

Postage and Shipping – To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs.

Photocopying and Printing – Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost or depreciation expense of the copier. Photocopying costs shall be charged directly and indirectly based on the activity.

All printing costs are charged directly to the benefiting grant or program/function.

Communications – Communication costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet connections are charged indirectly.

Outside Services – The Agency incurs outside service costs for its annual audit, legal fees, etc. Outside service costs shall be charged as follows:

Audit fees – Cost of the financial statement audit and any preparation applicable reports shall be charged as a direct cost or an indirect cost.

Legal fees – Legal fees shall be charged directly to the program/work element that benefits from the services. Legal fees that are not identifiable with specific direct grants or work elements shall be charged indirectly.

Consultants – Costs associated with consultants shall be charged directly to the program/work element that benefits from the services. Fees that are not identifiable with specific direct grants or work elements shall be charged indirectly.

Insurance – To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or work elements (such as the Agency's general liability coverage) shall be charged indirectly.

Credits – The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

The above costs are typical examples of other expenses which may be used as a guide.

ACCOUNTS PAYABLE MANAGEMENT

Overview

The Agency strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the procurement decision through payment and check reconciliation. The following are general policies for accounts payable:

- Assets or expenses and the related liability are recorded by the Finance Officer/Analyst or Accounting Clerk.
- The vendor invoice shall be supported by an approved purchase order or procurement request where necessary prior to payment. The project/program manager shall review and approve the invoice for validating the work billed and provide the work element and funding source to be charged. The Finance Officer/Analyst reviews for math accuracy and funding source.
- The amounts recorded are based on the vendor invoice for the related goods or services.
- Invoices and related general ledger account codes are reviewed prior to posting to the accounting system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Recording of Accounts Payable

Accounts payable are processed weekly. Information is entered into the system from approved invoices or approved expenditures e.g. travel request authorizations with appropriate documentation attached.

Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Accounts Payable Cut-Off

In order to ensure that expenditures are charged to the proper grant period, if the invoice pertains to goods or services of a particular grant or contract that has ended, this time period may be extended up to ninety days. At the Agency's June 30 fiscal year end, this time frame is extended for sixty days to appropriately record all the Agency's expenditures and accounts payable liabilities.

Completed Purchase Orders

Payments for merchandise or services can be processed by submitting the following documents to the Accounting department:

1. Vendor invoice copy, signed and dated with the expenditure account number and description, if needed. Also include the purchase order number if any or procurement request.
2. Packing slips (where appropriate), signed and dated
3. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
4. Any other supporting documentation deemed appropriate

Occupancy Cost Procedures

Ongoing month-to-month services for costs such as rent, utilities, phone service, garbage disposal, alarm service, etc. shall be reviewed by the Finance Officer/Analyst.

Rent shall be paid based on the current lease contract agreement. It is the responsibility of the Finance Officer/Analyst or designee to maintain up-to-date agreements for all merchandise or services provided by contractual arrangements.

Processing of Accounts Payable

The following procedures shall be applied by the Finance Officer/Analyst:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order or procurement request, packing slip and receiving report.
3. Document the general ledger distribution, using the Agency's current chart of accounts.
4. Verify the proper accounting period, budget, allowability, allocability, and reasonableness.
5. Obtain the review and approval of the Director of Finance and Administration, or program/project manager associated with the goods or services purchased.

Payments and Discounts

Invoices shall be paid within vendor payment terms of invoice provided all documentation and approvals have been submitted to the Accounting department.

To the extent practical, the Agency takes advantage of all prompt payment discounts offered by vendors. When such discounts are available, and all required documentation in support of payment is available, payments shall be scheduled so as to take full advantage of the discounts.

Late Payment Fees, Penalties and Fines

In the unlikely event that the Agency is assessed any late payment fees, penalties, or fines, those are unallowable costs except when incurred as a result of compliance with specific provisions of

an award or instructions in writing from the awarding agency. The Finance Officer/Analyst shall first request that the vendor or imposing agency waive the fees, penalties or fines. If not waived, those costs should be charged to the unallowable cost fund and not to any grant funds.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs shall be made only upon the receipt of a properly approved and completed expense reimbursement form (see policies on Official Travel & Training-Employees” in the Administrative Policies of the Agency). All itemized required receipts must be attached, and a brief description of the business purpose of trip or meeting or meeting agenda must be noted on the form. The employee’s manager shall approve the employee expense report reimbursement request. The Executive Director shall approve the Deputy Executive Director and Director of Finance and Administration’s expense reports and the Deputy Executive Director or Director of Finance and Administration shall approve the Executive Director’s. The Executive Director shall approve Board member expense reimbursement requests. Expense reports will be processed for payment in the next vendor payment cycle.

Reconciliation of A/P Subsidiary Ledger to General Ledger

The total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences shall be investigated and adjustments made as necessary. The reconciliation and the results of the investigation of differences shall be performed by the Finance Officer/Analyst.

On a monthly basis, the Accounting Clerk shall check all statements received for unprocessed invoices.

Management of Accounts Payable Vendor Master File

Upon the receipt of an invoice from a new vendor that is not already in the Agency’s Accounts Payable Vendor Master File, the Accounting Clerk shall mail (or email) a Form W-9 to the vendor and request completion of the Form W-9, including the vendor’s full address and Federal employer identification number or social security number.

All vendor files shall include all of the following data from the vendor:

1. Vendor’s legal name and any DBA name(s)
2. Street address (payments may be mailed to a P.O. Box, but a street address should be in the file)
3. Federal employer identification number or social security number

TRAVEL AND TRAINING

(Please refer to the Agency's Administrative Policies on Official Travel & Training-Employees and Board Compensation & Expense Reimbursement)

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

The Agency prints vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent from those who initiate or approve expenditures, or those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with procurement, accounts payable, and travel and training policies of the Agency.
2. Timing of disbursements shall generally be made to take advantage of all early-payment discounts.
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation shall be attached to the corresponding check.
6. Checks shall be utilized in numerical order and unused checks shall be stored in a locked office.
7. Checks shall never be made payable to "bearer" or "cash."
8. Checks shall be signed and pre-numbered electronically while being printed, and shall provide an original and a stub.
9. After the preparation of a check, the Accounting Clerk shall record the check number and check date on the invoice and match the stub portion of the check with vendor invoices and other supporting documentation.
10. All paid invoices shall be filed alphabetically by vendor.

Check Signing

All checks of the Agency require two signatures. No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

The Agency Board of Directors has designated the Executive Director, the Deputy Executive Director, Director of Finance and Administration and the Agency Board Chair as having check signing authority.

All original supporting documentation shall be reviewed prior to the printing of the checks by the Accounting Clerk. On occasion, it may be necessary for the vendor to provide a copy of facsimile invoice which has been lost or misplaced. The Accounting Clerk shall exercise care to avoid duplicate payment or overpayment in these situations. The Finance Officer/Analyst shall verify that the check reflects the proper amount and time period(s), is charged to the appropriate general ledger codes. The Finance Officer/Analyst shall also review allowability, allocability, and reasonableness of the expenses. Checks shall not be authorized or signed if supporting documentation is missing or there are any questions about the accuracy or eligibility of the disbursement.

Voided Checks and Stop Payments

Checks may be voided due to processing errors. Voiding of a check shall consist of defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons as documented. Stop payments shall be processed by telephone instruction and written authorization to the bank by the Finance Officer/Analyst. Any related bank fees shall be recorded when the bank account is reconciled.

Recordkeeping Associated with Independent Contractors

The Accounting department shall obtain a completed Form W-9 from all vendors to whom payments are made (see "Accounts Payable Management" policies). A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year end. Payments to such vendors shall be accumulated over the course of a calendar year.

CREDIT CARDS

The Agency has authorized the Executive Director and Senior Administrative Assistant to have an agency credit card issued in his/her names for authorized Agency expenditures.

The following policies and procedures shall govern the use of purchasing or credit cards:

1. Upon approval of the vendor or credit card company, a card may be issued bearing the names of the authorized individual, both the individual and TAMC, or TAMC.
2. Purchasing/credit cards shall not be transferable between individuals without prior approval of the Executive Director.
3. The Executive Director may delegate transaction authority to the cardholder.
4. The purchasing individual shall be responsible to ensure credit card charges are accurate on the monthly statements.
5. All cardholders shall be given a copy of these policies and procedures and are required to sign acknowledgement of such.
6. Credit cards shall never be used to circumvent established competitive procurement procedures. All purchases shall be made in accordance with TAMC procurement policies.
7. Office/food purchases: such purchases shall be reserved for official Agency functions and committee meetings, with the exception of purchase of food during travel or out-of-office meetings as provided in the Administrative Policies on Official Travel and Training.
8. Cards shall be used in as provided in the Administrative Policies on Official Travel and Training in accordance with current state reimbursement limits unless there are mitigating circumstances as specified in the travel policies. Employee shall reimburse TAMC for the actual loss if the employee voluntarily chooses not to travel and does not inform the Executive Director or designee of that decision with adequate time to cancel or change the travel plans. No reimbursement is required where, upon approval of the Executive Director, an alternate employee or Board member assumes the original employee's place.
9. The credit card statements with account information deleted shall be included with the regular agenda packets to the Board.

Cardholder Liability

The purchasing/credit card is a corporate charge card which will not affect the cardholder's personal credit; however, it is the cardholder's responsibility to ensure that the card is used within stated guidelines of the purchasing/credit card policies as well as Agency policies and procedures relating to expenditures of Agency funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures that may include involuntary termination.

Cardholder Responsibilities

The cardholder must only use the credit card for legitimate business purposes such as TAMC related travel, food for committee meetings, office supplies and equipment. Misuse of the card, such as charging personal expenses, even if the intent is to reimburse the Agency later, is prohibited and will subject the cardholder to disciplinary action in accordance with Agency policies and procedures relating to progressive discipline, up to and including termination. The cardholder must:

1. Ensure the purchasing/credit card is only used for legitimate business purposes
2. Ensure that expenditures are budgeted
3. Maintain the purchasing/credit card in a secure location at all times
4. Not allow unauthorized individuals to use the purchasing/credit card
5. Adhere to the purchase limits and restrictions of the purchasing/credit card
6. If the issuer (e.g. Office Depot) requires a purchase order for authorization purposes, the cardholder is responsible for securing a purchase order
7. Obtain all itemized sales slips, register receipts, and/or purchasing/credit card slips and provide same to the Accounting Clerk for reconciliation, approval, and allocation of transactions. Purchases for meals must also include meeting agendas and business purpose
8. Attempt to resolve disputes or billing errors directly with the vendor and notify the Finance Officer/Analyst if the dispute or billing error is not satisfactorily resolved
9. Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent cardholder statement
10. Not accept cash in lieu of a credit to the purchasing/credit card account
11. Immediately report a lost or stolen card to the credit card issuer (24 hours a day, 365 days a year) and to the Finance Officer/Analyst during normal working hours. Failure to do so may result in making the cardholder responsible for any fraudulent use of the card
12. Surrender the purchasing/credit card to the Director of Finance and Administration upon terminating employment with the Agency or upon request of the finance department or supervisor. Use of the credit card for any purpose after an employee's separation from the Agency or after its surrender is prohibited

Cardholder Eligibility

The criteria to receive an Agency purchasing/credit card is as follows:

- Applicants must be an employee of the Agency
- Applicant's request for a purchasing/credit card must be approved by the Executive Director.
- Each individual cardholder must sign an acknowledgement of receipt of these policies and procedures.

The Agency has 2 general purpose credit cards. The Executive Director is issued one for incidental and travel expenses and the Senior Administrative Assistant has one for other staff travel or Board member arrangements or for incidental expenses such as meeting expenses and office supplies.

The Agency also has other vendor credit cards used for meeting expenses, office and miscellaneous supplies and gas.

Declines

Should the purchasing/credit card be declined by a vendor, the cardholder shall immediately contact the Finance Officer/Analyst for assistance. If the purchase is being made outside of the normal Agency business hours, the employee must find an alternate payment method or terminate the purchase and contact the Finance Officer/Analyst during normal business hours.

Documentation

The individual assigned to each purchasing/credit card will maintain the cardholder's vendor receipts/packing slips/charge slips until such time as they are reconciled for payment by the Accounting Clerk. Every month, the Accounting Clerk shall reconcile the statement from the credit card vendor detailing the expenditures that were charged to the Agency credit card. All back-up receipts must be attached. If documentation is missing, the Accounting Clerk shall contact the credit card holder to secure the missing documentation. The statement shall then be forwarded to the Finance Officer/Analyst for approval, accompanied by original supporting documentation for all charges. The Director of Finance and Administration, Executive Director or Deputy Executive Director shall also verify the supporting documentation and charges when approving the check to the credit card company. Documentation of meals, travel and training expenditures shall include all of the same elements as described in the separate policy on "Official Travel & Training-Employees and Board Compensation and Travel" (i.e., names of people involved, business purpose, etc.).

All other documentation concerning the purchasing/credit card program shall be maintained by the Finance Officer/Analyst. This documentation includes, but is not limited to, applications, cardholder agreements, Agency billing statements, reconciliation of accounting statements, and copies of transmittals, and correspondence with issuing companies.

Employee Credit Cards

Employees and officers incurring legitimate Agency business expenses may utilize their personal credit cards for such expenditures. If granted prior approval per official Agency policies, the Agency shall reimburse employees and Board members for properly supported and documented business expenditures charged to personal credit cards within the next vendor processing cycle upon the proper completion of an expense report. (See policies on Official Travel & Training-Employees and Board Compensation and Expense Reimbursement). Travel advances may be requested for expenses estimated to exceed \$100.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

Consistent with applicable law, the Agency considers all relevant facts and circumstances regarding the relationship between the Agency and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between the Agency and the individual. Facts that provide evidence of the degree of control and independence generally fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered in making employee/contractor determinations include:

1. Behavioral control:
 - a. Instructions given by the Agency to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - (1) When and where to work
 - (2) What tools or equipment to use
 - (3) What workers to hire or to assist with the work
 - (4) Where to purchase supplies and services
 - (5) What work must be performed by a specified individual
 - (6) What order or sequence to follow
 - b. Training provided by the Agency to the worker (i.e., employees typically are trained by their employer, whereas contractors typically provide their own training).
2. Financial control:
 - a. The extent to which the worker has unreimbursed business expenses (i.e., employees are more likely to be fully reimbursed for their expenses than is a contractor).
 - b. The extent of the worker's investment in the facilities/assets used in performing services for the Agency (greater investment associated with contractors).
 - c. The extent to which the worker makes services available to the relevant market.
 - d. How the Agency pays the worker (i.e., guaranteed regular wage for employees vs. flat fee paid to some contractors).
 - e. The extent to which the worker can realize a profit or loss.
3. Type of relationship between worker and Agency:
 - a. Written contracts describing the relationship that the Agency and the individual intend to create.
 - b. Whether the Agency provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship.
 - d. The extent to which services performed by the worker are a key aspect of the regular business of the Agency.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from “compensation” are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Agency personnel policies shall be obtained. The financial and accounting policies described in the remainder of this section shall apply to all workers classified as employees.

General

The Board of Directors hires or terminates the Executive Director. The Executive Director approves the hiring/termination of all other employees.

Wages and Compensation

The Agency’s Board of Directors has authorized delegation of the human resources and the classification procedures to the Executive Director. The Executive Director is responsible for the overall coordination, review, and control of the Agency’s compensation classification plan. The Agency will comply with all state and federal laws, Agency policies and procedures, as well as the standards, guidelines, practices, and requirements that may be specified in any grants. The Agency will perform wage comparability studies as needed to ensure the salary and wage structure is similar to other agencies of like size and employee base on the Central Coast and Greater San Francisco Bay area.

Payroll Administration

The Agency operates on a bi-weekly payroll for its regular employees. A personnel file is established and maintained for all employees with current documentation, as described throughout this section. The Director of Finance and Administration is responsible for ensuring that all employees complete the appropriate paperwork applicable to payroll and the personnel files.

Stipend paid to Board member is reported as wages and a W-2 is issued at the end of the year.

Changes in Payroll Data

All of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the Executive Director.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee. An employee may request in writing to have his/her paycheck electronically deposited to an account in a financial institution of the employee's choice.

Documentation of all changes in payroll data shall be maintained in each employee's personnel or payroll file.

Payroll Taxes

The Finance Officer/Analyst is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Finance Officer/Analyst or contract consultant process the payroll.

The Finance Officer/Analyst or contract consultant shall prepare and process the appropriate payroll tax deposits and related payroll deductions based on the payroll register. The Finance Officer/Analyst will approve the check requests and payroll tax amounts.

Withholding of Federal income taxes shall be based on the most current Form W-4 prepared by each employee. The current Form W-4 will be utilized for state income tax withholding unless the employee has completed the appropriate California state withholding documentation.

Personnel Activity Reports

The Agency follows the guidelines in 2 CFR Part 200, as well as requirements in specific grants. Therefore, salaries and wages charged to grants will be supported as follows:

1. Charges will be based on documented payrolls approved by responsible officials of the Agency.
2. Every staff member whose compensation is charged, in whole or in part, directly or indirectly to grant awards or contracts, will complete timesheets that account for the total activity for which the employee is compensated.
3. The timesheets will reflect an after-the-fact determination of the actual activity of each employee. Budget estimates will not be used as support for charges to awards.
4. The timesheets must be signed by the individual employee or by a responsible supervisor who has first-hand knowledge of the activities performed by the employee.
5. The timesheets will be prepared on a weekly basis.

Preparation of Timesheets

Each Agency employee must submit to the Administrative Assistant a signed timesheet no later than 5:00 p.m. at the end of each week. The deadline may be adjusted as necessary for holiday schedules. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties).
2. Timesheets shall be prepared in ink (or electronically).
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change.
4. Employees shall identify and record hours worked by work element based on the nature of the work performed;
5. Compensated absences (vacation, holiday, sick leave, etc.) shall be clearly identified as such;
6. Nonexempt employees shall report overtime worked to the nearest tenth of an hour.
7. Exempt employees shall use accrued leave to cover an absence from work, where the absence is greater than two hours or greater than a full workday.
8. Timesheets shall be signed by the employee prior to submission to his/her supervisor.
9. The timesheet shall be reviewed and approved by the supervisor. In the event the supervisor is absent, the employee shall obtain the approval of another manager.

The Deputy Executive Director or Director of Finance and Administration shall review and sign the timesheet of the Executive Director. Corrections identified by an employee's supervisor shall be authorized by the employee. Any changes/corrections shall be initialed by the employee and supervisor.

An Agency employee who is on leave, traveling, or is ill on the day that timesheets are due may telephone or email timesheet information (actual time worked and the appropriate classifications) to his or her supervisor (or designated alternate). Timesheets submitted in this manner shall bear an appropriate notation. The timesheet shall be signed by the supervisor or another manager.

Processing of Timesheets

The Finance Officer/Analyst or authorized consultant will process the timesheets by checking them for mathematical accuracy, then entering all timesheets into the in-house payroll system. Incomplete time sheets signed by the employee and approved by the supervisor will be returned to the employee for corrections and then processed.

The Finance Officer/Analyst or authorized consultant shall not change or correct timesheets. However, the Finance Officer/Analyst or authorized consultant is not permitted to pay out more vacation, sick leave or administrative leave than the employee has accrued. The employee shall be notified of any errors and requested to make corrections.

POLICIES PERTAINING TO SPECIFIC ASSET ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

Agency Fund (County Pool):

This is an interest-bearing account that is included in the County of Monterey investment pool.

Transfers from this account into the General Expense Account are initiated by the Finance Officer/Analyst and approved by the Executive Director.

All advances of funds, if any, shall be deposited in this interest-bearing account. Interest earned on such funds will be allocated to the project(s) or program(s) for which the grant, Federal or non-Federal was obtained.

General Expense Account:

This account provides for the operational expenses, including payroll, of the Agency and is maintained at a federally insured bank. On a monthly basis or as needed, staff shall request a transfer from the Agency Fund in the County of Monterey investment pool to the General Expense account in an amount sufficient to cover expenses for the period. State wire transfers are also deposited into this account.

Certificate of Deposit Account:

The Agency may maintain Certificate of Deposit accounts with a federally insured bank E.g As required by a Consultant/User/Public Agency Deposit Obligation with the Association of the Monterey Bay Area Governments.

Trust Funds

The Agency may have and maintain trust accounts under its jurisdiction. All such trust accounts shall be maintained with the County of Monterey. Separate accounts exist for each trust fund. State and local wire transfers for each trust fund are also deposited into the respective trust fund account such as the Local Transportation Fund.

Authorized Signers

The following Agency personnel are authorized to sign checks drawn on any of the Agency's accounts:

- Executive Director
- Deputy Executive Director
- Director of Finance and Administration
- Board Chair

The Director of Finance and Administration is responsible for notifying the Agency's financial institutions of changes in authorized signatures upon the departure of any authorized signer.

Bank Reconciliations

Bank account statements are received each month and forwarded to the Finance Officer/Analyst. The Finance Officer/Analyst shall review the statement for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. This review must be performed by the 15th of each month, so that reconciliation of the bank account is not delayed. Unusual or unexplained items shall be reported immediately to the Director of Finance and Administration.

After this review is complete, reconciliation between the bank balance and general ledger balance is prepared by the Finance Officer/Analyst and approved by the Director of Finance and Administration.

All bank reconciliations, including any adjustments of journal entries resulting from bank statement reconciliations, are performed by the Finance Officer/Analyst or authorized consultant on a monthly basis. Bank reconciliations, bank statements with copies of cancelled checks, and copies of resulting journal entries are filed in the current fiscal year's bank statement file.

The Office of the Auditor-Controller for County of Monterey sends monthly statements for all accounts, including trust funds that the Agency may have with the County of Monterey. The Finance Officer/Analyst performs the reconciliations and researches and corrects any discrepancies. Interest, accruals or any discrepancies are posted.

Cash Flow Management

The Finance Officer/Analyst monitors cash flow needs on a monthly basis to maximize interest earnings while ensuring that payment obligations can be met by the General Expense Account. Cash transfers between the Agency Fund and the General Expense Account are performed on an as needed basis. The Finance Officer/Analyst initiates the transfers and the Executive Director or the Deputy Executive Director approves the transfer.

A reserve equivalent to at least 50% (six months) of budgeted operating expenditures is designated each fiscal year from the unassigned fund balance for cash flow purposes. Any further reserve in the unassigned fund is available for discretionary purposes and must be authorized for use by the Board of Directors.

Stop Payments

General Expense – In the event that a check is reported or determined to be lost, a stop payment will be issued by the Finance Officer/Analyst or his/her designee. Once the stop payment has been issued, a replacement check will be released. The Finance Officer/Analyst shall void the check in the accounting software and determine the void date.

Stale and Old Outstanding Checks

Outstanding accounts payable and payroll checks over six months are considered stale. If the bank reconciliation process determines that there are outstanding checks which meet these criteria, the following steps will be taken:

General Expense – The Finance Officer/Analyst completing the bank reconciliation will follow-up with the recipient to determine where the check is in their system. If the check is in their possession, they will be asked to cash it as soon as possible. If the payee did not receive or lost the check, a stop payment will be made, the old check will be voided and a new check issued. The Finance Officer/Analyst shall void the check in the accounting software and determine the void date.

If the status of either the accounts payable or payroll checks cannot be determined for checks that have not cleared the Agency's bank for more than 6 months, the Agency shall issue a stop payment.

All stale checks shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred.

Petty Cash

The Agency may provide funds for valid, minor office expenditures or reimbursements needed in the day-to-day operations through "petty cash" rather than via the check writing process. The Director of Finance and Administration shall designate a member of the accounting department to serve as the petty cash custodian. The petty cash custodian shall be responsible for ensuring that the petty cash fund is locked at all times. The maximum authorized balance for the petty cash fund is \$200.

Disbursement may be made from the petty cash fund for authorized expenses. Reimbursements may be made after the purchase, or funds may be advanced prior to purchase if the amount advanced is recorded. The purchaser must submit receipts for all purchases, including any change received if funds were provided prior to the purchase. In the case of a lost receipt, the Executive Director may approve disbursement based on a memo describing the item and cost.

At all times, the petty cash fund shall contain receipts and cash totaling the authorized amount of the fund.

The petty cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis when actual cash funds are low and also at the Agency's fiscal year end. The petty cash custodian will total the disbursement by program and account classification and submit the recap and all receipts to the Finance Officer/Analyst for review.

Petty cash reconciliations are subject to review by the Finance Officer/Analyst, who may also perform periodic surprise cash counts and reconciliations. Any discrepancies in the petty cash fund will be immediately reported to the Director of Finance and Administration and Executive Director and resolved immediately. Loans or check cashing shall not be made from petty cash funds.

Wire/ACH Transfers

The Agency's bank has a dual control Automated Clearing House (ACH) policy. ACH is an electronic network for financial transactions. For ACH transactions, one user shall initiate and prepare an ACH transaction report and a second user shall approve it. The Director of Finance and Administration, Finance Officer/Analyst and authorized consultant shall serve as authorized users of the ACH system. The authorized consultant can only initiate and prepare the transactions. The Director of Finance and Administration or Finance Officer/Analyst shall approve the transactions. Passwords and passcodes are changed as required by the bank or when finance personnel change. ACH transfers are performed for payroll, employee reimbursements and some vendor payments.

INVESTMENT POLICIES

Introduction

All assets of the Agency, including those funds that are legally unrestricted, shall be treated as though they are held in a fiduciary capacity for the purpose of accomplishing the Agency's purpose. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards shall be those of a prudent investor.

Funds shall be spent on program requirements as budgeted or returned to the awarding agency. Any advances of Federal and State funds shall be maintained in an interest-bearing account. Interest earned on such funds will be allocated to the respective program (s) or project (s).

Policy

The Agency's investment policy authorizes investment in the local government investment pool and majority of those funds are administered by the County of Monterey which is governed and regulated by applicable California law. The County Treasurer pools and invests the Agency's cash with other funds under the County's control. The Agency may create and maintain other investment vehicles, such as Certificates of Deposit, provided such vehicles are federally insured, use of the investment vehicle complies with applicable laws and regulations, and follow the general policy guidelines of fiduciary responsibility and prudent investor.

Delegation of Authority

The Board of Directors of the Agency has delegated supervisory authority over its investment accounts with the County of Monterey to the County of Monterey Treasurer.

Investment Objectives

The Agency's investment objectives are the preservation and protection of the Agency's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

PROPERTY AND EQUIPMENT

Capitalization Policy

Physical assets such as real property and non-expendable personal property having a useful life of more than two years and an acquisition cost of \$5,000 or more are capitalized as property and equipment on the Agency's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. Acquisition of all property and equipment shall follow the Agency's procurement policies.

If an awarding agency requires a lower amount be utilized for the capitalization of equipment, the Agency shall adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets shall be reported as expensed to grants if they were so budgeted in the grant application.

The Finance Officer/Analyst will be assigned the responsibility for recording and maintaining the information on the property records and for monitoring the locations and use of all property held by the Agency.

Equipment and Furniture Purchased With Federal or State Funds

TAMC may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal or State agency. Equipment and furniture charged to Federal or State awards will be subject to certain additional policies as described below.

For purposes of accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by the Agency.

All purchases of equipment and furniture with Federal or State funds shall be approved, in advance and in writing, by the Federal or State awarding agency. Approval prior to purchase is required only when the value of the equipment to be purchased exceeds \$25,000. In addition, the following policies shall apply regarding equipment and furniture purchased and charged to Federal or State awards:

1. Adequate insurance coverage shall be maintained with respect to equipment and furniture charged to awards.
2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, the Agency shall retain the equipment without any requirement for notifying the awarding agency.

3. If the remaining per unit fair market value is \$5,000 or more, the Agency shall obtain a written understanding with the awarding agency regarding disposition of the equipment. This understanding may involve returning the equipment to the awarding agency, keeping the equipment and compensating the awarding agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the awarding agency.
4. The Finance Officer/Analyst, along with the Program/Project Manager, shall determine whether a specific award from an awarding agency includes additional equipment requirements or thresholds and requirements that differ from those described above.

Establishment and Maintenance of a Fixed Asset Listing

Capitalized property and equipment will be managed until transfer, replacement, or disposition takes place by maintaining a perpetual inventory of all equipment. All capitalized property and equipment shall be recorded in an inventory form. This form shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description
4. Federal or State award number, if applicable
5. Whether the title vests in the Agency or the Federal or State Government
6. Information to calculate the Federal or State share of the cost of the equipment, if applicable
7. Location, use, and condition of asset
8. Depreciation method
9. Estimated useful life
10. All pertinent information on the ultimate transfer, replacement, or disposition of the asset.

Receipt of Newly-Purchased Equipment and Furniture

At the time of arrival, all newly-purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the fixed assets account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

Estimated useful lives of capitalized assets shall be determined by the Finance Officer/Analyst. Based upon generally accepted Internal Revenue Service useful lives schedules for depreciation, the following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Equipment	3-7 years
Buildings	10-20 years

For accounting and financial reporting purposes, depreciation expense will be recorded on an annual basis.

Changes in Estimated Useful Lives

If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made by the Finance Officer/Analyst.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the Agency's statement of activities.

For example, if in the fourth year of an asset's life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between 4/5 of the asset's basis (accumulated depreciation at the end of year four) and 3/7 of the asset's basis (accumulated depreciation at the beginning of the year).

Repairs of Property and Equipment

Physical assets will be properly maintained and serviced periodically in order to keep the asset in good working order condition. Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Loss, Damage, or Theft

Physical assets will be maintained in secured areas in order to safeguard the assets and prevent loss, damage or theft. Any such event will be investigated, fully documented and reported to the Finance Officer/Analyst who will make a report to the Executive Director of all cases of loss, damage, or destruction of physical assets.

Dispositions of Property and Equipment

Refer to Disposition of Surplus Property as outlined in Administrative Policies manual

Consistent with applicable law concerning surplus property, the Agency may, from time to time, dispose of property no longer needed by the Agency in the conduct of its purposes.

For dispositions of property and equipment purchased with Federal and State dollars, the procedures outlined previously under the Section titled Equipment and Furniture Purchased with Federal or State Funds shall be followed. When the Agency disposes of or sells equipment it no longer needs, specific information regarding the sale or disposal should be documented on the inventory form. For some programs/contracts, approval must be granted from the funding agency to dispose of equipment or property. The Finance Officer/Analyst shall review the funding terms and conditions to determine the appropriate action to be taken.

If equipment is sold, scrapped, donated or stolen, adjustments shall be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

Write-Offs of Property and Equipment

The Board of Directors shall approve the disposal of all capitalized fixed assets that may be worn-out, obsolete or otherwise considered "surplus." Property that is discovered to be missing or stolen will be reported immediately to the Finance Officer/Analyst. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

General

The decision to lease or purchase property and/or equipment shall be based on the lowest cost of acquisition, the history, and the life expectancy of the property or equipment. However, factors other than cost could be more significant in reaching the final decision to lease or purchase.

It may be more practical to purchase assets which are other than physical space, rather than leasing. However, an analysis is necessary for purchases of \$10,000 or more, for emergencies, or for other situations when it is apparent that non-cost factors outweigh cost factors in reaching a final decision.

Cost factors that shall be considered include the acquisition cost, insurance, repair and maintenance cost, down payment or deposit, salvage value, metering, and tie-in sales (usage of specialized brand name supplies). Factors other than cost that shall be considered before reaching a final decision include the length or amount of use of the program for which the property/equipment is acquired, technical obsolescence, responsibility for asset disposal, restrictive subleasing provisions, cancellation provisions, purchase option, or lease renewal options.

All leases, whether of real or personal property, shall be approved by the Executive Director, his/her designee or the Board of Directors. Leases shall correspond to applicable grant or funding terms whenever possible. Copies of lease agreements shall be immediately forwarded to the Finance Officer/Analyst.

Classification of Leases

The Agency classifies all leases in which the Agency is a lessee as either capital or operating leases. The Agency shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to the Agency at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property;
or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of the Agency's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Lease Accounting Procedures

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the lease payment is due.

All leases that are classified as capital leases shall be treated as fixed asset additions. As such, upon the inception of a capital lease, the Agency shall record a capitalized asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The capitalized asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

Reasonableness of Leases

The Agency assesses the value of leases according to the requirements of 2 CFR Part 200 as follows:

- The rate is reasonable when compared to similar property in the same area,
- The rate of any alternatives to a lease, and
- The type, life expectancy, condition and value of the property leased.

Lease arrangements will be reviewed every 5 years to determine if circumstances have changed and other options are available.

SOFTWARE ACQUISITION AND DEVELOPMENT COSTS

For cost effectiveness, the Agency's preference is to use "off the shelf" software versus customized or "internal-use" software whenever it is determined that the "off the shelf" software will be able to adequately serve the Agency's needs.

Costs to be Capitalized

Certain costs incurred in connection with the acquisition or development of internal-use software (as opposed to commercially available "off the shelf" software) shall be capitalized and reported as an asset of the Agency. Those costs that shall be capitalized are those that are in excess of the Agency's capitalization threshold (explained earlier) and that meet any one of the following criteria:

1. External direct costs (i.e., amounts paid to vendors) of materials and services for developing or obtaining internal-use software ("developing" to include design, coding, installation and testing);
2. Internal payroll and related costs (employee benefit costs) for employees who are directly associated with, and who devote time to, developing an internal-use software project (i.e., the same types of software development costs described above);
3. Interest costs incurred in developing software; and
4. Costs associated with upgrades and enhancements when it is probable that these expenditures will result in additional functionality.

Costs that are capitalized in connection with the preceding policy shall be included as assets on the Agency's property and equipment listing, and shall be amortized over an estimated useful life in accordance with the previously stated policies on depreciation and amortization.

Costs to be Expensed as Incurred

Many costs associated with acquiring or developing internal-use software are to be expensed as incurred, rather than capitalized, including:

1. External and internal costs incurred in the preliminary project phases, such as costs associated with making decisions to allocate resources to the project, determining performance requirements and specifications, and reviewing and selecting vendors and consultants;
2. General and administrative costs;
3. Data conversion;
4. Training costs; and
5. Internal maintenance costs.

POLICIES PERTAINING TO LIABILITY ACCOUNTS

ACCRUED LIABILITIES

Identification of Liabilities

The Finance Officer/Analyst shall establish a list of commonly incurred expenses that have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by the Agency at the end of an accounting fiscal or program year are:

- Salaries and wages
- Payroll taxes
- Vacation and sick pay (see policy below)

In addition, the Agency shall record a liability for deferred revenue (unearned revenue) (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue (unearned revenue) accounts shall be made quarterly, as applicable.

Accrued Leave

Personnel policies permit employees to accumulate unused vacation and sick leave. Such unused leave is payable to an employee upon termination or retirement of employment as outlined in the Human Resources Rules and Regulations. Accordingly, subject to certain maximum hours, the Agency records a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused maximum hours of leave as outlined in the Human Resources Rules and Regulations manual multiplied by each employee's current hourly pay rate.

LOANS AND NOTES PAYABLE

General Policy

The Agency requires that all loans received from outside sources (notes payable) be approved by the Board of Directors and the Executive Director. A promissory note or other loan documents shall be prepared and signed by the Executive Director or his/her designee. The Agency shall maintain adequate records for all notes payable, mortgage obligations, lines of credit, and other financing arrangements. There shall be no interagency loans (between programs), except from unrestricted funds and other unrestricted resources. Loans or advances to employees will not be approved or authorized.

Accounting and Classification

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due in the next year shall be classified as a current liability in the statement of financial position. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

POLICIES ASSOCIATED WITH FINANCIAL REPORTING

FINANCIAL STATEMENTS

Standard Financial Statements of the Agency

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Agency. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements that are maintained on an Agency-wide basis shall include:

1. **Statement of Net Position** - reflects assets, liabilities, and net position of the Agency and classifies assets and liabilities as current or non-current/long-term.
2. **Statement of Activities** - presents support, revenues, expenses, and other changes in net position of the Agency, by category of net asset including reclassifications between categories of net position.

Frequency of Preparation

The objective of the Finance Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on an annual basis. On a quarterly basis, the following supplemental schedules shall be prepared:

1. Statements of activities by a work element basis
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the Executive Director, or designee, prior to being issued.

After approval, all audited annual financial statements, shall be distributed as follows:

- Board of Directors
- Executive Director
- Posted on the Agency website

Monthly Distribution

On a monthly basis, the Board of Directors will be provided with a summary of receipts and disbursement transactions for the prior month. Additionally, budget analysis information shall be provided if requested.

Annual Financial Statements

The annual financial statements shall be provided to the Agency's Board of Directors. If requested, a formal presentation of the Agency's annual financial statements may be provided by the Independent Auditor to the Board of Directors. The Board of Directors shall vote to accept or reject the annual financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

Reports to Funding Sources

The Finance Department and Program/ Project Manager shall prepare and provide periodic activity/progress reports to grantees as required by the grant funding terms and conditions.

GOVERNMENT FINANCIAL RETURNS

Overview

To legitimately conduct business, the Agency must be aware of its financial information return filing obligations and comply with all such requirements of Federal, state and local jurisdictions. Filing requirements of the Agency include, but are not limited to, annual report to the California State Controller's Office, audit reports, and payroll tax withholding tax returns.

Filing of Returns

The Finance Officer/Analyst shall be responsible for identifying all filing requirements and assuring that the Agency is in compliance with all such requirements. The Agency shall file complete and accurate reports with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns. The Executive Director or his/her designee will prepare or cause to be prepared, review, approve, and sign the Agency's reports.

Filings made by the Agency include, but are not limited to, the following reports:

1. **State Controller Reports** – Provides financial data about the Agency to the California State Legislature and other interested parties
2. **Audit Reports** – Provides financial and compliance information of the Agency to stakeholders
3. **W-2s and 1099s** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to Federal Government by February 28, or March 31 if filing electronically.
4. **Form 941 and DE 9 and DE 9C** - Quarterly payroll tax return filed with IRS and State of California to report wages paid to employees and Federal and state payroll taxes. Form 941 and DE 9 and DE 9C are due by the end of the month following the end of each quarter.
5. **Certification of Expenditures by Fund Source**- Report to Caltrans for Rural Planning Assistance funds due by August 31

The Agency's fiscal year-end is June 30. All annual tax and information returns of the Agency are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by an authorized contractor and reviewed and signed by the Finance Officer/Analyst.

The Agency shall comply with all state payroll tax requirements by withholding and remitting payroll taxes to the State of California for each Agency employee.

FINANCIAL MANAGEMENT POLICIES

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the agency's financial and human resources. It provides a tool to monitor program progress and expenditures. A budget is a management commitment of a plan for present and future Agency activities. It provides an opportunity to examine the composition and viability of the Agency's programs and activities simultaneously in light of the available resources.

Separate budgets are prepared for certain projects as required by the grant according agency. Awarding agencies may or may not require approval for changes in line items. The Agency will follow all such requirements.

The Executive Director, Deputy Executive Director & Director of Finance and Administration/Administration review revenues, expenditures and staffing assumptions. Staff shall provide information to the management team on capital projects, grants and planning activities. The Executive Committee reviews and comments on the assumptions and the Director of Finance and Administration prepares the budget. Deputy Executive Director prepares the Overall Work Program ("OWP"). A draft of the budget and OWP are reviewed by the Executive Committee in February and recommended for adoption to the Board of Directors. In May, any changes from the proposed draft are once again reviewed by the Executive Committee. Board of Directors adopts the final budget no later than May. The adopted budget and OWP are submitted to the Association of Monterey Bay Area Governments and Caltrans.

Overall Work Program

The Overall Work Program (OWP) is the controlling document for Agency work activities. It documents past accomplishments, identifies all scheduled work for the coming program year, and establishes a detailed budget required to deliver the Agency's annual program. The OWP is organized to provide a broad discussion of the Agency, its organization and significant transportation issues facing the Agency and the communities it serves. This is followed by the detailed work elements which identify broad projects, specific tasks and products related to each project, and a specific budget for each project. Staffing levels, consultant services, and capital acquisitions are explicitly identified in each work element.

The OWP is a primary means of communication among staff, the Agency Board, and local, state and federal funding agencies. Through the OWP, the Agency is made aware of all staff activities, major projects, and significant milestones. The OWP also serves as a basis for grant applications to state and federal agencies for state planning and research funds, and various federal transit planning programs.

Budget Analysis

The Director of Finance and Administration and Finance Officer/Analyst are responsible for completing a budget analysis on all Agency funds. Budget analysis shall include budget allocation, current period expenditures, year-to-date expenditures, year-to-date budget, the percentage of funds expended, encumbrances, and budget balance. Also, analysis should include revenue received/revenue outstanding. Other reports may be prepared, as requested, by the Executive Director, program/project Manager and/or Board of Directors.

Monitoring Performance

The Agency is responsible for managing the day-to-day operation of its organization. From the Agency's perspective, a financial management system must have adequate internal policies, financial systems, and written procedures to ensure compliance with applicable grant requirements. The fiscal policies are designed to reduce risk, safeguard assets, and provide reasonable assurance.

On an ongoing basis, the Agency monitors its financial transactions via a review and approval process. Accounts payable and payroll transactions are reviewed by the Finance Officer/Analyst and Director of Finance and Administration to assure that all expenditures are approved, accurate, allowable and properly allocated.

The Agency reviews variances between budgeted items and actual revenues and expenditures on an on-going basis but at least quarterly. It monitors its financial performance by comparing actual results with budgeted expenditures and revenues. Financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Finance Officer/Analyst and Director of Finance and Administration and distributed to the Executive Director, Deputy Director on a quarterly basis and to the Board of Directors annually or more often as requested.

AUDITS

Role of the Independent Auditor

The Agency shall arrange for an annual audit of the Agency's financial statements to be conducted by an independent accounting firm. The independent accounting firm will be selected by the Board of Directors.

Audited financial statements, including the auditor's opinion thereon, shall be submitted to the Agency Board of Directors at a Board of Directors' meeting.

Selection of the Auditor

The Agency shall competitively bid the selection of its independent auditor in accordance with Agency Procurement Policies.

The selection of an accounting firm to conduct the annual audit is a task that is taken very seriously. The following factors should be considered by the Agency in selecting an accounting firm:

1. The firm's reputation as documented by references
2. The depth of the firm's understanding of and experience with local and State governments, Federal reporting requirements and other relevant funding source requirements
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Agency personnel in a professional and congenial manner
5. Competitive price

Copies of all audit proposals shall be forwarded to the Director of Finance and Administration who reviews and makes the final recommendation to the Board of Directors for approval.

Preparation for the Annual Audit

The Agency shall be actively involved in planning for and assisting with the Agency's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Director of Finance and Administration shall provide assistance to the independent auditors in the following areas:

Planning - The Director of Finance and Administration is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Agency staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Agency's year-end. By performing

significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced.

Agency staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.

Throughout the audit process, the Agency will make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of the Agency from its independent auditor, the Director of Finance and Administration and Finance Officer/Analyst shall perform a detailed review consisting of the following procedures:

1. Carefully read the entire report for typographical errors
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of the Agency
3. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Director of Finance and Administration and Finance Officer/Analyst, or, if resolution is not achieved, brought to the attention of the Executive Director.

It shall also be the responsibility of the Director of Finance and Administration and Finance Officer/Analyst to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the State Controller's and Single Audit Clearinghouse reports shall be completed and filed as required.

Other Audits

TAMC also is subject to an annual Indirect Cost Allocation Plan audit conducted by Caltrans and a Triennial Performance Audit every 3 years. Additionally, if the Agency receives \$750,000 or more in federal funds in a fiscal year, it is subject to a Single Audit which requires that an external auditor review and issue a report on the Agency's financial statements. The auditor must also report on the Agency's compliance with internal control procedures and the applicable compliance requirements of its grant awards.

TAMC is also subject to audits arising out of grant or other agreements entered into with various awarding bodies. TAMC shall comply in good faith with all such audits.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This risk management program will help ensure the viability and continued operations of the Agency.

The Agency shall maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, equipment, machinery and other items of value.

Coverage Guidelines

The Agency shall arrange for the following types and levels of insurance as a minimum:

Type of Coverage Amount of Coverage

- Comprehensive Liability \$1,000,000 for each occurrence
- Employee Dishonesty \$25,000 for each occurrence
- Fire and Water Damage Coverage for all buildings and personal property as determined
- Property Coverage for all buildings and personal property as determined
- Workers' Compensation to the extent required by law
- Public Officials Errors and Omissions \$1,000,000 for each occurrence

All consultants and contractors shall be required to carry liability insurance and comply with applicable Federal and state workers' compensation statutes, unless otherwise expressly approved by the TAMC Board.

RECORDS ACCESS AND RETENTION

Policy

The Agency is subject to the California Public Records Act. Records related to pending litigation and personnel, medical, or similar files which would constitute an invasion of personal privacy are examples of records that may be exempted from disclosure, in compliance with the California Public Records Act.

The Agency shall maintain the original financial records, supporting documents, statistical records, and other documents according to the contract and grant conditions. The Agency retains records as required by law and destroys them when appropriate and in compliance with law. The schedule of destruction of financial records must be approved by the Board of Directors.

Authorized representatives of awarding agencies have the right to access books, documents, papers, other Agency records, and personnel for interviews that are pertinent to the grant or contract award.

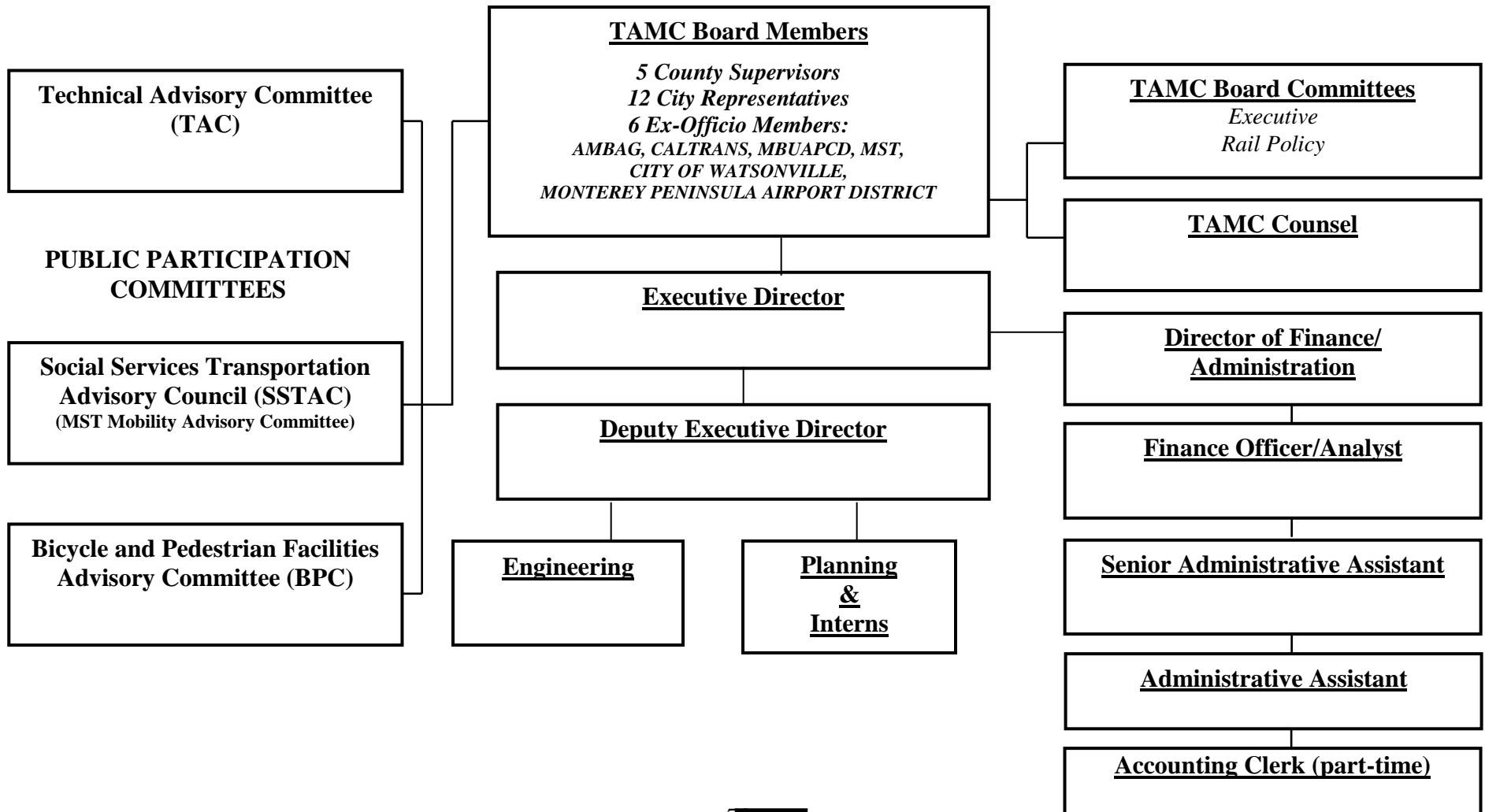
For specific details on how long each record should be maintained, refer to the Agency's Records Retention policy.

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Exhibit A - Agency Organizational Chart

TRANSPORTATION AGENCY for MONTEREY COUNTY (TAMC)

LOCAL TRANSPORTATION COMMISSION (LTC)
 REGIONAL TRANSPORTATION PLANNING AGENCY (RTPA)
 TRAFFIC CONGESTION MANAGEMENT AGENCY (CMA)
 SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE)





TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Kathryn Reimann, Legal Counsel
Meeting Date: January 27, 2016
Subject: Revised Contract Templates for Professional Services

RECOMMENDED ACTION

1. **APPROVE** four revised templates for use by the Transportation Agency for Monterey County in contracting for professional services;
2. **DIRECT** staff, when seeking Board approval of a Professional Services Agreement, to present just the payment amount, scope of work, work schedule, payment provisions, funding source, deliverables and material changes (if any) to template terms and conditions of all future agreements for professional services, without the need to attach the entire agreement; and
3. **AUTHORIZE** the Executive Director to sign the template agreements or sign the agreements with minor changes if such changes do not increase the Agency's net cost, subject to approval by Agency Counsel.

SUMMARY

The language of the four template agreements modifies previously approved standard language to conform more closely to revised Caltrans requirements. Each template agreement is "boiler plate" and the same for all Agency agreements for professional services, depending upon the method of payment to be used. Approval of this action will continue existing practice that for board actions regarding professional services, the Board will only continue to review and approve what is unique to each agreement, and authorize the Executive Director to sign the standard agreements with those unique provisions.

FINANCIAL IMPACT

There is some cost and paper savings due to the fact that the standard agreement does not have to be copied into agenda packets whenever a new consultant agreement is approved.

DISCUSSION

Last year, in response to a Caltrans audit, revisions to TAMC’s prior “standard agreement” were made. Subsequently, Caltrans revised the “Sample Contract Language” in its Local Assistance Procedures Manual, this time identifying “mandatory” provisions which are to be included “verbatim.” Although the template agreements may have some provisions that seem unnecessary, depending upon the nature of services actually contracted for, insertion of such language, at least in template form that will be included in RFPs and RFQs, is recommended to avoid Caltrans criticism.

Each proposed template contains similar language concerning principles related to cost accounting and audits, insurance and indemnification, safety provisions and provisions concerning lobbying. Each template is different in the language describing the method of compensation: “actual cost plus fixed fee,” “rates of compensation,” “lump sum” and “on call” or task order. These methods of compensation, and the language relating to them, are found in Caltrans’ Local Assistance Procedures Manual. It is against this Manual that TAMC contracts are judged by Caltrans auditors.

The proposed new template agreement for “Actual Cost Plus Fixed Fee” is **attached**, with the most substantive changes highlighted. The three other templates are attached as **web attachments**. Other changes do not add or substantively change prior existing provisions but more closely mirror language preferred by Caltrans. The templates have been developed, reviewed and approved as to form by Agency Counsel.

Approved by: 
Debra L. Hale, Executive Director

Date: January 8, 2015

Consent Agenda

Counsel Approval: YES
Finance Approval: N/A

Attachment: Template Agreement: Actual Cost Plus Fixed Fee

Web Attachments:

- 1. Template Agreement: Rates of Compensation
- 2. Template Agreement: Lump Sum
- 3. Template Agreement: On Call

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AND
AGREEMENT FOR PROFESSIONAL SERVICES
APPROVED BY THE TAMC BOARD ON:
[Actual Cost Plus Fixed-Fee]

This is an agreement between the Transportation Agency for Monterey County, hereinafter called "TAMC," and [Consultant's Name], a [indicate legal status of entity, e.g., a California corporation, an individual dba . . . , a California partnership], [Consultant's address], hereinafter called "Consultant."

The parties agree as follows:

1. Employment of Consultant. TAMC hereby engages Consultant and Consultant hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. Consultant will complete all work in accordance with the work schedule set forth in Exhibit A.
 - (a) The work is generally described as follows:

[INSERT BRIEF DESCRIPTION]
 - (b) Consultant represents that Consultant and its agents, subcontractors and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
 - (c) Consultant, its agents, subcontractors, and employees, shall perform all work in a safe, skillful, and professional manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements. Consultant shall ensure for itself and for any subcontractors under this Agreement that the applicable requirements of Labor Code section 1725.5, concerning the registration of contractors for public works, shall be in force and maintained for the term of this Agreement.
 - (d) Consultant shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. Consultant shall not use TAMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
 - (e) Consultant's project manager shall be the person specified in Exhibit A. If Consultant desires to change the project manager, Consultant shall get written approval from TAMC of the new project manager.

- (f) Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for the Contract Administrator to determine, if Consultant is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
- (g) Consultant's Project Manager shall meet with TAMC's Contract Administrator, as needed, to discuss progress on the contract.
2. Term of Agreement. The term of this Agreement shall begin upon [DATE], contingent upon approval by the TAMC Board, and Consultant shall commence work only after a Notice to Proceed has been issued by TAMC's Project Manager specified in Paragraph 33. Unless earlier terminated as provided herein, this Agreement shall remain in force until [DATE]. Consultant acknowledges that this Agreement is not binding until it is fully executed and approved by TAMC.
3. Payments to Consultant; maximum liability. Subject to the limitations set forth herein, TAMC shall pay to Consultant the amounts provided in Exhibit B: Budget, upon receipt and acceptance of deliverables listed therein. Each payment by TAMC shall be for a specific deliverable outlined in Exhibit A: Scope of Work and Schedule. The maximum amount payable to the Consultant under this Agreement is set forth in Exhibit B: Budget and shall not exceed the amount of _____ Dollars (\$XXXX). If there is any conflict between the terms of this Agreement and the terms of either Exhibit A (Scope of Work) or Exhibit B (Budget), the terms of this Agreement shall prevail. TAMC does not guarantee any minimum amount of dollars to be spent under this Agreement.
4. Method of Payment/Allowable Costs and Payment. The method of payment for this Agreement will be based on actual cost plus a fixed fee.
- (a) TAMC will reimburse Consultant for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by Consultant in performance of the work. Consultant will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved Consultant's Cost Proposal, unless additional reimbursement is provided for by Agreement amendment. In no event, will Consultant be reimbursed for overhead costs at a rate that exceeds TAMC's approved overhead rate set forth in the Cost Proposal. In the event, that TAMC determines that a change to the work from that specified in the Cost Proposal and Agreement is required, the Agreement time or actual costs reimbursable by TAMC shall be adjusted by Agreement amendment to accommodate the changed work. The maximum total cost as specified in subparagraph "h" below, shall not be exceeded, unless authorized by Agreement amendment.
- (b) In addition to the allowable incurred costs, TAMC will pay Consultant a fixed fee of \$(AMOUNT). The fixed fee is nonadjustable for the term of the Agreement, except in the

event of a significant change in the scope of work and such adjustment is made by written amendment of this Agreement.

- (c) Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.
- (d) When milestone cost estimates are included in the approved Cost Proposal, Consultant shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such cost estimate.
- (e) Progress payments will be made monthly in arrears based on services provided and allowable incurred costs. A pro rata portion of Consultant's fixed fee will be included in the monthly progress payments. If Consultant fails to submit the required deliverable items according to the schedule set forth in the Statement of Work, TAMC shall have the right to delay payment or terminate this Agreement in accordance with the provisions of Article VI Termination.
- (f) No payment will be made prior to approval of any work, nor for any work performed prior to approval of this Agreement
- (g) Consultant will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by TAMC's Contract Administrator of itemized invoices in triplicate. Invoices shall be submitted no later than 45 calendar days after the performance of work for which Consultant is billing. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this Agreement number and project title. Final invoice must contain the final cost and all credits due TAMC including any equipment purchased under the provisions of Paragraph 26 (Equipment Purchase) of this Agreement. The final invoice should be submitted within 60 calendar days after completion of Consultant's work. Invoices shall be mailed to TAMC's Contract Administrator at the address contained in Paragraph 34 (Notices)
- (h) The total amount payable by TAMC including the fixed fee shall not exceed \$(Amount).
- (i) Salary increases will be reimbursable if the new salary is within the salary range identified in the approved Cost Proposal and is approved by TAMC's Contract Administrator. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable
- (j) All subcontracts in excess of \$25,000 shall contain the above provisions.

5. Retention of Funds.

- (a) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.

- (b) No retainage will be withheld by TAMC from progress payments due the prime Consultant. Retainage by the prime consultant or subconsultants is prohibited, and no retainage will be held by the prime consultant from progress due subconsultants. Any violation of this provision shall subject the violating prime consultant or subconsultants to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants. – OR --
- (c) No retainage will be withheld by TAMC from progress payments due the prime Consultant. Any retainage held by the prime Consultant or subconsultants from progress payments due subconsultants shall be promptly paid in full to subconsultants within 30 days after the subconsultant's work is satisfactorily completed. Federal law (49 CFR 26.29) requires that any delay or postponement of payment over thirty (30) days may take place only for good cause and with TAMC's prior written approval. Any violation of this provision shall subject the violating prime Consultant or subconsultant to the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants -- OR --
- (d) TAMC shall hold retainage from the prime Consultant and shall make prompt and regular incremental acceptances of portions, as determined by TAMC, of the contract work, and pay retainage to the prime Consultant based on these acceptances. The prime Consultant, or subconsultant, shall return all monies withheld in retention from a subconsultant within thirty (30) days after receiving payment for work satisfactorily completed and accepted, including incremental acceptances of portions of the contract work, by TAMC. Federal law (49 CFR 26.29) requires that any delay or postponement of payment over thirty (30) days may take place only for good cause and with TAMC's prior written approval. Any violation of this provision shall subject the violating prime Consultant or subconsultant to the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants.

6. Termination.

- (a) TAMC reserves the right to terminate this Agreement upon thirty (30) calendar days' written notice to Consultant with the reasons for termination stated in the notice.
- (b) TAMC may also terminate this Agreement at any time for good cause effective immediately upon written notice to Consultant. "Good cause" includes, without limitation, the failure of Consultant to perform the required services at the time and in the manner provided herein, as well as failure to comply with the provisions of Paragraphs 12 and 13, relating to audits, below. Notwithstanding TAMC's right to terminate for good cause effective immediately upon written notice thereof, TAMC shall provide prior notice to Consultant of any ground for termination then being considered, and also provide Consultant with a good faith opportunity to avoid termination, as reasonably determined by TAMC in its absolute discretion. If TAMC terminates this Agreement for good cause, TAMC may be relieved of the payment of any consideration to Consultant, and TAMC may proceed with the work in any manner, which it deems proper. Costs incurred by TAMC thereby shall be deducted from any sum otherwise due Consultant.
- (c) The maximum amount for which TAMC shall be liable if this Agreement is terminated is zero (0) dollars.
- (d) It is also mutually understood between TAMC and Consultant that this Agreement may have been written before ascertaining the availability of funds, or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made. This Agreement is valid and enforceable only if sufficient funds are made available to TAMC for the purpose of this Agreement. It is mutually agreed that if sufficient funds are not appropriated, this Agreement may be amended to reflect any reduction in funds. TAMC retains the right to direct Consultant immediately to stop work and to terminate this Agreement for convenience, pursuant to Paragraph 6(a) above, in order to address any reduction of funds.
- (e) Termination of this Agreement shall not terminate Consultant's duty to defend, indemnify and hold harmless TAMC, as provided in Paragraphs 8 and 20.

7. Cost Principles and Administrative Requirements.

- (a) Consultant agrees that the contract Cost Principles and Procedures, 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.000 *et seq.*, Federal Acquisition Regulations System, shall be used to determine the cost allowability of individual items.
- (b) Consultant also agrees to comply with federal procedures in accordance with 49 CFR, Part 1201, Uniform System of Accounts, List of Instructions and Accounts, Regulations Prescribed.

(c) Any costs for which payment has been made to Consultant under this Agreement that are determined by subsequent audit to be unallowable under 49 CFR Part 1201 and 48 CFR Part 31, are subject to repayment by Consultant to TAMC.

(d) All subcontracts in excess of \$25,000 shall contain the above provisions.

8. Indemnification.

To the fullest extent permitted by law, including California Civil Code sections 2782 and 2782.6, Consultant shall defend (with legal counsel reasonably acceptable to TAMC), indemnify and hold harmless TAMC, its officers, agents, and employees, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Consultant or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Consultant, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify TAMC, its officers, agents, and employees, shall not apply to the extent that such Liabilities are caused in part by the sole negligence, active negligence, or willful misconduct of TAMC, its officers, agents, and employees. To the extent there is an obligation to indemnify under this Paragraph, Consultant shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Consultant's negligence, recklessness, or willful misconduct. Notwithstanding any other provision of this Agreement, Consultant's obligation to defend, indemnify and hold harmless TAMC shall survive the termination or expiration of the Agreement for a term to include the applicable statute of limitations related to the Consultant's performance pursuant to the Agreement.

9. Insurance.

(a) Without limiting Consultant's duty to indemnify as set forth in this Agreement, Consultant shall maintain, at no additional cost to TAMC, throughout the term of this Agreement a policy or policies of insurance with the following coverage and minimum limits of liability (check if applicable):

- Commercial general liability insurance, including but not limited to premises, personal injury, products, and completed operations, with a combined single limit of One Million Dollars (\$1,000,000) per occurrence.
- Professional liability insurance in the amount of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims made" basis rather than an "occurrence" basis, Consultant shall, upon the expiration or termination of this Agreement, obtain extended reporting coverage

(“tail coverage”) with the same liability limits. Any such tail coverage shall continue for at least three years following the surviving term of Consultant’s obligation to defend, indemnify and hold harmless TAMC as set for in Paragraph 8.

- Comprehensive automobile insurance covering all motor vehicles, including owned, leased, hired and non-owned vehicles used in providing services under this Agreement, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.
- (b) All insurance required under this Agreement shall be with a company acceptable to TAMC and authorized by law to transact insurance business in the State of California. Unless otherwise provided in this Agreement, all such insurance shall be written on an occurrence basis; or, if any policy cannot be written on an occurrence basis, such policy shall continue in effect for a period of two years following the date of Consultant’s completion of performance hereunder.
- (c) Each policy of insurance required under this Agreement shall provide that TAMC shall be given written notice at least thirty days in advance of any change, cancellation or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor performing work under this Agreement, or be accompanied by a certificate of insurance for each subcontractor showing identical insurance coverage.
- (d) Commercial general liability and automobile liability policies shall provide an endorsement naming TAMC, its officers, agents, and employees, as additional insureds and shall further provide that such insurance is primary to any insurance or self-insurance maintained by TAMC, and that no insurance of any additional insured shall be called upon to contribute to a loss covered by Consultant’s insurance.
- (e) TAMC shall not be responsible for any premiums or assessments on the policy.

10. Workers’ Compensation Insurance. If during the performance of this Agreement, Consultant employs one or more employees, then Consultant shall maintain a workers’ compensation plan covering all of its employees as required by Labor Code Sec. 3700, either (a) through workers’ compensation insurance issued by an insurance company, with coverage meeting the statutory limits and with a minimum of One Million Dollars (\$1,000,000) per occurrence for employer’s liability, or (b) through a plan of self-insurance certified by the State Director of Industrial Relations, with equivalent coverage. If Consultant elects to be self-insured, the certificate of insurance otherwise required by this Agreement shall be replaced with consent to self-insure issued by the State Director of Industrial Relations. The provisions of this paragraph apply to any subcontractor employing one or more employees, and Consultant shall be responsible for all subcontractors’ compliance herewith.

11. Safety Provisions.

- (a) Consultant shall comply with Division of Occupational Safety and Health (CAL-OSHA) regulations applicable to Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by TAMC Safety Officer and other TAMC representatives. Consultant personnel shall wear hard hats and safety vests at all times while working on a construction project site.
- (b) If applicable to work to be performed by Consultant identified in the Scope of Work (Exhibit A), and pursuant to the authority contained in Section 591 of the Vehicle Code, TAMC has determined that such areas are within the limits of the project and are open to public traffic. Consultant shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- (c) Any subcontract entered into as a result of this Agreement, shall contain all of the provisions of this Section.
- (d) Consultant must have a CAL-OSHA permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

12. Certificate of Insurance and Taxpayer Identification. Prior to the execution of this Agreement by TAMC, Consultant shall submit a completed federal W-9 form, Request for Taxpayer Identification Number and Certification, and file certificates of insurance with TAMC's contract administrator evidencing that Consultant has in effect the insurance required by this Agreement. Consultant shall file a new or amended certificate promptly after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify any indemnification provision of this Agreement.

13. Retention of Records/Audit. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the Agreement pursuant to Government Code 8546.7, Consultant, subconsultants, and TAMC shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The state, State Auditor, TAMC, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of Consultant and its certified public accountants (CPA) work papers that are pertinent to the Agreement and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies

thereof shall be furnished if requested. Subcontracts in excess of \$25,000 shall contain this provision.

14. Audit Review Procedures.

a) Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by TAMC'S Chief Financial Officer.

b) Not later than 30 days after issuance of the final audit report, Consultant may request a review by TAMC'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

c) Neither the pendency of a dispute nor its consideration by TAMC will excuse Consultant from full and timely performance, in accordance with the terms of this Agreement.

(The following AUDIT CLAUSE must be inserted into all contracts of \$150,000 or greater)

d) Consultant and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is Consultant's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by Consultant and approved by TAMC contract manager to conform to the audit or review recommendations. Consultant agrees that individual terms of costs identified in the audit report shall be incorporated into the Agreement by this reference if directed by TAMC at its sole discretion. Refusal by Consultant to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the Agreement and disallowance of prior reimbursed costs.

(An additional AUDIT CLAUSE must be inserted into all contracts of \$3,500,000 or greater; confer with legal counsel for language.)

15. Inspection of Work. Consultant and any subconsultant shall permit TAMC, the State, and the FHWA (if federal participating funds are used in this Agreement) to review and inspect the project activities and files at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.

16. Confidentiality; Return of Records. Consultant and its officers, employees, agents, and subcontractors shall comply with all federal, State and local laws providing for the confidentiality of records and other information. Consultant shall not disclose any confidential information received from TAMC or prepared in connection with the

performance of this Agreement without the express permission of TAMC. Consultant shall promptly transmit to TAMC all requests for disclosure of any such confidential information. Consultant shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out Consultant's obligations hereunder. When this Agreement expires or terminates, Consultant shall return to TAMC all records, which Consultant utilized or received from TAMC to perform services under this Agreement.

17. Amendments and Modifications. No modification or amendment of this Agreement shall be valid unless it is set forth in writing and executed by the parties hereto.

18. Statement of Compliance/Non-Discrimination.

- a) Consultant's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that Consultant has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
- b) During the performance of this Agreement, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

[If federal funding, add c) and d)]

- c) Consultant shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

d) Consultant, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the Consultant shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

19. Harassment. TAMC maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a TAMC employee's work performance or creates an intimidating, hostile or offensive work environment.

20. Independent Contractor. In its performance under this Agreement, Consultant is at all times acting and performing as an independent contractor and not as an employee of TAMC or any of its member jurisdictions. No offer or obligation of employment is intended in any manner, and Consultant shall not become entitled by virtue of this Agreement to receive any form of benefits accorded to employees including without limitation leave time, health insurance, workers' compensation coverage, disability benefits, and retirement contributions. Consultant shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of Consultant's performance of this Agreement. In connection therewith, Consultant shall defend, indemnify, and hold harmless TAMC from any and all liability, which TAMC may incur because of Consultant's failure to make such payments.

21. Delegation of Duties; Subcontracting.

- a) Nothing contained in this Agreement or otherwise, shall create any contractual relation between TAMC and any subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to TAMC for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its subconsultant(s) is an independent obligation from TAMC'S obligation to make payments to the Consultant.
- b) Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by TAMC's Contract Administrator, except that, which is expressly identified in the approved Budget/Cost Proposal.
- c) Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to Consultant by TAMC.

- d) Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.
- e) Any substitution of subconsultant(s) must be approved in writing by TAMC's Contract Administrator prior to the start of work by the subconsultant(s).

22. Ownership of Data.

- a) Upon completion of all work under this Agreement, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this Agreement will automatically be vested in TAMC; and no further agreement will be necessary to transfer ownership to TAMC. Consultant shall furnish TAMC all necessary copies of data needed to complete the review and approval process.
- b) It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the connection with the project for which this Agreement has been entered into.
- c) Consultant is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by TAMC of the machine-readable information and data provided by Consultant under this Agreement; further, Consultant is not liable for claims, liabilities, or losses arising out of, or connected with any use by TAMC of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as many be authorized in writing by Consultant.
- d) Applicable patent rights provisions regarding rights to inventions shall be included in the Agreements as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).
- e) TAMC may permit copywriting reports or other agreement products. If copyrights are permitted, FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use the data, and may authorize others to use the work for government purposes.
- f) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

23. Confidentiality of Data.

- a) All financial, statistical, personal, technical, or other data and information relative to TAMC's operations, which are designated confidential by TAMC and made available to Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.

- b) Permission to disclose information on one occasion, or public hearing held by TAMC relating to the Agreement, shall not authorize Consultant to further disclose such information, or disseminate the same on any other occasion.
- c) Consultant shall not comment publicly to the press or any other media regarding the Agreement or TAMC's actions on the same, except to TAMC's staff, Consultant's own personnel involved in the performance of this Agreement, at public hearings or in response to questions from a Legislative committee.
- d) Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this Agreement without prior review of the contents thereof by TAMC, and receipt of TAMC'S written permission.
- e) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Article.

24. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which TAMC is the grantee, Consultant shall comply with all provisions of such grant applicable to Consultant's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

25. Prevailing Wages.

- a) Consultant shall comply with the all prevailing wage requirements, including California Labor Code section 1770, et seq., and any Federal or local laws or ordinances, that may be applicable to the work to be performed pursuant to this Agreement.
- b) Any subcontract entered into as a result of this Agreement, if for more than \$25,000 for public works, shall contain all the provisions of this Paragraph 25.
- c) When prevailing wages may apply to the services described in the Scope of Work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination found on the DIR website.

26. Equipment, Supplies or Consultant Services Purchases.

- (a) Prior authorization in writing by TAMC's Contract Administrator shall be required before Consultant enters into any unbudgeted purchase order, or subcontract exceeding Five Thousand Dollars (\$5,000) for supplies, equipment, or unbudgeted Consultant services. Consultant shall provide an evaluation of desirability of incurring such costs.

- (b) For purchase of any items, service or consulting work not covered in Consultant's Cost Proposal and exceeding Five Thousand Dollars (\$5,000), prior authorization is required by TAMC's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- (c) Any equipment purchased as a result of this Agreement is subject to the following:
 - i. Consultant shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of Five Thousand Dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, TAMC shall receive a proper refund or credit for such equipment at the conclusion of the Agreement, or if the Agreement is terminated, Consultant may either keep the equipment and credit TAMC in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established TAMC procedures for such sales and then credit TAMC in an amount equal to that sales price. If Consultant elects to keep the equipment, fair market value shall be determined at Consultant's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from and appraiser mutually acceptable to TAMC and Consultant; if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by TAMC.
 - ii. Consultant acknowledges that, if federal funds are used in this Agreement, 49 CFR, Part 1201 requires a credit to Federal funds when participating equipment with a fair market value greater than Five Thousand Dollars (\$5,000) is credited to the project for which this Agreement was entered into.
- (d) Consultant shall include these provisions into any subcontract in excess of Twenty-Five Thousand Dollars (\$25,000).

27. Conflict of Interest.

- (a) Consultant shall disclose any financial, business, or other relationship with TAMC that may have an impact upon the outcome of this Agreement, or any ensuing TAMC construction project. Consultant shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing TAMC construction project, which will follow.
- (b) Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
- (c) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

28. Governing Laws. This Agreement shall be construed and enforced according to the laws of the State of California, and the parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.
29. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.
30. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.
31. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.
32. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.
33. Contract Administrators. Consultant's designated principal responsible for administering Consultant's work under this Agreement shall be [NAME], Project Manager; TAMC's designated administrator of this Agreement shall be Debra L. Hale, Executive Director. TAMC's Project Manager under this Agreement shall be [NAME].

34. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. Consultant shall give TAMC prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

To TAMC:	Debra L. Hale	To Consultant:
	Executive Director	
	55-B Plaza Circle	
	Salinas, CA 93901	
Tel:	831-775-0903	Tel:
Fax:	831-775-0897	Fax:
Email:	debbie@tamcmonterey.org	Email:

35. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

36. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

37. Debarment and Suspension Certification.

- (a) Consultant's signature affixed below shall constitute a certification under penalty of perjury under the laws of the State of California that the Consultant has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (nonprocurement)," which certifies that Consultant or any person associated with Consultant in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by an federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to the TAMC.
- (b) Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Consultant responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.
- (c) Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal Highway Administration.

38. Rebates, Kickbacks or Other Unlawful Consideration Prohibited. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any TAMC employee. TAMC shall have the right, in its sole and absolute discretion to do any of the following for breach or violation of this warranty: to terminate the Agreement without liability; to pay for the value of the work actually performed; or to deduct from the compensation to be paid under this Agreement (or otherwise recover) the full amount of any such rebate, kickback or unlawful consideration.

39. Prohibition of Expending Local Agency, State or Federal Funds for Lobbying.

- (a) Consultant certifies to the best of his, her or its knowledge and belief that:
- i. No State, Federal or local agency appropriated funds have been paid, or will be paid, by or on behalf of Consultant to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a member of the State Legislature or United States Congress; an officer or employee of the State Legislature or United States Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any State or Federal contract; in connection with the making of any State or Federal grant; in connection with the making of any State or Federal loan; in connection with the entering into of any cooperative agreement, and in connection with the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan or cooperative agreement.
 - ii. If any funds other than Federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress; or an employee of a Member of Congress, in connection with this contract, grant, loan or cooperative agreement, then Consultant shall complete and submit a Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (b) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Consultant acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for such failure.
- (c) By signing this Agreement, Consultant also agrees that Consultant will require that the language of this certification will be included in all lower-tier subcontracts which exceed One Hundred Thousand Dollars (\$100,000), and that all recipients of such subcontracts shall certify and disclose accordingly.

40. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

Exhibit A – Scope of Work and Work Schedule

Exhibit B – Budget/Approved Consultant’s Cost Proposal

41. Entire Agreement. This document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

IN WITNESS WHEREOF, TAMC and Consultant execute this agreement as follows:

TAMC

HDR

By _____
Debra L. Hale
Executive Director

By: _____
Name:
Title:

Dated: _____

Dated: _____

By: _____
Name:
Title:

Dated: _____

INSTRUCTIONS: If Consultant is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If Consultant is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If Consultant is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

Approved as to form:

TAMC Counsel

Dated: _____

For TAMC internal use:

Work Element number to be used for the contract: _____

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AND
AGREEMENT FOR PROFESSIONAL SERVICES
APPROVED BY THE TAMC BOARD ON:
[Rates of Compensation]

This is an agreement between the Transportation Agency for Monterey County, hereinafter called "TAMC," and [Consultant's Name], a [indicate legal status of entity, e.g., a California corporation, an individual dba . . ., a California partnership], [Consultant's address], hereinafter called "Consultant."

The parties agree as follows:

1. Employment of Consultant. TAMC hereby engages Consultant and Consultant hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. Consultant will complete all work in accordance with the work schedule set forth in Exhibit A.
 - (a) The work is generally described as follows:

[INSERT BRIEF DESCRIPTION]
 - (b) Consultant represents that Consultant and its agents, subcontractors and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
 - (c) Consultant, its agents, subcontractors, and employees, shall perform all work in a safe, skillful, and professional manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements. Consultant shall ensure for itself and for any subcontractors under this Agreement that the applicable requirements of Labor Code section 1725.5, concerning the registration of contractors for public works, shall be in force and maintained for the term of this Agreement.
 - (d) Consultant shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. Consultant shall not use TAMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
 - (e) Consultant's project manager shall be the person specified in Exhibit A. If Consultant desires to change the project manager, Consultant shall get written approval from TAMC of the new project manager.

- (f) Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for the Contract Administrator to determine, if Consultant is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
 - (g) Consultant's Project Manager shall meet with TAMC's Contract Administrator, as needed, to discuss progress on the contract.
2. Term of Agreement. The term of this Agreement shall begin upon [DATE], contingent upon approval by the TAMC Board, and Consultant shall commence work only after a Notice to Proceed has been issued by TAMC's Project Manager specified in Paragraph 33. Unless earlier terminated as provided herein, this Agreement shall remain in force until [DATE]. Consultant acknowledges that this Agreement is not binding until it is fully executed and approved by TAMC.
3. Payments to Consultant; maximum liability. Subject to the limitations set forth herein, TAMC shall pay to Consultant the amounts provided in Exhibit B: Budget, upon receipt and acceptance of deliverables listed therein. Each payment by TAMC shall be for a specific deliverable outlined in Exhibit A: Scope of Work and Schedule. The maximum amount payable to the Consultant under this Agreement is set forth in Exhibit B: Budget and shall not exceed the amount of _____ Dollars (\$XXXX). If there is any conflict between the terms of this Agreement and the terms of either Exhibit A (Scope of Work) or Exhibit B (Budget), the terms of this Agreement shall prevail. TAMC does not guarantee any minimum amount of dollars to be spent under this Agreement.
4. Method of Payment/Allowable Costs and Payment. The method of payment for this Agreement will be based upon specific rates of compensation.
- (a) Consultant will be reimbursed for hours worked at the hourly rates specified in Consultant's approved Cost Proposal, Exhibit B to this Agreement, which rates shall be inclusive of direct salary costs, employee benefits, overhead and fees, if any. These rates are not adjustable for the performance period set forth in this Agreement.
 - (b) In addition, Consultant will be reimbursed for incurred (actual) direct costs other than salary costs that are in the approved Cost Proposal and identified in the Cost Proposal and in the executed Task Order.
 - (c) Work on specific projects shall be directed via Task Orders.
 - (d) Once a specific project to be performed under this Agreement is identified by TAMC, TAMC's Project Manager will prepare a draft Task Order less the cost estimate. The draft Task Order will identify the scope of services, expected results, project deliverables, period of performance, project schedule and a TAMC

Task Manager. The draft Task Order will be delivered to Consultant for review. Consultant shall return the draft Task Order within ten (10) calendar days, along with a Cost Estimate, including a written estimate of the number of hours and hourly rates per staff person, any anticipated reimbursable expenses, overhead, fee (if any), and a total dollar amount for the Task. After agreement has been reached on the negotiable items and total not to exceed cost, a finalized Task Order with the finalized Task Order Budget shall be signed by both TAMC and Consultant.

- (e) If no agreement on the Task Order is reached within a reasonable amount of time, TAMC may present the draft Task Order to a different consultant with which TAMC has an agreement, or may take such other actions as TAMC deems appropriate to accomplish the Task.
- (f) Task Orders may be negotiated for a lump sum (Firm Fixed Price) or for specific rates of compensation, both of which must be based on the labor and other rates set forth in Consultant's approved Cost Proposal.
- (g) Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal.
- (h) When milestone cost estimates are included in the approved Cost Estimate, Consultant shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such estimate.
- (i) Progress payments for each Task Order will be made monthly in arrears, based on services provided and actual costs incurred.
- (j) Consultant shall not commence performance of work or services until this Agreement has been approved by TAMC, and notification to proceed has been issued by TAMC's Contract Administrator. No payment will be made prior to approval, or for any work performed prior to approval of this Agreement.
- (k) A Task Order is of no force or effect until returned to TAMC and signed by an authorized representative of TAMC. No expenditures are authorized on a project or task, and work shall not commence until a Task Order for that project/task has been executed by TAMC.
- (l) Consultant will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by TAMC's Contract Administrator of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than 45 calendar days after the performance of work for which Consultant is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this Agreement number and project

title and Task Order number. Credits due TAMC that include any equipment purchased under the provisions of Paragraph 26 (Equipment, Supplies or Consultant Services Purchases) must be reimbursed by Consultant prior to the expiration or termination of this Agreement.

- (m) The final invoice should be submitted within 60 calendar days after completion of Consultant's work. Invoices shall be mailed to TAMC's Contract Administrator at the address contained in Paragraph 34 (Notices).
- (n) The period of performance for Task Orders shall be in accordance with the dates specified in the Task Order. No Task Order will be written which extends beyond the expiration of this Agreement.
- (o) The total amount payable by TAMC for an individual Task Order shall not exceed the amount agreed to in the Task Order, unless authorized by a written amendment.
- (p) If the Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.
- (q) Task Orders may not be used to amend this Agreement and may not exceed the scope of work, or the term, of this Agreement.
- (r) The total amount payable by TAMC under all Task Orders resulting from this Agreement shall not exceed the amount of _____ (\$XXXXX). It is understood and agreed that there is no guarantee, either expressed or implied, that this dollar amount will be authorized under this Agreement through Task Orders.
- (s) All subcontracts under this Agreement in excess of \$25,000 shall contain the above provisions.

5. Retention of Funds.

- (a) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.
- (b) No retainage will be withheld by TAMC from progress payments due the prime Consultant. Retainage by the prime consultant or subconsultants is prohibited, and no retainage will be held by the prime consultant from progress due subconsultants. Any violation of this provision shall subject the violating prime consultant or subconsultants to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment

or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants.

6. Termination.

- (a) TAMC reserves the right to terminate this Agreement upon thirty (30) calendar days' written notice to Consultant with the reasons for termination stated in the notice.
- (b) TAMC may also terminate this Agreement at any time for good cause effective immediately upon written notice to Consultant. "Good cause" includes, without limitation, the failure of Consultant to perform the required services at the time and in the manner provided herein, as well as failure to comply with the provisions of Paragraphs 12 and 13, relating to audits, below. Notwithstanding TAMC's right to terminate for good cause effective immediately upon written notice thereof, TAMC shall provide prior notice to Consultant of any ground for termination then being considered, and also provide Consultant with a good faith opportunity to avoid termination, as reasonably determined by TAMC in its absolute discretion. If TAMC terminates this Agreement for good cause, TAMC may be relieved of the payment of any consideration to Consultant, and TAMC may proceed with the work in any manner, which it deems proper. Costs incurred by TAMC thereby shall be deducted from any sum otherwise due Consultant.
- (c) The maximum amount for which TAMC shall be liable if this Agreement is terminated is zero (0) dollars.
- (d) It is also mutually understood between TAMC and Consultant that this Agreement may have been written before ascertaining the availability of funds, or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made. This Agreement is valid and enforceable only if sufficient funds are made available to TAMC for the purpose of this Agreement. It is mutually agreed that if sufficient funds are not appropriated, this Agreement may be amended to reflect any reduction in funds. TAMC retains the right to direct Consultant immediately to stop work and to terminate this Agreement for convenience, pursuant to Paragraph 6(a) above, in order to address any reduction of funds.
- (e) Termination of this Agreement shall not terminate Consultant's duty to defend, indemnify and hold harmless TAMC, as provided in Paragraphs 8 and 20.

7. Cost Principles and Administrative Requirements.

- (a) Consultant agrees that the contract Cost Principles and Procedures, 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.000 *et seq.*, Federal Acquisition Regulations System, shall be used to determine the cost allowability of individual items.
- (b) Consultant also agrees to comply with federal procedures in accordance with 49 CFR, Part 1201, Uniform System of Accounts, List of Instructions and Accounts, Regulations Prescribed.
- (c) Any costs for which payment has been made to Consultant under this Agreement that are determined by subsequent audit to be unallowable under 49 CFR Part 1201 and 48 CFR Part 31, are subject to repayment by Consultant to TAMC.
- (d) All subcontracts in excess of \$25,000 shall contain the above provisions.

8. Indemnification. To the fullest extent permitted by law, including California Civil Code sections 2782 and 2782.6, Consultant shall defend (with legal counsel reasonably acceptable to TAMC), indemnify and hold harmless TAMC, its officers, agents, and employees, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Consultant or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Consultant, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify TAMC, its officers, agents, and employees, shall not apply to the extent that such Liabilities are caused in part by the sole negligence, active negligence, or willful misconduct of TAMC, its officers, agents, and employees. To the extent there is an obligation to indemnify under this Paragraph, Consultant shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Consultant's negligence, recklessness, or willful misconduct. Notwithstanding any other provision of this Agreement, Consultant's obligation to defend, indemnify and hold harmless TAMC shall survive the termination or expiration of the Agreement for a term to include the applicable statute of limitations related to the Consultant's performance pursuant to the Agreement.

9. Insurance.

- (a) Without limiting Consultant's duty to indemnify as set forth in this Agreement, Consultant shall maintain, at no additional cost to TAMC, throughout the term of this Agreement a policy or policies of insurance with the following coverage and minimum limits of liability (check if applicable):
- Commercial general liability insurance, including but not limited to premises, personal injury, products, and completed operations, with a combined single limit of One Million Dollars (\$1,000,000) per occurrence.
 - Professional liability insurance in the amount of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims made" basis rather than an "occurrence" basis, Consultant shall, upon the expiration or termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the surviving term of Consultant's obligation to defend, indemnify and hold harmless TAMC as set for in Paragraph 8.
 - Comprehensive automobile insurance covering all motor vehicles, including owned, leased, hired and non-owned vehicles used in providing services under this Agreement, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.
- (b) All insurance required under this Agreement shall be with a company acceptable to TAMC and authorized by law to transact insurance business in the State of California. Unless otherwise provided in this Agreement, all such insurance shall be written on an occurrence basis; or, if any policy cannot be written on an occurrence basis, such policy shall continue in effect for a period of two years following the date of Consultant's completion of performance hereunder.
- (c) Each policy of insurance required under this Agreement shall provide that TAMC shall be given written notice at least thirty days in advance of any change, cancellation or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor performing work under this Agreement, or be accompanied by a certificate of insurance for each subcontractor showing identical insurance coverage.
- (d) Commercial general liability and automobile liability policies shall provide an endorsement naming TAMC, its officers, agents, and employees, as additional insureds and shall further provide that such insurance is primary to any insurance or self-insurance maintained by TAMC, and that no insurance of any additional insured shall be called upon to contribute to a loss covered by Consultant's insurance.

(e) TAMC shall not be responsible for any premiums or assessments on the policy.

10. Workers' Compensation Insurance. If during the performance of this Agreement, Consultant employs one or more employees, then Consultant shall maintain a workers' compensation plan covering all of its employees as required by Labor Code Sec. 3700, either (a) through workers' compensation insurance issued by an insurance company, with coverage meeting the statutory limits and with a minimum of One Million Dollars (\$1,000,000) per occurrence for employer's liability, or (b) through a plan of self-insurance certified by the State Director of Industrial Relations, with equivalent coverage. If Consultant elects to be self-insured, the certificate of insurance otherwise required by this Agreement shall be replaced with consent to self-insure issued by the State Director of Industrial Relations. The provisions of this paragraph apply to any subcontractor employing one or more employees, and Consultant shall be responsible for all subcontractors' compliance herewith.

11. Safety Provisions.

- (a) Consultant shall comply with Division of Occupational Safety and Health (CAL-OSHA) regulations applicable to Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by TAMC Safety Officer and other TAMC representatives. Consultant personnel shall wear hard hats and safety vests at all times while working on a construction project site.
- (b) If applicable to work to be performed by Consultant identified in the Scope of Work (Exhibit A), and pursuant to the authority contained in Section 591 of the Vehicle Code, TAMC has determined that such areas are within the limits of the project and are open to public traffic. Consultant shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- (c) Any subcontract entered into as a result of this Agreement, shall contain all of the provisions of this Section.
- (d) Consultant must have a CAL-OSHA permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

12. Certificate of Insurance and Taxpayer Identification. Prior to the execution of this Agreement by TAMC, Consultant shall submit a completed federal W-9 form, Request for Taxpayer Identification Number and Certification, and file certificates of insurance with TAMC's contract administrator evidencing that Consultant has in effect the insurance required by this Agreement. Consultant shall file a new or amended certificate promptly after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify any indemnification provision of this Agreement.

13. Retention of Records/Audit. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the Agreement pursuant to Government Code 8546.7, Consultant, subconsultants, and TAMC shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The state, State Auditor, TAMC, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of Consultant and its certified public accountants (CPA) work papers that are pertinent to the Agreement and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of \$25,000 shall contain this provision.

14. Audit Review Procedures.

a) Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by TAMC'S Chief Financial Officer.

b) Not later than 30 days after issuance of the final audit report, Consultant may request a review by TAMC'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

c) Neither the pendency of a dispute nor its consideration by TAMC will excuse Consultant from full and timely performance, in accordance with the terms of this Agreement.

(The following AUDIT CLAUSE must be inserted into all contracts of \$150,000 or greater)

d) Consultant and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is Consultant's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by Consultant and approved by TAMC contract manager to conform to the audit or review recommendations. Consultant agrees that individual terms of costs identified in the audit report shall be incorporated into the Agreement by this reference if directed by TAMC at its sole discretion. Refusal by Consultant to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the Agreement and disallowance of prior reimbursed costs.

(An additional AUDIT CLAUSE must be inserted into all contracts of \$3,500,000 or greater; confer with legal counsel for language.)

15. Inspection of Work. Consultant and any subconsultant shall permit TAMC, the State, and the FHWA (if federal participating funds are used in this Agreement) to review and inspect the project activities and files at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.
16. Confidentiality; Return of Records. Consultant and its officers, employees, agents, and subcontractors shall comply with all federal, State and local laws providing for the confidentiality of records and other information. Consultant shall not disclose any confidential information received from TAMC or prepared in connection with the performance of this Agreement without the express permission of TAMC. Consultant shall promptly transmit to TAMC all requests for disclosure of any such confidential information. Consultant shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out Consultant's obligations hereunder. When this Agreement expires or terminates, Consultant shall return to TAMC all records, which Consultant utilized or received from TAMC to perform services under this Agreement.
17. Amendments and Modifications. No modification or amendment of this Agreement shall be valid unless it is set forth in writing and executed by the parties hereto.
18. Statement of Compliance/Non-Discrimination.
 - a) Consultant's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that Consultant has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
 - b) During the performance of this Agreement, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

[If federal funding, add c) and d)]

- c) Consultant shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- d) Consultant, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the Consultant shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

19. Harassment. TAMC maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a TAMC employee's work performance or creates an intimidating, hostile or offensive work environment.

20. Independent Contractor. In its performance under this Agreement, Consultant is at all times acting and performing as an independent contractor and not as an employee of TAMC or any of its member jurisdictions. No offer or obligation of employment is intended in any manner, and Consultant shall not become entitled by virtue of this Agreement to receive any form of benefits accorded to employees including without limitation leave time, health insurance, workers' compensation coverage, disability benefits, and retirement contributions. Consultant shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of Consultant's performance of this Agreement. In connection therewith, Consultant shall defend, indemnify, and hold harmless TAMC from any and all liability, which TAMC may incur because of Consultant's failure to make such payments.

21. Delegation of Duties; Subcontracting.

- a) Nothing contained in this Agreement or otherwise, shall create any contractual relation between TAMC and any subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to TAMC for the acts and omissions of its subconsultant(s) and of persons either directly

or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its subconsultant(s) is an independent obligation from TAMC'S obligation to make payments to the Consultant.

- b) Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by TAMC's Contract Administrator, except that, which is expressly identified in the approved Budget/Cost Proposal.
- c) Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to Consultant by TAMC.
- d) Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.
- e) Any substitution of subconsultant(s) must be approved in writing by TAMC's Contract Administrator prior to the start of work by the subconsultant(s).

22. Ownership of Data.

- a) Upon completion of all work under this Agreement, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this Agreement will automatically be vested in TAMC; and no further agreement will be necessary to transfer ownership to TAMC. Consultant shall furnish TAMC all necessary copies of data needed to complete the review and approval process.
- b) It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the connection with the project for which this Agreement has been entered into.
- c) Consultant is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by TAMC of the machine-readable information and data provided by Consultant under this Agreement; further, Consultant is not liable for claims, liabilities, or losses arising out of, or connected with any use by TAMC of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as many be authorized in writing by Consultant.
- d) Applicable patent rights provisions regarding rights to inventions shall be included in the Agreements as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).
- e) TAMC may permit copywriting reports or other agreement products. If copyrights are permitted, FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use the data, and may authorize others to use the work for government purposes.

- f) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

23. Confidentiality of Data.

- a) All financial, statistical, personal, technical, or other data and information relative to TAMC's operations, which are designated confidential by TAMC and made available to Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.
- b) Permission to disclose information on one occasion, or public hearing held by TAMC relating to the Agreement, shall not authorize Consultant to further disclose such information, or disseminate the same on any other occasion.
- c) Consultant shall not comment publicly to the press or any other media regarding the Agreement or TAMC's actions on the same, except to TAMC's staff, Consultant's own personnel involved in the performance of this Agreement, at public hearings or in response to questions from a Legislative committee.
- d) Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this Agreement without prior review of the contents thereof by TAMC, and receipt of TAMC'S written permission.
- e) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Article.

24. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which TAMC is the grantee, Consultant shall comply with all provisions of such grant applicable to Consultant's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

25. Prevailing Wages.

- a) Consultant shall comply with the all prevailing wage requirements, including California Labor Code section 1770, et seq., and any Federal or local laws or ordinances, that may be applicable to the work to be performed pursuant to this Agreement.
- b) Any subcontract entered into as a result of this Agreement, if for more than \$25,000 for public works, shall contain all the provisions of this Paragraph 25.
- c) When prevailing wages may apply to the services described in the Scope of Work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination found on the DIR website.

26. Equipment, Supplies or Consultant Services Purchases.

- (a) Prior authorization in writing by TAMC's Contract Administrator shall be required before Consultant enters into any unbudgeted purchase order, or subcontract exceeding Five Thousand Dollars (\$5,000) for supplies, equipment, or unbudgeted Consultant services. Consultant shall provide an evaluation of desirability of incurring such costs.
- (b) For purchase of any items, service or consulting work not covered in Consultant's Cost Proposal and exceeding Five Thousand Dollars (\$5,000), prior authorization is required by TAMC's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- (c) Any equipment purchased as a result of this Agreement is subject to the following:
 - i. Consultant shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of Five Thousand Dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, TAMC shall receive a proper refund or credit for such equipment at the conclusion of the Agreement, or if the Agreement is terminated, Consultant may either keep the equipment and credit TAMC in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established TAMC procedures for such sales and then credit TAMC in an amount equal to that sales price. If Consultant elects to keep the equipment, fair market value shall be determined at Consultant's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from and appraiser mutually acceptable to TAMC and Consultant; if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by TAMC.
 - ii. Consultant acknowledges that, if federal funds are used in this Agreement, 49 CFR, Part 1201 requires a credit to Federal funds when participating equipment with a fair market value greater than Five Thousand Dollars (\$5,000) is credited to the project for which this Agreement was entered into.
- (d) Consultant shall include these provisions into any subcontract in excess of Twenty-Five Thousand Dollars (\$25,000).

27. Conflict of Interest.

- (a) Consultant shall disclose any financial, business, or other relationship with TAMC that may have an impact upon the outcome of this Agreement, or any ensuing TAMC construction project. Consultant shall also list current clients who may have a financial

interest in the outcome of this Agreement, or any ensuing TAMC construction project, which will follow.

- (b) Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
- (c) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

28. Governing Laws. This Agreement shall be construed and enforced according to the laws of the State of California, and the parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.

29. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.

30. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.

31. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.

32. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.

33. Contract Administrators. Consultant's designated principal responsible for administering Consultant's work under this Agreement shall be [NAME], Project Manager; TAMC's designated administrator of this Agreement shall be Debra L. Hale, Executive Director. TAMC's Project Manager under this Agreement shall be [NAME].

34. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. Consultant shall give TAMC prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

To TAMC:	Debra L. Hale	To Consultant:
	Executive Director	
	55-B Plaza Circle	
	Salinas, CA 93901	
Tel:	831-775-0903	Tel:
Fax:	831-775-0897	Fax:
Email:	debbie@tamcmonterey.org	Email:

35. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

36. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

37. Debarment and Suspension Certification.

(a) Consultant's signature affixed below shall constitute a certification under penalty of perjury under the laws of the State of California that the Consultant has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (nonprocurement)," which certifies that Consultant or any person associated with Consultant in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by an federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to the TAMC.

(b) Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Consultant responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

(c) Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal Highway Administration.

38. Rebates, Kickbacks or Other Unlawful Consideration Prohibited. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any TAMC employee. TAMC shall have the right, in its sole and absolute discretion to do any of the following for breach or violation of this warranty: to terminate the Agreement without liability; to pay for the value of the work actually performed; or to deduct from the compensation to be paid under this Agreement (or otherwise recover) the full amount of any such rebate, kickback or unlawful consideration.

39. Prohibition of Expending Local Agency, State or Federal Funds for Lobbying.

- (a) Consultant certifies to the best of his, her or its knowledge and belief that:
- i. No State, Federal or local agency appropriated funds have been paid, or will be paid, by or on behalf of Consultant to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a member of the State Legislature or United States Congress; an officer or employee of the State Legislature or United States Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any State or Federal contract; in connection with the making of any State or Federal grant; in connection with the making of any State or Federal loan; in connection with the entering into of any cooperative agreement, and in connection with the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan or cooperative agreement.
 - ii. If any funds other than Federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress; or an employee of a Member of Congress, in connection with this contract, grant, loan or cooperative agreement, then Consultant shall complete and submit a Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (b) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Consultant acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for such failure.
- (c) By signing this Agreement, Consultant also agrees that Consultant will require that the language of this certification will be included in all lower-tier subcontracts which exceed One Hundred Thousand Dollars (\$100,000), and that all recipients of such subcontracts shall certify and disclose accordingly.

40. Exhibits. The following Exhibits are attached hereto and incorporated by reference:
Exhibit A – Scope of Work and Work Schedule
Exhibit B – Budget/Approved Consultant’s Cost Proposal
41. Entire Agreement. This document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

IN WITNESS WHEREOF, TAMC and Consultant execute this agreement as follows:

TAMC	HDR
By _____ Debra L. Hale Executive Director	By: _____ Name: Title:

Dated: _____ Dated: _____

By: _____
Name:
Title:

Dated: _____

INSTRUCTIONS: If Consultant is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If Consultant is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If Consultant is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

Approved as to form:

TAMC Counsel

Dated: _____

For TAMC internal use:

Work Element number to be used for the contract: _____

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AND
AGREEMENT FOR PROFESSIONAL SERVICES
APPROVED BY THE TAMC BOARD ON:
[Lump Sum]

This is an agreement between the Transportation Agency for Monterey County, hereinafter called "TAMC," and [Consultant's Name], a [indicate legal status of entity, e.g., a California corporation, an individual dba . . . , a California partnership], [Consultant's address], hereinafter called "Consultant."

The parties agree as follows:

1. Employment of Consultant. TAMC hereby engages Consultant and Consultant hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. Consultant will complete all work in accordance with the work schedule set forth in Exhibit A.
 - (a) The work is generally described as follows:

[INSERT BRIEF DESCRIPTION]
 - (b) Consultant represents that Consultant and its agents, subcontractors and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
 - (c) Consultant, its agents, subcontractors, and employees, shall perform all work in a safe, skillful, and professional manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements. Consultant shall ensure for itself and for any subcontractors under this Agreement that the applicable requirements of Labor Code section 1725.5, concerning the registration of contractors for public works, shall be in force and maintained for the term of this Agreement.
 - (d) Consultant shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. Consultant shall not use TAMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
 - (e) Consultant's project manager shall be the person specified in Exhibit A. If Consultant desires to change the project manager, Consultant shall get written approval from TAMC of the new project manager.

- (f) Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for the Contract Administrator to determine, if Consultant is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
 - (g) Consultant's Project Manager shall meet with TAMC's Contract Administrator, as needed, to discuss progress on the contract.
2. Term of Agreement. The term of this Agreement shall begin upon [DATE], contingent upon approval by the TAMC Board, and Consultant shall commence work only after a Notice to Proceed has been issued by TAMC's Project Manager specified in Paragraph 33. Unless earlier terminated as provided herein, this Agreement shall remain in force until [DATE]. Consultant acknowledges that this Agreement is not binding until it is fully executed and approved by TAMC.
3. Payments to Consultant; maximum liability. Subject to the limitations set forth herein, TAMC shall pay to Consultant the amounts provided in Exhibit B: Budget, upon receipt and acceptance of deliverables listed therein. Each payment by TAMC shall be for a specific deliverable outlined in Exhibit A: Scope of Work and Schedule. The maximum amount payable to the Consultant under this Agreement is set forth in Exhibit B: Budget and shall not exceed the amount of _____ Dollars (\$XXXX). If there is any conflict between the terms of this Agreement and the terms of either Exhibit A (Scope of Work) or Exhibit B (Budget), the terms of this Agreement shall prevail. TAMC does not guarantee any minimum amount of dollars to be spent under this Agreement.
4. Method of Payment/Allowable Costs and Payment. The method of payment for this Agreement will be based on lump sum.
- (a) The total lump sum price paid to Consultant will include compensation for all work and deliverables, including any travel and equipment described in Paragraph 1a and Exhibit A: Scope of Work for this Agreement. No additional compensation will be paid to Consultant unless there is a change in the scope of the work or the scope of the project. In the instance of a change in the scope of work or scope of project, any adjustment to the total lump sum compensation will be negotiated between Consultant and TAMC. Adjustment in the total lump sum compensation will not be effective until authorized by a written amendment to this Agreement, approved by TAMC.
 - (b) Progress payments may be made monthly, in arrears, based on the percentage of work completed by Consultant. If Consultant fails to submit the required deliverable items according to the schedule set forth in Exhibit A, TAMC shall have the right to delay payment or terminate this Agreement in accordance with Paragraph 6 (Termination).

- (c) Consultant shall not commence performance of work or services until this Agreement has been approved by TAMC, and notification to proceed has been issued by TAMC's Contract Administrator. No payment will be made prior to approval, or for any work performed prior to approval of this Agreement.
- (d) Consultant will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by TAMC's Contract Administrator of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than 45 calendar days after the performance of work for which Consultant is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this Agreement number and project title and Task Order number. Credits due TAMC that include any equipment purchased under the provisions of Paragraph 26 (Equipment, Supplies or Consultant Services Purchases) must be reimbursed by Consultant prior to the expiration or termination of this Agreement.
- (e) The total amount payable by TAMC resulting from this Agreement shall not exceed the amount of _____ (\$XXXXXX).
- (f) All subcontracts under this Agreement in excess of \$25,000 shall contain the above provisions.

5. Retention of Funds.

- (a) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.
- (b) No retainage will be withheld by TAMC from progress payments due the prime Consultant. Retainage by the prime consultant or subconsultants is prohibited, and no retainage will be held by the prime consultant from progress due subconsultants. Any violation of this provision shall subject the violating prime consultant or subconsultants to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants.

6. Termination.

- (a) TAMC reserves the right to terminate this Agreement upon thirty (30) calendar days' written notice to Consultant with the reasons for termination stated in the notice.

- (b) TAMC may also terminate this Agreement at any time for good cause effective immediately upon written notice to Consultant. “Good cause” includes, without limitation, the failure of Consultant to perform the required services at the time and in the manner provided herein, as well as failure to comply with the provisions of Paragraphs 12 and 13, relating to audits, below. Notwithstanding TAMC’s right to terminate for good cause effective immediately upon written notice thereof, TAMC shall provide prior notice to Consultant of any ground for termination then being considered, and also provide Consultant with a good faith opportunity to avoid termination, as reasonably determined by TAMC in its absolute discretion. If TAMC terminates this Agreement for good cause, TAMC may be relieved of the payment of any consideration to Consultant, and TAMC may proceed with the work in any manner, which it deems proper. Costs incurred by TAMC thereby shall be deducted from any sum otherwise due Consultant.
- (c) The maximum amount for which TAMC shall be liable if this Agreement is terminated is zero (0) dollars.
- (d) It is also mutually understood between TAMC and Consultant that this Agreement may have been written before ascertaining the availability of funds, or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made. This Agreement is valid and enforceable only if sufficient funds are made available to TAMC for the purpose of this Agreement. It is mutually agreed that if sufficient funds are not appropriated, this Agreement may be amended to reflect any reduction in funds. TAMC retains the right to direct Consultant immediately to stop work and to terminate this Agreement for convenience, pursuant to Paragraph 6(a) above, in order to address any reduction of funds.
- (e) Termination of this Agreement shall not terminate Consultant’s duty to defend, indemnify and hold harmless TAMC, as provided in Paragraphs 8 and 20.

7. Cost Principles and Administrative Requirements.

- (a) Consultant agrees that the contract Cost Principles and Procedures, 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.000 *et seq.*, Federal Acquisition Regulations System, shall be used to determine the cost allowability of individual items.
- (b) Consultant also agrees to comply with federal procedures in accordance with 49 CFR, Part 1201, Uniform System of Accounts, List of Instructions and Accounts, Regulations Prescribed.
- (c) Any costs for which payment has been made to Consultant under this Agreement that are determined by subsequent audit to be unallowable under 49 CFR Part 1201 and 48 CFR Part 31, are subject to repayment by Consultant to TAMC.

(d) All subcontracts in excess of \$25,000 shall contain the above provisions.

8. Indemnification. To the fullest extent permitted by law, including California Civil Code sections 2782 and 2782.6, Consultant shall defend (with legal counsel reasonably acceptable to TAMC), indemnify and hold harmless TAMC, its officers, agents, and employees, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Consultant or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Consultant, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify TAMC, its officers, agents, and employees, shall not apply to the extent that such Liabilities are caused in part by the sole negligence, active negligence, or willful misconduct of TAMC, its officers, agents, and employees. To the extent there is an obligation to indemnify under this Paragraph, Consultant shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Consultant's negligence, recklessness, or willful misconduct. Notwithstanding any other provision of this Agreement, Consultant's obligation to defend, indemnify and hold harmless TAMC shall survive the termination or expiration of the Agreement for a term to include the applicable statute of limitations related to the Consultant's performance pursuant to the Agreement.

9. Insurance.

(a) Without limiting Consultant's duty to indemnify as set forth in this Agreement, Consultant shall maintain, at no additional cost to TAMC, throughout the term of this Agreement a policy or policies of insurance with the following coverage and minimum limits of liability (check if applicable):

- Commercial general liability insurance, including but not limited to premises, personal injury, products, and completed operations, with a combined single limit of One Million Dollars (\$1,000,000) per occurrence.
- Professional liability insurance in the amount of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims made" basis rather than an "occurrence" basis, Consultant shall, upon the expiration or termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the surviving term of Consultant's obligation to defend, indemnify and hold harmless TAMC as set for in Paragraph 8.

- Comprehensive automobile insurance covering all motor vehicles, including owned, leased, hired and non-owned vehicles used in providing services under this Agreement, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.
 - (b) All insurance required under this Agreement shall be with a company acceptable to TAMC and authorized by law to transact insurance business in the State of California. Unless otherwise provided in this Agreement, all such insurance shall be written on an occurrence basis; or, if any policy cannot be written on an occurrence basis, such policy shall continue in effect for a period of two years following the date of Consultant's completion of performance hereunder.
 - (c) Each policy of insurance required under this Agreement shall provide that TAMC shall be given written notice at least thirty days in advance of any change, cancellation or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor performing work under this Agreement, or be accompanied by a certificate of insurance for each subcontractor showing identical insurance coverage.
 - (d) Commercial general liability and automobile liability policies shall provide an endorsement naming TAMC, its officers, agents, and employees, as additional insureds and shall further provide that such insurance is primary to any insurance or self-insurance maintained by TAMC, and that no insurance of any additional insured shall be called upon to contribute to a loss covered by Consultant's insurance.
 - (e) TAMC shall not be responsible for any premiums or assessments on the policy.
10. Workers' Compensation Insurance. If during the performance of this Agreement, Consultant employs one or more employees, then Consultant shall maintain a workers' compensation plan covering all of its employees as required by Labor Code Sec. 3700, either (a) through workers' compensation insurance issued by an insurance company, with coverage meeting the statutory limits and with a minimum of One Million Dollars (\$1,000,000) per occurrence for employer's liability, or (b) through a plan of self-insurance certified by the State Director of Industrial Relations, with equivalent coverage. If Consultant elects to be self-insured, the certificate of insurance otherwise required by this Agreement shall be replaced with consent to self-insure issued by the State Director of Industrial Relations. The provisions of this paragraph apply to any subcontractor employing one or more employees, and Consultant shall be responsible for all subcontractors' compliance herewith.
11. Safety Provisions.
- (a) Consultant shall comply with Division of Occupational Safety and Health (CAL-OSHA) regulations applicable to Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by TAMC Safety Officer and other TAMC representatives. Consultant personnel shall wear hard hats and safety vests at all times while working on a construction project site.

- (b) If applicable to work to be performed by Consultant identified in the Scope of Work (Exhibit A), and pursuant to the authority contained in Section 591 of the Vehicle Code, TAMC has determined that such areas are within the limits of the project and are open to public traffic. Consultant shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- (c) Any subcontract entered into as a result of this Agreement, shall contain all of the provisions of this Section.
- (d) Consultant must have a CAL-OSHA permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

12. Certificate of Insurance and Taxpayer Identification. Prior to the execution of this Agreement by TAMC, Consultant shall submit a completed federal W-9 form, Request for Taxpayer Identification Number and Certification, and file certificates of insurance with TAMC's contract administrator evidencing that Consultant has in effect the insurance required by this Agreement. Consultant shall file a new or amended certificate promptly after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify any indemnification provision of this Agreement.

13. Retention of Records/Audit. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the Agreement pursuant to Government Code 8546.7, Consultant, subconsultants, and TAMC shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The state, State Auditor, TAMC, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of Consultant and its certified public accountants (CPA) work papers that are pertinent to the Agreement and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of \$25,000 shall contain this provision.

14. Audit Review Procedures.

a) Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by TAMC'S Chief Financial Officer.

b) Not later than 30 days after issuance of the final audit report, Consultant may request a review by TAMC'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

c) Neither the pendency of a dispute nor its consideration by TAMC will excuse Consultant from full and timely performance, in accordance with the terms of this Agreement.

(The following AUDIT CLAUSE must be inserted into all contracts of \$150,000 or greater)

d) Consultant and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is Consultant's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by Consultant and approved by TAMC contract manager to conform to the audit or review recommendations. Consultant agrees that individual terms of costs identified in the audit report shall be incorporated into the Agreement by this reference if directed by TAMC at its sole discretion. Refusal by Consultant to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the Agreement and disallowance of prior reimbursed costs.

(An additional AUDIT CLAUSE must be inserted into all contracts of \$3,500,000 or greater; confer with legal counsel for language.)

15. Inspection of Work. Consultant and any subconsultant shall permit TAMC, the State, and the FHWA (if federal participating funds are used in this Agreement) to review and inspect the project activities and files at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.

16. Confidentiality; Return of Records. Consultant and its officers, employees, agents, and subcontractors shall comply with all federal, State and local laws providing for the confidentiality of records and other information. Consultant shall not disclose any confidential information received from TAMC or prepared in connection with the performance of this Agreement without the express permission of TAMC. Consultant shall promptly transmit to TAMC all requests for disclosure of any such confidential information. Consultant shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out Consultant's obligations hereunder. When

this Agreement expires or terminates, Consultant shall return to TAMC all records, which Consultant utilized or received from TAMC to perform services under this Agreement.

17. Amendments and Modifications. No modification or amendment of this Agreement shall be valid unless it is set forth in writing and executed by the parties hereto.

18. Statement of Compliance/Non-Discrimination.

- a) Consultant's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that Consultant has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
- b) During the performance of this Agreement, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

[If federal funding, add c) and d)]

- c) Consultant shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- d) Consultant, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the Consultant shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment.

The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

19. Harassment. TAMC maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a TAMC employee's work performance or creates an intimidating, hostile or offensive work environment.
20. Independent Contractor. In its performance under this Agreement, Consultant is at all times acting and performing as an independent contractor and not as an employee of TAMC or any of its member jurisdictions. No offer or obligation of employment is intended in any manner, and Consultant shall not become entitled by virtue of this Agreement to receive any form of benefits accorded to employees including without limitation leave time, health insurance, workers' compensation coverage, disability benefits, and retirement contributions. Consultant shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of Consultant's performance of this Agreement. In connection therewith, Consultant shall defend, indemnify, and hold harmless TAMC from any and all liability, which TAMC may incur because of Consultant's failure to make such payments.
21. Delegation of Duties; Subcontracting.
 - a) Nothing contained in this Agreement or otherwise, shall create any contractual relation between TAMC and any subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to TAMC for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its subconsultant(s) is an independent obligation from TAMC'S obligation to make payments to the Consultant.
 - b) Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by TAMC's Contract Administrator, except that, which is expressly identified in the approved Budget/Cost Proposal.
 - c) Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to Consultant by TAMC.
 - d) Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.
 - e) Any substitution of subconsultant(s) must be approved in writing by TAMC's Contract Administrator prior to the start of work by the subconsultant(s).

22. Ownership of Data.

- a) Upon completion of all work under this Agreement, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this Agreement will automatically be vested in TAMC; and no further agreement will be necessary to transfer ownership to TAMC. Consultant shall furnish TAMC all necessary copies of data needed to complete the review and approval process.
- b) It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the connection with the project for which this Agreement has been entered into.
- c) Consultant is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by TAMC of the machine-readable information and data provided by Consultant under this Agreement; further, Consultant is not liable for claims, liabilities, or losses arising out of, or connected with any use by TAMC of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as many be authorized in writing by Consultant.
- d) Applicable patent rights provisions regarding rights to inventions shall be included in the Agreements as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).
- e) TAMC may permit copywriting reports or other agreement products. If copyrights are permitted, FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use the data, and may authorize others to use the work for government purposes.
- f) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

23. Confidentiality of Data.

- a) All financial, statistical, personal, technical, or other data and information relative to TAMC's operations, which are designated confidential by TAMC and made available to Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.
- b) Permission to disclose information on one occasion, or public hearing held by TAMC relating to the Agreement, shall not authorize Consultant to further disclose such information, or disseminate the same on any other occasion.
- c) Consultant shall not comment publicly to the press or any other media regarding the Agreement or TAMC's actions on the same, except to TAMC's staff, Consultant's own

personnel involved in the performance of this Agreement, at public hearings or in response to questions from a Legislative committee.

- d) Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this Agreement without prior review of the contents thereof by TAMC, and receipt of TAMC'S written permission.
- e) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Article.

24. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which TAMC is the grantee, Consultant shall comply with all provisions of such grant applicable to Consultant's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

25. Prevailing Wages.

- a) Consultant shall comply with the all prevailing wage requirements, including California Labor Code section 1770, et seq., and any Federal or local laws or ordinances, that may be applicable to the work to be performed pursuant to this Agreement.
- b) Any subcontract entered into as a result of this Agreement, if for more than \$25,000 for public works, shall contain all the provisions of this Paragraph 25.
- c) When prevailing wages may apply to the services described in the Scope of Work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination found on the DIR website.

26. Equipment, Supplies or Consultant Services Purchases.

- (a) Prior authorization in writing by TAMC's Contract Administrator shall be required before Consultant enters into any unbudgeted purchase order, or subcontract exceeding Five Thousand Dollars (\$5,000) for supplies, equipment, or unbudgeted Consultant services. Consultant shall provide an evaluation of desirability of incurring such costs.
- (b) For purchase of any items, service or consulting work not covered in Consultant's Cost Proposal and exceeding Five Thousand Dollars (\$5,000), prior authorization is required by TAMC's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

- (c) Any equipment purchased as a result of this Agreement is subject to the following:
 - i. Consultant shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of Five Thousand Dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, TAMC shall receive a proper refund or credit for such equipment at the conclusion of the Agreement, or if the Agreement is terminated, Consultant may either keep the equipment and credit TAMC in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established TAMC procedures for such sales and then credit TAMC in an amount equal to that sales price. If Consultant elects to keep the equipment, fair market value shall be determined at Consultant's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually acceptable to TAMC and Consultant; if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by TAMC.
 - ii. Consultant acknowledges that, if federal funds are used in this Agreement, 49 CFR, Part 1201 requires a credit to Federal funds when participating equipment with a fair market value greater than Five Thousand Dollars (\$5,000) is credited to the project for which this Agreement was entered into.
- (d) Consultant shall include these provisions into any subcontract in excess of Twenty-Five Thousand Dollars (\$25,000).

27. Conflict of Interest.

- (a) Consultant shall disclose any financial, business, or other relationship with TAMC that may have an impact upon the outcome of this Agreement, or any ensuing TAMC construction project. Consultant shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing TAMC construction project, which will follow.
- (b) Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
- (c) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

28. Governing Laws. This Agreement shall be construed and enforced according to the laws of the State of California, and the parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.

29. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.
30. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.
31. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.
32. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.
33. Contract Administrators. Consultant's designated principal responsible for administering Consultant's work under this Agreement shall be [NAME], Project Manager; TAMC's designated administrator of this Agreement shall be Debra L. Hale, Executive Director. TAMC's Project Manager under this Agreement shall be [NAME].
34. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. Consultant shall give TAMC prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

To TAMC:	Debra L. Hale	To Consultant:
	Executive Director	
	55-B Plaza Circle	
	Salinas, CA 93901	
Tel:	831-775-0903	Tel:
Fax:	831-775-0897	Fax:
Email:	debbie@tamcmonterey.org	Email:

35. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

36. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

37. Debarment and Suspension Certification.

- (a) Consultant's signature affixed below shall constitute a certification under penalty of perjury under the laws of the State of California that the Consultant has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (nonprocurement)," which certifies that Consultant or any person associated with Consultant in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by an federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to the TAMC.
- (b) Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Consultant responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.
- (c) Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal Highway Administration.

38. Rebates, Kickbacks or Other Unlawful Consideration Prohibited. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any TAMC employee. TAMC shall have the right, in its sole and absolute discretion to do any of the following for breach or violation of this warranty: to terminate the Agreement without liability; to pay for the value of the work actually performed; or to deduct from the compensation to be paid under this Agreement (or otherwise recover) the full amount of any such rebate, kickback or unlawful consideration.

39. Prohibition of Expending Local Agency, State or Federal Funds for Lobbying.

- (a) Consultant certifies to the best of his, her or its knowledge and belief that:
- i. No State, Federal or local agency appropriated funds have been paid, or will be paid, by or on behalf of Consultant to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a member of the State Legislature or United States Congress; an officer or employee of the State Legislature or United States Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any State or Federal contract; in connection with the making of any State or Federal grant; in connection with the making of any State or Federal loan; in connection with the entering into of any cooperative agreement, and in connection with the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan or cooperative agreement.
 - ii. If any funds other than Federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress; or an employee of a Member of Congress, in connection with this contract, grant, loan or cooperative agreement, then Consultant shall complete and submit a Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (b) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Consultant acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for such failure.
- (c) By signing this Agreement, Consultant also agrees that Consultant will require that the language of this certification will be included in all lower-tier subcontracts which exceed One Hundred Thousand Dollars (\$100,000), and that all recipients of such subcontracts shall certify and disclose accordingly.

40. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

Exhibit A – Scope of Work and Work Schedule

Exhibit B – Budget/Approved Consultant's Cost Proposal

41. Entire Agreement. This document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

IN WITNESS WHEREOF, TAMC and Consultant execute this agreement as follows:

TAMC	HDR
By _____ Debra L. Hale Executive Director	By: _____ Name: Title:

Dated: _____ Dated: _____

By: _____
Name:
Title:

Dated: _____

INSTRUCTIONS: If Consultant is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If Consultant is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If Consultant is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

Approved as to form:

TAMC Counsel

Dated: _____

For TAMC internal use:

Work Element number to be used for the contract: _____

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AND
AGREEMENT FOR PROFESSIONAL SERVICES
APPROVED BY THE TAMC BOARD ON:
[On Call]

This is an agreement between the Transportation Agency for Monterey County, hereinafter called "TAMC," and [Consultant's Name], a [indicate legal status of entity, e.g., a California corporation, an individual dba . . . , a California partnership], [Consultant's address], hereinafter called "Consultant."

The parties agree as follows:

1. Employment of Consultant. TAMC hereby engages Consultant and Consultant hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. Consultant will complete all work in accordance with the work schedule set forth in Exhibit A.
 - (a) The work is generally described as follows:

[INSERT BRIEF DESCRIPTION]
 - (b) Consultant represents that Consultant and its agents, subcontractors and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
 - (c) Consultant, its agents, subcontractors, and employees, shall perform all work in a safe, skillful, and professional manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements. Consultant shall ensure for itself and for any subcontractors under this Agreement that the applicable requirements of Labor Code section 1725.5, concerning the registration of contractors for public works, shall be in force and maintained for the term of this Agreement.
 - (d) Consultant shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. Consultant shall not use TAMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
 - (e) Consultant's project manager shall be the person specified in Exhibit A. If Consultant desires to change the project manager, Consultant shall get written approval from TAMC of the new project manager.

- (f) Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for the Contract Administrator to determine, if Consultant is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
 - (g) Consultant's Project Manager shall meet with TAMC's Contract Administrator, as needed, to discuss progress on the contract.
2. Term of Agreement. The term of this Agreement shall begin upon [DATE], contingent upon approval by the TAMC Board, and Consultant shall commence work only after a Notice to Proceed has been issued by TAMC's Project Manager specified in Paragraph 33. Unless earlier terminated as provided herein, this Agreement shall remain in force until [DATE]. Consultant acknowledges that this Agreement is not binding until it is fully executed and approved by TAMC.
3. Payments to Consultant; maximum liability. Subject to the limitations set forth herein, TAMC shall pay to Consultant the amounts provided in Exhibit B: Budget, upon receipt and acceptance of deliverables listed therein. Each payment by TAMC shall be for a specific deliverable outlined in Exhibit A: Scope of Work and Schedule. The maximum amount payable to the Consultant under this Agreement is set forth in Exhibit B: Budget and shall not exceed the amount of _____ Dollars (\$XXXX). If there is any conflict between the terms of this Agreement and the terms of either Exhibit A (Scope of Work) or Exhibit B (Budget), the terms of this Agreement shall prevail. TAMC does not guarantee any minimum amount of dollars to be spent under this Agreement.
4. Method of Payment/Allowable Costs and Payment. The method of payment for this Agreement will be based upon specific rates of compensation as negotiated through Task Orders.
- (a) Consultant will be reimbursed for hours worked at the hourly rates specified in Consultant's approved Cost Proposal, Exhibit B to this Agreement, which rates shall be inclusive of direct salary costs, employee benefits, overhead and fees, if any. These rates are not adjustable for the performance period set forth in this Agreement.
 - (b) In addition, Consultant will be reimbursed for incurred (actual) direct costs other than salary costs that are in the approved Cost Proposal and identified in the Cost Proposal and in the executed Task Order.
 - (c) Consultant agrees to be on call to perform work as described in Section 1(a) until the term of the Agreement expires.
 - (d) Work on specific projects shall be directed via Task Orders.

- (e) Once a specific project to be performed under this Agreement is identified by TAMC, TAMC's Project Manager will prepare a draft Task Order less the cost estimate. The draft Task Order will identify the scope of services, expected results, project deliverables, period of performance, project schedule and a TAMC Task Manager. The draft Task Order will be delivered to Consultant for review. Consultant shall return the draft Task Order within ten (10) calendar days, along with a Cost Estimate, including a written estimate of the number of hours and hourly rates per staff person, any anticipated reimbursable expenses, overhead, fee (if any), and a total dollar amount for the Task. After agreement has been reached on the negotiable items and total not to exceed cost, a finalized Task Order with the finalized Task Order Budget shall be signed by both TAMC and Consultant.
- (f) If no agreement on the Task Order is reached within a reasonable amount of time, TAMC may present the draft Task Order to a different consultant with which TAMC has an on call agreement, or may take such other actions as TAMC deems appropriate to accomplish the Task.
- (g) Task Orders may be negotiated for a lump sum (Firm Fixed Price) or for specific rates of compensation, both of which must be based on the labor and other rates set forth in Consultant's approved Cost Proposal.
- (h) Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal.
- (i) When milestone cost estimates are included in the approved Cost Estimate, Consultant shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such estimate.
- (j) Progress payments for each Task Order will be made monthly in arrears, based on services provided and actual costs incurred.
- (k) Consultant shall not commence performance of work or services until this Agreement has been approved by TAMC, and notification to proceed has been issued by TAMC's Contract Administrator. No payment will be made prior to approval, or for any work performed prior to approval of this Agreement.
- (l) A Task Order is of no force or effect until returned to TAMC and signed by an authorized representative of TAMC. No expenditures are authorized on a project or task, and work shall not commence until a Task Order for that project/task has been executed by TAMC.
- (m) Consultant will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by TAMC's Contract Administrator of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than 45 calendar days after

the performance of work for which Consultant is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this Agreement number and project title and Task Order number. Credits due TAMC that include any equipment purchased under the provisions of Paragraph 26 (Equipment, Supplies or Consultant Services Purchases) must be reimbursed by Consultant prior to the expiration or termination of this Agreement.

- (n) The final invoice should be submitted within 60 calendar days after completion of Consultant's work. Invoices shall be mailed to TAMC's Contract Administrator at the address contained in Paragraph 34 (Notices).
- (o) The period of performance for Task Orders shall be in accordance with the dates specified in the Task Order. No Task Order will be written which extends beyond the expiration of this Agreement.
- (p) The total amount payable by TAMC for an individual Task Order shall not exceed the amount agreed to in the Task Order, unless authorized by a written amendment.
- (q) If the Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.
- (r) Task Orders may not be used to amend this Agreement and may not exceed the scope of work, or the term, of this Agreement.
- (s) The total amount payable by TAMC under all Task Orders resulting from this Agreement shall not exceed the amount of _____ (\$XXXXXX). It is understood and agreed that there is no guarantee, either expressed or implied, that this dollar amount will be authorized under this Agreement through Task Orders.
- (t) All subcontracts under this Agreement in excess of \$25,000 shall contain the above provisions.

5. Retention of Funds.

- (a) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.
- (b) No retainage will be withheld by TAMC from progress payments due the prime Consultant. Retainage by the prime consultant or subconsultants is prohibited, and no retainage will be held by the prime consultant from progress due subconsultants. Any violation of this provision shall subject the violating prime consultant or subconsultants

to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants.

6. Termination.

- (a) TAMC reserves the right to terminate this Agreement upon thirty (30) calendar days' written notice to Consultant with the reasons for termination stated in the notice.
- (b) TAMC may also terminate this Agreement at any time for good cause effective immediately upon written notice to Consultant. "Good cause" includes, without limitation, the failure of Consultant to perform the required services at the time and in the manner provided herein, as well as failure to comply with the provisions of Paragraphs 12 and 13, relating to audits, below. Notwithstanding TAMC's right to terminate for good cause effective immediately upon written notice thereof, TAMC shall provide prior notice to Consultant of any ground for termination then being considered, and also provide Consultant with a good faith opportunity to avoid termination, as reasonably determined by TAMC in its absolute discretion. If TAMC terminates this Agreement for good cause, TAMC may be relieved of the payment of any consideration to Consultant, and TAMC may proceed with the work in any manner, which it deems proper. Costs incurred by TAMC thereby shall be deducted from any sum otherwise due Consultant.
- (c) The maximum amount for which TAMC shall be liable if this Agreement is terminated is zero (0) dollars.
- (d) It is also mutually understood between TAMC and Consultant that this Agreement may have been written before ascertaining the availability of funds, or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made. This Agreement is valid and enforceable only if sufficient funds are made available to TAMC for the purpose of this Agreement. It is mutually agreed that if sufficient funds are not appropriated, this Agreement may be amended to reflect any reduction in funds. TAMC retains the right to direct Consultant immediately to stop work and to terminate this Agreement for convenience, pursuant to Paragraph 6(a) above, in order to address any reduction of funds.
- (e) Termination of this Agreement shall not terminate Consultant's duty to defend, indemnify and hold harmless TAMC, as provided in Paragraphs 8 and 20.

7. Cost Principles and Administrative Requirements.

- (a) Consultant agrees that the contract Cost Principles and Procedures, 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.000 *et seq.*, Federal Acquisition Regulations System, shall be used to determine the cost allowability of individual items.
- (b) Consultant also agrees to comply with federal procedures in accordance with 49 CFR, Part 1201, Uniform System of Accounts, List of Instructions and Accounts, Regulations Prescribed.
- (c) Any costs for which payment has been made to Consultant under this Agreement that are determined by subsequent audit to be unallowable under 49 CFR Part 1201 and 48 CFR Part 31, are subject to repayment by Consultant to TAMC.
- (d) All subcontracts in excess of \$25,000 shall contain the above provisions.

8. Indemnification.

To the fullest extent permitted by law, including California Civil Code sections 2782 and 2782.6, Consultant shall defend (with legal counsel reasonably acceptable to TAMC), indemnify and hold harmless TAMC, its officers, agents, and employees, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Consultant or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Consultant, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify TAMC, its officers, agents, and employees, shall not apply to the extent that such Liabilities are caused in part by the sole negligence, active negligence, or willful misconduct of TAMC, its officers, agents, and employees. To the extent there is an obligation to indemnify under this Paragraph, Consultant shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Consultant's negligence, recklessness, or willful misconduct. Notwithstanding any other provision of this Agreement, Consultant's obligation to defend, indemnify and hold harmless TAMC shall survive the termination or expiration of the Agreement for a term to include the applicable statute of limitations related to the Consultant's performance pursuant to the Agreement.

9. Insurance.

- (a) Without limiting Consultant's duty to indemnify as set forth in this Agreement, Consultant shall maintain, at no additional cost to TAMC, throughout the term of this Agreement a policy or policies of insurance with the following coverage and minimum limits of liability (check if applicable):
- Commercial general liability insurance, including but not limited to premises, personal injury, products, and completed operations, with a combined single limit of One Million Dollars (\$1,000,000) per occurrence.
 - Professional liability insurance in the amount of not less than One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims made" basis rather than an "occurrence" basis, Consultant shall, upon the expiration or termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the surviving term of Consultant's obligation to defend, indemnify and hold harmless TAMC as set for in Paragraph 8.
 - Comprehensive automobile insurance covering all motor vehicles, including owned, leased, hired and non-owned vehicles used in providing services under this Agreement, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.
- (b) All insurance required under this Agreement shall be with a company acceptable to TAMC and authorized by law to transact insurance business in the State of California. Unless otherwise provided in this Agreement, all such insurance shall be written on an occurrence basis; or, if any policy cannot be written on an occurrence basis, such policy shall continue in effect for a period of two years following the date of Consultant's completion of performance hereunder.
- (c) Each policy of insurance required under this Agreement shall provide that TAMC shall be given written notice at least thirty days in advance of any change, cancellation or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor performing work under this Agreement, or be accompanied by a certificate of insurance for each subcontractor showing identical insurance coverage.
- (d) Commercial general liability and automobile liability policies shall provide an endorsement naming TAMC, its officers, agents, and employees, as additional insureds and shall further provide that such insurance is primary to any insurance or self-insurance maintained by TAMC, and that no insurance of any additional insured shall be called upon to contribute to a loss covered by Consultant's insurance.

(e) TAMC shall not be responsible for any premiums or assessments on the policy.

10. Workers' Compensation Insurance. If during the performance of this Agreement, Consultant employs one or more employees, then Consultant shall maintain a workers' compensation plan covering all of its employees as required by Labor Code Sec. 3700, either (a) through workers' compensation insurance issued by an insurance company, with coverage meeting the statutory limits and with a minimum of One Million Dollars (\$1,000,000) per occurrence for employer's liability, or (b) through a plan of self-insurance certified by the State Director of Industrial Relations, with equivalent coverage. If Consultant elects to be self-insured, the certificate of insurance otherwise required by this Agreement shall be replaced with consent to self-insure issued by the State Director of Industrial Relations. The provisions of this paragraph apply to any subcontractor employing one or more employees, and Consultant shall be responsible for all subcontractors' compliance herewith.

11. Safety Provisions.

- (a) Consultant shall comply with Division of Occupational Safety and Health (CAL-OSHA) regulations applicable to Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by TAMC Safety Officer and other TAMC representatives. Consultant personnel shall wear hard hats and safety vests at all times while working on a construction project site.
- (b) If applicable to work to be performed by Consultant identified in the Scope of Work (Exhibit A), and pursuant to the authority contained in Section 591 of the Vehicle Code, TAMC has determined that such areas are within the limits of the project and are open to public traffic. Consultant shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- (c) Any subcontract entered into as a result of this Agreement, shall contain all of the provisions of this Section.
- (d) Consultant must have a CAL-OSHA permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

12. Certificate of Insurance and Taxpayer Identification. Prior to the execution of this Agreement by TAMC, Consultant shall submit a completed federal W-9 form, Request for Taxpayer Identification Number and Certification, and file certificates of insurance with TAMC's contract administrator evidencing that Consultant has in effect the insurance required by this Agreement. Consultant shall file a new or amended certificate promptly after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify any indemnification provision of this Agreement.

13. Retention of Records/Audit. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the Agreement pursuant to Government Code 8546.7, Consultant, subconsultants, and TAMC shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The state, State Auditor, TAMC, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of Consultant and its certified public accountants (CPA) work papers that are pertinent to the Agreement and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of \$25,000 shall contain this provision.

14. Audit Review Procedures.

a) Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by TAMC'S Chief Financial Officer.

b) Not later than 30 days after issuance of the final audit report, Consultant may request a review by TAMC'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

c) Neither the pendency of a dispute nor its consideration by TAMC will excuse Consultant from full and timely performance, in accordance with the terms of this Agreement.

(The following AUDIT CLAUSE must be inserted into all contracts of \$150,000 or greater)

d) Consultant and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is Consultant's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by Consultant and approved by TAMC contract manager to conform to the audit or review recommendations. Consultant agrees that individual terms of costs identified in the audit report shall be incorporated into the Agreement by this reference if directed by TAMC at its sole discretion. Refusal by Consultant to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the Agreement and disallowance of prior reimbursed costs.

(An additional AUDIT CLAUSE must be inserted into all contracts of \$3,500,000 or greater; confer with legal counsel for language.)

15. Inspection of Work. Consultant and any subconsultant shall permit TAMC, the State, and the FHWA (if federal participating funds are used in this Agreement) to review and inspect the project activities and files at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.
16. Confidentiality; Return of Records. Consultant and its officers, employees, agents, and subcontractors shall comply with all federal, State and local laws providing for the confidentiality of records and other information. Consultant shall not disclose any confidential information received from TAMC or prepared in connection with the performance of this Agreement without the express permission of TAMC. Consultant shall promptly transmit to TAMC all requests for disclosure of any such confidential information. Consultant shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out Consultant's obligations hereunder. When this Agreement expires or terminates, Consultant shall return to TAMC all records, which Consultant utilized or received from TAMC to perform services under this Agreement.
17. Amendments and Modifications. No modification or amendment of this Agreement shall be valid unless it is set forth in writing and executed by the parties hereto.
18. Statement of Compliance/Non-Discrimination.
 - a) Consultant's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that Consultant has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
 - b) During the performance of this Agreement, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give

written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

[If federal funding, add c) and d)]

- c) Consultant shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- d) Consultant, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the Consultant shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

19. Harassment. TAMC maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a TAMC employee's work performance or creates an intimidating, hostile or offensive work environment.

20. Independent Contractor. In its performance under this Agreement, Consultant is at all times acting and performing as an independent contractor and not as an employee of TAMC or any of its member jurisdictions. No offer or obligation of employment is intended in any manner, and Consultant shall not become entitled by virtue of this Agreement to receive any form of benefits accorded to employees including without limitation leave time, health insurance, workers' compensation coverage, disability benefits, and retirement contributions. Consultant shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of Consultant's performance of this Agreement. In connection therewith, Consultant shall defend, indemnify, and hold harmless TAMC from any and all liability, which TAMC may incur because of Consultant's failure to make such payments.

21. Delegation of Duties; Subcontracting.

- a) Nothing contained in this Agreement or otherwise, shall create any contractual relation between TAMC and any subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to TAMC for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its subconsultant(s) is an independent obligation from TAMC'S obligation to make payments to the Consultant.
- b) Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by TAMC's Contract Administrator, except that, which is expressly identified in the approved Budget/Cost Proposal.
- c) Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to Consultant by TAMC.
- d) Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.
- e) Any substitution of subconsultant(s) must be approved in writing by TAMC's Contract Administrator prior to the start of work by the subconsultant(s).

22. Ownership of Data.

- a) Upon completion of all work under this Agreement, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this Agreement will automatically be vested in TAMC; and no further agreement will be necessary to transfer ownership to TAMC. Consultant shall furnish TAMC all necessary copies of data needed to complete the review and approval process.
- b) It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the connection with the project for which this Agreement has been entered into.
- c) Consultant is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by TAMC of the machine-readable information and data provided by Consultant under this Agreement; further, Consultant is not liable for claims, liabilities, or losses arising out of, or connected with any use by TAMC of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as many be authorized in writing by Consultant.
- d) Applicable patent rights provisions regarding rights to inventions shall be included in the Agreements as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

- e) TAMC may permit copywriting reports or other agreement products. If copyrights are permitted, FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use the data, and may authorize others to use the work for government purposes.
- f) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

23. Confidentiality of Data.

- a) All financial, statistical, personal, technical, or other data and information relative to TAMC's operations, which are designated confidential by TAMC and made available to Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.
- b) Permission to disclose information on one occasion, or public hearing held by TAMC relating to the Agreement, shall not authorize Consultant to further disclose such information, or disseminate the same on any other occasion.
- c) Consultant shall not comment publicly to the press or any other media regarding the Agreement or TAMC's actions on the same, except to TAMC's staff, Consultant's own personnel involved in the performance of this Agreement, at public hearings or in response to questions from a Legislative committee.
- d) Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this Agreement without prior review of the contents thereof by TAMC, and receipt of TAMC'S written permission.
- e) Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Article.

24. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which TAMC is the grantee, Consultant shall comply with all provisions of such grant applicable to Consultant's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

25. Prevailing Wages.

- a) Consultant shall comply with the all prevailing wage requirements, including California Labor Code section 1770, et seq., and any Federal or local laws or ordinances, that may be applicable to the work to be performed pursuant to this Agreement.
- b) Any subcontract entered into as a result of this Agreement, if for more than \$25,000 for public works, shall contain all the provisions of this Paragraph 25.

- c) When prevailing wages may apply to the services described in the Scope of Work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination found on the DIR website.

26. Equipment, Supplies or Consultant Services Purchases.

- (a) Prior authorization in writing by TAMC's Contract Administrator shall be required before Consultant enters into any unbudgeted purchase order, or subcontract exceeding Five Thousand Dollars (\$5,000) for supplies, equipment, or unbudgeted Consultant services. Consultant shall provide an evaluation of desirability of incurring such costs.
- (b) For purchase of any items, service or consulting work not covered in Consultant's Cost Proposal and exceeding Five Thousand Dollars (\$5,000), prior authorization is required by TAMC's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- (c) Any equipment purchased as a result of this Agreement is subject to the following:
 - i. Consultant shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of Five Thousand Dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, TAMC shall receive a proper refund or credit for such equipment at the conclusion of the Agreement, or if the Agreement is terminated, Consultant may either keep the equipment and credit TAMC in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established TAMC procedures for such sales and then credit TAMC in an amount equal to that sales price. If Consultant elects to keep the equipment, fair market value shall be determined at Consultant's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from and appraiser mutually acceptable to TAMC and Consultant; if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by TAMC.
 - ii. Consultant acknowledges that, if federal funds are used in this Agreement, 49 CFR, Part 1201 requires a credit to Federal funds when participating equipment with a fair market value greater than Five Thousand Dollars (\$5,000) is credited to the project for which this Agreement was entered into.
- (d) Consultant shall include these provisions into any subcontract in excess of Twenty-Five Thousand Dollars (\$25,000).

27. Conflict of Interest.

- (a) Consultant shall disclose any financial, business, or other relationship with TAMC that may have an impact upon the outcome of this Agreement, or any ensuing TAMC construction project. Consultant shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing TAMC construction project, which will follow.
 - (b) Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
 - (c) Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.
28. Governing Laws. This Agreement shall be construed and enforced according to the laws of the State of California, and the parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.
29. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.
30. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.
31. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.
32. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.
33. Contract Administrators. Consultant's designated principal responsible for administering Consultant's work under this Agreement shall be [NAME], Project Manager; TAMC's designated administrator of this Agreement shall be Debra L. Hale, Executive Director. TAMC's Project Manager under this Agreement shall be [NAME].

34. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. Consultant shall give TAMC prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

To TAMC:	Debra L. Hale	To Consultant:
	Executive Director	
	55-B Plaza Circle	
	Salinas, CA 93901	
Tel:	831-775-0903	Tel:
Fax:	831-775-0897	Fax:
Email:	debbie@tamcmonterey.org	Email:

35. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

36. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

37. Debarment and Suspension Certification.

- (a) Consultant's signature affixed below shall constitute a certification under penalty of perjury under the laws of the State of California that the Consultant has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (nonprocurement)," which certifies that Consultant or any person associated with Consultant in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by an federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to the TAMC.
- (b) Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Consultant responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.
- (c) Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal Highway Administration.

38. Rebates, Kickbacks or Other Unlawful Consideration Prohibited. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any TAMC employee. TAMC shall have the right, in its sole and absolute discretion to do any of the following for breach or violation of this warranty: to terminate the Agreement without liability; to pay for the value of the work actually performed; or to deduct from the compensation to be paid under this Agreement (or otherwise recover) the full amount of any such rebate, kickback or unlawful consideration.

39. Prohibition of Expending Local Agency, State or Federal Funds for Lobbying.

- (a) Consultant certifies to the best of his, her or its knowledge and belief that:
- i. No State, Federal or local agency appropriated funds have been paid, or will be paid, by or on behalf of Consultant to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a member of the State Legislature or United States Congress; an officer or employee of the State Legislature or United States Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any State or Federal contract; in connection with the making of any State or Federal grant; in connection with the making of any State or Federal loan; in connection with the entering into of any cooperative agreement, and in connection with the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan or cooperative agreement.
 - ii. If any funds other than Federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress; or an employee of a Member of Congress, in connection with this contract, grant, loan or cooperative agreement, then Consultant shall complete and submit a Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (b) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Consultant acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for such failure.
- (c) By signing this Agreement, Consultant also agrees that Consultant will require that the language of this certification will be included in all lower-tier subcontracts which exceed One Hundred Thousand Dollars (\$100,000), and that all recipients of such subcontracts shall certify and disclose accordingly.

40. Exhibits. The following Exhibits are attached hereto and incorporated by reference:
Exhibit A – Scope of Work and Work Schedule
Exhibit B – Budget/Approved Consultant’s Cost Proposal
41. Entire Agreement. This document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

IN WITNESS WHEREOF, TAMC and Consultant execute this agreement as follows:

<p>TAMC</p> <p>By _____ Debra L. Hale Executive Director</p>	<p>HDR</p> <p>By: _____ Name: _____ Title: _____</p>
--	--

Dated: _____	Dated: _____
--------------	--------------

By: _____
Name: _____
Title: _____

Dated: _____

INSTRUCTIONS: If Consultant is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If Consultant is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If Consultant is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

Approved as to form:

TAMC Counsel

Dated: _____

For TAMC internal use:

Work Element number to be used for the contract: _____



Memorandum

To: Board of Directors
From: Rita Goel, Director of Finance & Administration
Meeting Date: January 27, 2016
Subject: **ANNUAL FINANCIAL AUDIT REPORTS FOR FISCAL YEAR
ENDING JUNE 30, 2015**

RECOMMENDED ACTION:

ACCEPT State of California Transportation Development Act Compliance and Audit Reports for fiscal year ending June 30, 2015.

SUMMARY:

For all of the audits completed for the year ending June 30, 2015, the auditors found no instances of noncompliance that is required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

FINANCIAL IMPACT:

The cost for the annual audits is \$19,015. The CPA firm was selected by the Agency after a bid process. The Agency authorized the audit firm to complete the audits for a 5-year period. This audit of the fiscal year ending June 30, 2015, is the third audit of the 5-year period authorized by the Agency.

DISCUSSION:

The purpose of the audits is to confirm that the Transportation Agency for Monterey County is operating in compliance with requirements of the Transportation Development Act law in administration of funds entrusted to the Agency by the state, and also to confirm that the Agency and its member agencies' to whom the Agency passed through Transportation Development Act funds last year have accounting practices that are in accord with standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Moss, Levy & Hartzheim, Certified Public Accountants, completed the following audits for fiscal year ending June 30, 2015:

1. Transportation Agency for Monterey County Regional Transportation Planning Agency compliance and fiscal audit, including audits of the Agency Trust Funds -

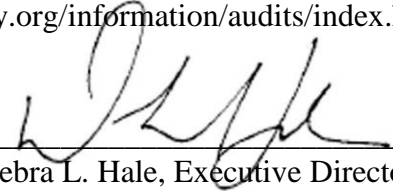
Local Transportation Fund, State Highway Account Fund, State Transit Assistance Fund, and Traffic Congestion Relief Act Exchange Program Fund.

2. Transportation Development Act Article 3 (Bicycle and Pedestrian Projects) & 8 (Streets and Roads Projects) non-transit claimants for the following jurisdictions:
 - County of Monterey, Department of Public Works
 - City of Greenfield

A Single Audit Report is required for any agency receiving more than \$500,000 in federal funds. In FY 2014/15, a Single Audit Report was not done as the agency received less than \$500,000.

For all of the audits completed for the year ending June 30, 2015, the auditors found no instance of noncompliance that is required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

Attached with this report are summary tables from the Agency audit for the 12 months ending June 30, 2015. The audits are also available on the Agency website: www.tamcmonterey.org/information/audits/index.html.

Approved by: 
Debra L. Hale, Executive Director

Date: January 14, 2015

Consent Agenda

Counsel Approval: N/A

Finance Approval: N/A

Attachments:

1. Transportation Agency for Monterey County-Balance sheet
2. Transportation Agency for Monterey County-Statement of revenues, expenditures and changes in fund balance
3. Transportation Agency for Monterey County-Statement of fiduciary net assets: Local Transportation Fund, State Transit Assistance Fund, and State Highway Account Fund
4. Transportation Agency for Monterey County-Statement of changes in fiduciary net assets: Local Transportation Fund, State Transit Assistance Fund, and State Highway Account Fund
5. Monterey County Department of Public Works-Statement of Revenues, Expenditures and changes in fund balance relating to the Transportation Development Act
6. City of Greenfield- Statement of Revenues, Expenditures and changes in fund balance relating to the Transportation Development Act
7. Management Letters

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 GOVERNMENTAL FUND
 BALANCE SHEET
 June 30, 2015

	General Fund
Assets	
Cash and investments	\$ 9,642,255
Accounts receivable	<u>1,043,085</u>
Total assets	<u>\$ 10,685,340</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 616,944
Accrued expenditures	63,463
Unearned revenue	<u>29,243</u>
Total liabilities	<u>709,650</u>
Fund Balance	
Restricted:	
SAFE	1,396,082
Freeway Service Patrol	484,923
Committed:	
OPEB	85,219
CalTrans reimbursement agreement	821,859
Assigned:	
Commuter rail leases	83,154
Railroad leases	1,253,346
OPEB	23,103
Capital replacement	114,586
Unassigned	<u>5,713,418</u>
Total fund balance	<u>9,975,690</u>
Total liabilities and fund balance	<u>\$ 10,685,340</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2015

	<u>General Fund</u>
Revenues:	
Federal Revenues:	
Federal Planning (PL)	\$ 65,000
SR 156 Project Management	45,539
INVEST Grant 101	266
	<u>110,805</u>
State Revenues:	
TCRP	418,921
Freeway Service Patrol	228,607
SAFE	357,918
Rural Planning Assistance	394,750
Planning, Programming and Monitoring	328,452
RSTPI & RSTPP	412,780
Local Transportation Fund	918,852
Prop 116 Rail Bond	199,558
Caltrans PIP and FSP PIP	78,586
San Juan Road Outreach	69,948
Multi Modal Corridor	93,426
PTA Coast Daylight	8,449
	<u>3,510,247</u>
Local Revenues:	
CMP	243,076
Interest	43,297
Lease revenue - MBL Row and Commuter Rail	300,812
RDIF	198,337
Air MBUAPCD	23,840
Miscellaneous	424
Roundabout Public Outreach	30,175
Multi modal Corridor - FOR A	1,831
	<u>841,792</u>
Total revenues	<u>4,462,844</u>
Expenditures:	
Salaries and wages	1,171,178
Fringe benefits	437,141
Total personnel	<u>1,608,319</u>
Services and supplies	349,673
Total operating expenditures	<u>1,957,992</u>
Direct programs	1,529,300
Total expenditures	<u>3,487,292</u>
Excess (deficiency) of revenues over expenditures	975,552
Fund balance, beginning of fiscal year	<u>9,000,138</u>
Fund balance, end of fiscal year	<u>\$ 9,975,690</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 June 30, 2015

	Private Purpose Trust Funds			Totals
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	
ASSETS				
Cash and investments	\$ 2,185,139	\$ 562	\$ 5,055,095	\$ 7,240,796
Accounts receivable	2,588,400	616,419	4,386,479	7,591,298
Total assets	4,773,539	616,981	9,441,574	14,832,094
LIABILITIES				
Liabilities:				
Due to other agencies	1,023,289		67,113	1,090,402
Total liabilities	1,023,289		67,113	1,090,402
NET POSITION				
Unrestricted	3,750,250	616,981	9,374,461	13,741,692
Total net position	\$ 3,750,250	\$ 616,981	\$ 9,374,461	\$ 13,741,692

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 For the Fiscal Year Ended June 30, 2015

	Private Purpose Trust Funds			Totals
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	
Additions:				
Sales tax	\$ 16,193,785	\$ 2,479,549	\$ -	\$ 18,673,334
State Highway Account funds			4,386,404	4,386,404
Interest and loss recovery	14,085	664	34,978	49,727
Total additions	16,207,870	2,480,213	4,421,382	23,109,465
Deductions:				
Claims paid to:				
Greenfield	2,157		907	3,064
Monterey			86,199	86,199
Salinas			16,785	16,785
Seaside			656,709	656,709
County of Monterey	140,406		76,951	217,357
TAMC	918,852		104,333	1,023,185
Caltrans			2,234,375	2,234,375
Monterey - Salinas Transit	14,936,412	1,863,282	1,295,275	18,094,969
Total deductions	15,997,827	1,863,282	4,471,534	22,332,643
Change in net position	210,043	616,931	(50,152)	776,822
Net position - beginning of fiscal year	3,540,207	50	9,424,613	12,964,870
Net position - end of fiscal year	\$ 3,750,250	\$ 616,981	\$ 9,374,461	\$ 13,741,692

COUNTY OF MONTEREY
TRANSPORTATION DEVELOPMENT ACT FUND
SECTIONS 99234 and 99400(a) OF THE PUBLIC UTILITIES CODE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2015

	<u>99234</u>	<u>99400(a)</u>	<u>Total</u>
Revenues:			
Local transportation funds	\$ 140,406	\$ -	\$ 140,406
Total revenues	<u>140,406</u>		<u>140,406</u>
Expenditures:			
Bike and pathway	<u>140,406</u>		<u>140,406</u>
Total expenditures	<u>140,406</u>		<u>140,406</u>
Excess (deficit) revenues over expenditures			
Fund balance, beginning of fiscal year			
Fund balance, end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF GREENFIELD
TRANSPORTATION DEVELOPMENT ACT FUND
SECTIONS 99234 and 99400(a) OF THE PUBLIC UTILITIES CODE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended June 30, 2015

	<u>99234</u>	<u>99400(a)</u>	<u>Total</u>
Revenues:			
Local transportation funds	\$ -	\$ 2,158	\$ 2,158
Total revenues	<u> </u>	<u>2,158</u>	<u>2,158</u>
Expenditures:			
Street maintenance	<u> </u>	<u>2,158</u>	<u>2,158</u>
Total expenditures	<u> </u>	<u>2,158</u>	<u>2,158</u>
Excess (deficit) revenues over expenditures			
Fund balance, beginning of fiscal year	<u> </u>	<u> </u>	<u> </u>
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



December 16, 2015

To the Board of Directors
Transportation Agency for Monterey County

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County as of and for the fiscal year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 25, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Transportation Agency for Monterey County are described in Note 1 to the financial statements. As discussed in note 1 to the basic financial statements effective July 1, 2014, the Agency adopted Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits (OPEB) expense is based on the actuary's expertise and experience. We evaluated the key factors and assumptions used to develop the other postemployment benefits (OPEB) expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Pension Plan in Note 6 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by

management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 16, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Transportation Agency for Monterey County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Remy & Hartgenheim LLP

Santa Maria, California



Moss, Levy & Hartzheim LLP

Certified Public Accountants

**INDEPENDENT AUDITORS' 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***

Board of Directors
Transportation Agency for Monterey County
Salinas, 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 governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County (the Agency), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

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.

Moss, Remy & Hartzheim LLP

Santa Maria, California
December 16, 2015

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2015

There were no financial statement findings.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2015

There were no prior fiscal year financial statement findings.



Memorandum

To: Board of Directors
From: Ariana Green, Associate Transportation Planner
Meeting Date: January 27, 2016
Subject: Bicycle Safety Training Contract

RECOMMENDED ACTION:

1. **AUTHORIZE** the Executive Director to execute contract with Ecology Action, subject to approval by Agency Counsel, in an amount not-to-exceed amount of \$7,500, to provide bicycle safety trainings at two schools in Monterey County during Bike Month;
2. **APPROVE** the use of Transportation Development Act funds budgeted to this purpose;
3. **AUTHORIZE** the Executive Director to make administrative changes to the contract if such changes do not increase the Agency's net cost, subject to approval by Agency counsel; and
4. **APPROVE** sole source procurement finding.

SUMMARY:

The Transportation Agency has financially supported school bicycle safety training every year since 2012 as part of the Agency's bicycle education and public awareness program. The proposed contract will continue bicycle safety training in Monterey County in 2016.

FINANCIAL IMPACT:

The safety trainings will be funded with \$7,500 in local Transportation Development Act funds included in the adopted 2015-16 budget for the public awareness activities and events related to bicycling. Agency policy allows the Executive Director to approve small purchases under \$10,000.

DISCUSSION:

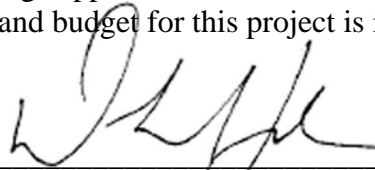
The Agency has traditionally set aside a small amount of local Transportation Development Act funding for bicycle and pedestrian projects in its annual budget for public education activities and events promoting bicycling, which are an eligible use of these funds. In recent years, the Agency focused its bicycle education and public awareness budget to fund bicycle safety trainings.

TAMC has contracted with Ecology Action since 2012 to hold bicycle safety training events. Since then, they have served 1,266 Monterey County students with extensive bike safety education. 790 of those students received training in the 2015 calendar year. Ecology Action’s Bike Smart safety trainings include a presentation, classroom instruction and a safety training rodeo. Their staff is certified by the League of American Bicyclists, and offer bilingual instruction.

Every year, Ecology Action serves new/additional schools, at which they have had an overwhelmingly large percentage of schools request an on-going, annual trainings for their students. TAMC funding has been crucial for continuing to serve schools that request Ecology Action’s services, and leverage support for other Monterey County Grants. In 2015, Ecology Action leveraged TAMC funds to secure additional funding from the Monterey Peninsula Foundation and the Community Foundation of Monterey County.

There are few alternative options to fund bike rodeos in Monterey County. Local police departments, hospitals and health departments occasionally hold bicycle safety trainings, though their staffing is limited. The Monterey County Health Department has funded bike rodeos in previous years, but contracted with Ecology Action instead of using their own staff. Ecology Action’s Bike Smart program offers services not currently found elsewhere in the Monterey Bay Area and provides equipment for children who do not own their own bike and helmet for full participation. The unique services provided justify a sole source procurement included as **Attachment 1**.

On November 4, 2015 the TAMC Bicycle and Pedestrian Facilities Advisory Committee recommended the TAMC Board approve the contract with Ecology Action in the amount of \$7,500, continuing support for additional safety trainings in Monterey County in 2016. The Scope of Work and budget for this project is included as **Attachment 2**.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 13, 2016

Consent Agenda

Counsel Review: Pending
Admin/Finance Review: Yes

Attachments:

1. Sole Source Justification
2. Ecology Action Bike Smart Safety Training Scope of Work & Budget

Contractor / Consultant/Vendor:

Project Description:

Contract Approval date: ____ / ____ / ____ Funding source: Federal funding involved?:
 Amendment Amount: \$ Contract Amount: \$ % of Original Contract: %

Project Manager: Date submitted: ____ / ____ / ____

Notice: Contracting, or amending a contract without providing for full and open competition is prohibited unless justified on one or more of the bases below.

THE FOLLOWING MUST BE ANSWERED AFFIRMATIVELY (W /EITHER TYPE OF FUNDING)
<p>BY MARKING THE BOXED BELOW, YOU ARE AFFIRMING THAT THE FOLLOWING STATEMENTS ARE TRUE.</p> <p><input type="checkbox"/> The need for a sole source is not due to a failure to plan or a lack of advanced planning</p> <p><input type="checkbox"/> The need for a sole source is not due to concerns about the amount a federal assistance available to support the procurement (for example, expiration of Federal assistance available for award).</p>

JUSTIFICATION FOR AWARD OF SOLE SOURCE CONTRACT (W /FEDERAL FUNDING)
<p><input type="checkbox"/> Staff solicited competitive bids and was unable to obtain a responsive bidder,</p> <p><input type="checkbox"/> The grantor agency providing the federal funds has approved sole source procurement.</p> <p><input type="checkbox"/> The service is only available from a single source because contractor will be required to use confidential information, intellectual property, or trade secrets owned by contractor,</p> <p><input type="checkbox"/> The federal grantor agency made the award of funds being used based on RTPA's use of a particular team of contractors, and the contractor listed above is one of the team members identified in the funding application.</p> <p><input type="checkbox"/> The work is necessary to continue development or production of highly specialized equipment or components thereof, and it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition or when it is likely that award to another contractor would result in unacceptable delays in fulfilling RTPA's needs.</p> <p><input type="checkbox"/> Sale source is authorized by statute, or only one contractor can comply with specific statutory requirements.</p> <p><input type="checkbox"/> A national emergency exists, and a particular facility or contractor is needed to achieve mobilization,</p> <p><input type="checkbox"/> The disclosure of RTPA's needs in a public procurement process would compromise national security.</p> <p><input type="checkbox"/> A particular expert or neutral person's services are needed for a current protest, dispute, claim, or litigation,</p> <p><input type="checkbox"/> A competitive procurement is precluded by the terms of an international agreement or treaty or the written directions of a foreign government providing reimbursement for the cost of the supplies or services.</p> <p><input type="checkbox"/> To establish or maintain an educational or other nonprofit institution or a federally funded research and development center that has or will have an essential engineering, research, or development capability.</p>

ADDITIONAL JUSTIFICATIONS FOR AWARD OF SOLE SOURCE CONTRACT (W/NO FEDERAL FUNDING)

- Only one contractor/consultant/vendor who can provide unique/highly specialized item/ service.
- Economy or efficiency supports award to existing contractor/consultant as a logical follow-on to work already in progress under a competitively awarded contract
- Cost to prepare for a competitive procurement exceeds the cost of the work or item.
- The item is an integral repair part or accessory compatible with existing equipment.
- The item or service is essential in maintaining research or operational continuity.
- The item/service is one with which staff members who will use the item/service have specialized training and/or expertise and retraining would incur substantial cost in time and/or money.

EXPLANATION:



Bike Smart!

Youth Bicycle Education Program

www.bikesmart.org Phone: (831) 515-1324 Fax: (831) 425-1404

877 Cedar Street, Suite 240 Santa Cruz, CA 95060

Ecology Action proposes to provide in-depth bike safety training to all 5th grade classes at two elementary schools in Monterey County (estimated reach – 6 classes, 180 students). Bike Smart is managed by Kira Ticus, who has worked with the program since 2009. Last year, EA improved its effectiveness in reaching and engaging more students by hiring a full time bi-lingual and bi-cultural staff member, Nallely Martinez. Martinez is a certified League of American Bicyclist Instructor.

Since 2006, Bike Smart has offered a comprehensive program that includes classroom presentations, paired with bicycle safety obstacle courses (“rodeos”) to give students a hands-on opportunity to practice newly acquired knowledge. The depth of information and extent of the training makes Bike Smart a truly unique youth bicycle safety program.

Bike Smart! presentations consist of a League of American Bicyclist certified instructor using a variety of mediums - PowerPoint, live demonstrations, animations, custom created videos, photographs, discussion, etc. to teach safety behavior to students in the classroom. Lessons cover the benefits of bicycling, rules of the road, the importance of helmet use and fit, how to conduct a quick bicycle maintenance check, choosing safe routes, being visible, being alert, where to ride in the road, how to navigate intersections, how to safely complete a turn, sidewalk safety, hand signals and other topics.

Following the in-class presentation, the instructor will return to the school to conduct a bicycle safety obstacle course (aka rodeo). During the rodeo event, students will get the chance to practice the important safety skills they just acquired in the classroom by riding a bicycle through a carefully constructed course. Bike Smart provides a fleet of bicycles and helmets that can be used by students. The instructor is assisted by other trained adult cyclists to ensure that each student is able to receive personal feedback and support from multiple teachers. Before the course begins, students will be given a personal tutorial on how to fit their bicycle helmet. Throughout the course, students practice riding in a straight line, avoiding objects in the path, riding on the right side of the road, doing a shoulder check, making proper turns, navigating potential traffic conflicts at an intersection and other skills. By having two League of American Bicyclists present on the course, one is able to direct the class activity, while the second can be focused on teaching children who previously did not know how to ride a bicycle.

In order to evaluate effectiveness of the training, Bike Smart employs a variety of evaluations and surveys. Students are quizzed on their knowledge of bicycle safety before and after the completion of the Bike Smart program, to gauge improvement in bicycle safety knowledge. Teachers are also asked to complete an evaluation of both the presentation and the rodeo events. Finally, students are surveyed following the on-bike training to assess predicted change in behavior (i.e. Will a student ride more safely and will a student ride more often because of the training they received). To support a lasting impact, both students and teachers are given bicycle safety materials that they can continue to reference once the Bike Smart training is complete.

Additionally, Bike Smart will work with TAMC to include newly-trained League of American Bicyclists LCIs for both classroom presentations and rodeos. Bike Smart staff will attempt attend any scheduled LCI trainings during the Spring 2016 and will send an event schedule to all interested volunteers.

Upon completion of the grant objectives, Ecology Action will provide a final report to TAMC.

Budget Proposal:

Category	Cost
Staff	\$ 6930.00
Mileage	\$ 350.00
Incentives	\$ 220.00
TOTAL BUDGET	\$ 7500.00



Memorandum

To: Board of Directors
From: Virginia Murillo, Assistant Transportation Planner
Meeting Date: January 27, 2016
Subject: Cap and Trade Funds for Transit

RECOMMENDED ACTION:

1. **ADOPT** Resolution 2016-01 designating the Transportation Agency's allocation of \$412,065 of FY 2015/2016 Low Carbon Transit Operations funds to the Monterey-Salinas Transit District for a new all electric bus for transit services in East Salinas and repayment to the Santa Cruz Metropolitan Transit District; and
2. **AUTHORIZE** the Executive Director to sign and submit required documentation to Caltrans.

SUMMARY:

The California Legislature established the Low Carbon Transit Operations Program to distribute cap and trade funds to implement transit projects that reduce greenhouse gas emissions, with a priority on serving disadvantaged communities. Program funds are distributed to regional agencies and transit agencies using the State Transit Assistance distribution formula.

FINANCIAL IMPACT:

This action will allocate \$412,065, which is the Transportation Agency's share of FY2015/2016 Program funds, to the Monterey-Salinas Transit District. Of this allocation \$296,890 will be used for a new all electric bus for Line 42 transit services in East Salinas, and \$115,175 will be a repayment to the Santa Cruz Metropolitan Transit District.

DISCUSSION:

The Low Carbon Transit Operations Program provides operating and capital assistance for transit projects that reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. This program is administered by Caltrans in coordination with the California Air Resources Board and the State Controller's Office. A total of \$75 million in Program funds are available statewide for the 2015/2016 fiscal year. The Program receives an ongoing cap and trade revenues allocation of 5%.


As a transportation planning agency, the Transportation Agency is a designated recipient of Program funds for Monterey County, and can act as a lead agency on eligible projects or as a “contributing sponsor” that can pass funds to MST to support an eligible project. Program funds are allocated to regional transportation planning agencies and to transit operators using the State Transit Assistance distribution formula, which allocates funding to transportation planning agencies based on population and to transit operators based on transit operator revenues. The Transportation Agency’s allocation of Program funds is \$412,065, and MST’s allocation is \$67,519 for a Monterey County total of \$479,584.

In the 2014/2015 fiscal year, the Santa Cruz Metropolitan Transit District submitted an allocation request to Caltrans, but the Air Resources Board deemed the project ineligible. In an effort to avoid losing their FY 14/15 allocation, Santa Cruz Metro requested the transfer of its \$182,694 allocation to MST to be added to the approved Transit Service in East Salinas project. The Board adopted Resolution 2015-16 approving the transfer, and agreeing to transfer the funds back to Santa Cruz Metro’s eligible project.

At its January 11, 2016 meeting, the MST Board of Directors approved an allocation request to use the \$296,890 of Transportation Agency’s share of \$412,065 of Program funds for an electric bus for Line 42 transit services in East Salinas (**Attachment 1**). The purchase of the electric bus will support Line 42 transit service that is located within and provides benefit to East Salinas, which is a disadvantaged community. In addition, MST’s new transit service is an eligible project that is consistent with the Low Carbon Transit Operations Program guidelines. Now that Santa Cruz Metro now has an eligible project, the MST Board of Directors also approved a transfer of \$67,519 of Program funds allocated to MST back to Santa Cruz Metro. In summary, Monterey County’s share of Program funds should be allocated as follows:

	<u>Total Share</u>	<u>Transfer to Santa Cruz Metro</u>	<u>Available to MST</u>
TAMC Allocation	\$412,065	\$115,175	\$296,890
MST Allocation	\$67,519	\$67,519	\$0
	\$479,584	\$182,694	\$296,892

Staff recommends that the Transportation Agency act as a “contributing sponsor” and release its FY 2015/16 Low Carbon Transit Operations Program allocation to MST for a new all electric bus for transit services in East Salinas and for repayment to the Santa Cruz Metropolitan Transit District, and authorize the Executive Director to sign and submit required documentation to Caltrans (**Attachment 2**).

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 12, 2016

Consent Agenda

Counsel Approval: N/A
Finance Approval: Yes

Attachment: 1. MST’s Low Carbon Transit Operations Program Request
2. Resolution 2016-01

Agenda # **5-1**
January 11, 2016 Meeting

To: Board of Directors
From: Michelle Overmeyer, Grants Analyst
Subject: Low Carbon Transit Operations Program (LCTOP) FY 15/16 Allocation

RECOMMENDATION:

1. Approve Resolution 2016-01 authorizing the transfer of LCTOP funds
2. Approve Resolution 2016-02 authorizing the execution of the certifications and assurances and authorized agent forms for LCTOP
3. Approve Resolution 2016-03 authorizing the execution of the LCTOP Project for FY 15/16

FISCAL IMPACT:

Up to \$296,890 in LCTOP funds would be used to purchase an all-electric bus to be operated on Line 42 in East Salinas. Approximately \$150,000 from the Local Transportation Fund (LTF) would be used to fund the difference in sales price. The remaining \$182,694 in FY 15/16 LCTOP funds allocated to Monterey County would be transferred to Santa Cruz Metropolitan Transit District.

POLICY IMPLICATIONS:

The terms of the LCTOP require that your Board authorize the filing of the grant application and transfer of FY 15/16 funds totaling \$479,584.

DISCUSSION:

The LCTOP was first brought to your Board in March 2015 and then again in July 2015. A new program in FY15, LCTOP draws from the State's Greenhouse Gas Reduction Fund (GGRF) to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. MST received Monterey County's FY15 allocation of LCTOP funds (\$162,869) plus a transfer of \$182,694 from Santa Cruz County, as Santa Cruz Metropolitan Transit District (SCMTD) was unable to get an approved project by the State's June 30, 2015 deadline. At your July meeting, your Board approved receiving the transfer from Santa Cruz County and agreed to transfer the funds back to SCMTD in a future cycle of LCTOP.

The State Controller's Office released the FY15/16 allocations of LCTOP, and Monterey County's allocation is \$479,584. At this time it is appropriate to transfer \$182,694 back to SCMTD. Additionally, staff recommends using the remaining \$296,890 LCTOP funds toward the purchase of a new all-electric bus to be operated on Line 42.


To transfer \$182,694 to SCMTD and to receive \$296,890 for an electric bus, your Board must approve the attached resolutions which authorize the General Manager/CEO to execute all required documents for the LCTOP.

Attachments: Resolution 2016-01

Resolution 2016-02

Resolution 2016-03

PREPARED BY 
Michelle Overmeyer

REVIEWED BY 
Carl G. Sedoryk

ATTACHMENT 1

RESOLUTION 2016-01

AUTHORIZATION TO TRANSFER FISCAL YEAR 2015/2016 FUNDS FROM THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

WHEREAS, Monterey-Salinas Transit is an eligible project sponsor and may receive Fiscal Year 2015/2016 state funding for the Low Carbon Transit Operations Program (LCTOP); and

WHEREAS, Monterey-Salinas Transit was allocated \$412,065 under Public Utility Code (PUC) 99313 and \$67,519 under PUC 99314 for a total Fiscal Year 2015/2016 allocation of \$479,584; and

WHEREAS, the LCTOP funds must be applied to a project approved by both the Department of Transportation (Department) and the California Air Resources Board (ARB); and

WHEREAS, the Santa Cruz Metropolitan Transit District (SMCTD) is an eligible project sponsor and transferred its Fiscal Year 2014/2015 LCTOP allocation, in the amount of \$182,694, to Monterey-Salinas Transit's approved "Transit in East Salinas" project; and

WHEREAS, Monterey-Salinas Transit agreed to transfer \$182,694 of its future LCTOP allocation back to SMCTD; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Monterey-Salinas Transit that the fund transfer is now reciprocated.

BE IT FURTHER RESOLVED that the General Manager/CEO, or its designee, is hereby authorized and empowered to execute on behalf of Monterey-Salinas Transit all grant-related documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT this 11th day of January, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ATTACHMENT 2

RESOLUTION 2016-02

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED
AGENT FORMS FROM THE LOW CARBON TRANSIT
OPERATIONS PROGRAM (LCTOP)**

WHEREAS, Monterey-Salinas Transit is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, Monterey-Salinas Transit wishes to delegate authorization to execute these documents and any amendments thereto to the General Manager/CEO, or its designee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Monterey-Salinas Transit that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

BE IT FURTHER RESOLVED that the General Manager/CEO, or its designee, be authorized to execute all required documents of the LCTOP and any Amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT this 11th day of January, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ATTACHMENT 3

RESOLUTION 2016-03

**AUTHORIZATION FOR THE EXECUTION OF THE LOW
CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT:
MST ELECTRIC BUS (\$296,890)**

WHEREAS, Monterey-Salinas Transit is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, Monterey-Salinas Transit wishes to implement the LCTOP project listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Monterey-Salinas Transit that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

BE IT FURTHER RESOLVED that the Board of Directors of Monterey-Salinas Transit hereby authorizes the submittal of the following project nomination and allocation request to the Department in FY 2015-2016 LCTOP funds:

Project Name: MST Electric Bus

Description: All-electric bus to be operated in East Salinas

Contributing Sponsor: Transportation Agency for Monterey County

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT this 11th day of January, 2016 by the following vote:

AYES:

NOES:

ABSENT:

**RESOLUTION NO. 2016-01
OF THE
TRANSPORTATION AGENCY FOR MONTEREY COUNTY (TAMC)**

***ALLOCATION OF \$412,065 OF LOW CARBON TRANSIT OPERATIONS PROGRAM
(LCTOP) FUNDS TO THE MONTEREY-SALINAS TRANSIT DISTRICT FOR A NEW ALL
ELECTRIC BUS FOR TRANSIT SERVICES IN EAST SALINAS, REPAYMENT TO THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AND AUTHORIZING
EXECUTION OF AGREEMENTS***

WHEREAS, the State of California enacted the Transit, Affordable Housing and Sustainable Communities Program (SB 862) in 2014 to reduce greenhouse gas emissions from the transportation sector; and

WHEREAS, SB 862 established the Low Carbon Transit Operating Program (LCTOP) to receive revenue from the sale of emission allowances in California's Cap-and-Trade program and distribute these funds to Regional Transportation Planning Agencies (RTPAs) and transit operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and 99314 of the Public Utility Code (PUC) for transit projects which reduce greenhouse gas emissions; and

WHEREAS, the Transportation Agency for Monterey County (TAMC) and the Monterey-Salinas Transit District (MST) are the eligible recipients of LCTOP funds in Monterey County;

WHEREAS, TAMC may elect to act as a contributing sponsor and transfer its share of funds to MST; and

WHEREAS, the Santa Cruz Metropolitan Transit District (SCMTD), an eligible project sponsor, was allocated \$88,497 under PUC 99313 and \$94,197 under PUC 99314 for a total Fiscal Year 2014/2015 allocation of \$182,694; and

WHEREAS, the ARB was unable to approve the project submitted by SCMTD by the June 30, 2015 legislative deadline; and

WHEREAS, SCMTD transferred its Fiscal Year 2014/2015 allocation of \$182,694 to MST's approved Transit Service in East Salinas project for a total Fiscal Year 2014/2015 allocation of \$345,563; and

WHEREAS, TAMC and MST agreed to transfer \$182,694 of future LCTOP funds to SCMTD's eligible future project; and

WHEREAS, MST agreed to transfer \$67,519 of its PUC 99314 allocation to SCMTD's eligible FY16 project; and

WHEREAS, MST has determined that purchasing an all-electric bus for Line 42 transit services in East Salinas would be the most productive use of the Fiscal Year 2015/2016 (FY16) allocation of LCTOP funds and requests that the Board of Directors designate its allocation of FY16 LCTOP funds to MST; and

WHEREAS, MST has committed to use funds in accordance with applicable statutes, regulations, and guidelines for the Low Carbon Transit Operations Program; and

WHEREAS, the all-electric bus will be used for Line 42 transit service connecting East Salinas to the Westridge Shopping Center that is expected to increase transit ridership, reduce greenhouse gas emissions, serve disadvantaged communities, and is consistent with the Monterey County Regional Transportation Plan.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Transportation Agency for Monterey County shall transfer \$115,175 of its \$412,065 Fiscal Year 2015-2016 allocation of Low Carbon Transit Operations Program funds to the Santa Cruz Metropolitan Transit District; and
2. The Transportation Agency for Monterey County shall act as a “contributing sponsor” and transfer its remaining \$296,890 Fiscal Year 2015-2016 allocation of Low Carbon Transit Operations Program funds to the Monterey-Salinas Transit District for a new all-electric bus for Line 42 transit service connecting East Salinas to the Westridge Shopping Center; and
3. The Executive Director is authorized to sign and execute on behalf of the Transportation Agency for Monterey County any actions and agreements necessary to pass funds through to Monterey-Salinas Transit.

PASSED AND ADOPTED by the Transportation Agency for Monterey County, State of California this 27th day of January, 2016 by the following vote:

AYES:

NOES:

ABSENT:

FERNANDO ARMENTA, CHAIR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY

ATTEST:

DEBRA L. HALE, EXECUTIVE DIRECTOR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Virginia Murillo, Assistant Transportation Planner
Meeting Date: January 27, 2016
Subject: Fiscal Year 2015/16 State Transit Allocations

RECOMMENDED ACTION:

ADOPT Resolution 2016-02 allocating \$2,219,751 of State Transit Assistance funds to Monterey-Salinas Transit for Fiscal Year 2015-16.

SUMMARY:

The Transportation Agency is responsible for allocating State Transit Assistance funding, generated through the state sales tax on diesel fuel, to transit operators pursuant to the Transportation Development Act.

FINANCIAL IMPACT:

The Transportation Agency is required to pass through State Transit Assistance funds to eligible transit operators. The requested action will allocate up to \$2,219,751 in State Transit Assistance to Monterey-Salinas Transit (MST) for RIDES paratransit operations and/or fixed route operations based on the State Controller's fund estimate and apportionments for Fiscal Year 2015-16.

DISCUSSION:

The State Transit Assistance program is one of two dedicated fund sources for public transit created by the Transportation Development Act (the Local Transportation Fund being the other), and is currently funded through the state sales tax on diesel fuel and is apportioned by the California State Controller annually for public transit. State Transit Assistance funds must be used solely for public transit. As the sole public transit operator in Monterey County, Monterey-Salinas Transit is the only agency eligible to receive these funds.

In the past, Monterey-Salinas Transit used State Transit Assistance funds for the~~The program is primarily intended to fund capital costs given restrictions in state law on~~

~~claiming these funds for operating support. State law does allow operators, however, to claim these funds for~~ operating costs related to Americans with Disabilities Act compliant paratransit service, which is an unfunded federal mandate.

~~Monterey Salinas Transit has been~~By relying on the State Transit Assistance program to fund its RIDES paratransit operating costs, MST was able to preserve available Local Transportation Funds for operating countywide fixed route public transit service. Now that Measure Q funds are available, MST no longer needs to use State Transit Assistance funds solely for the RIDES paratransit service. MST now plans to utilize State Transit Assistance funds to support the RIDES and/or its fixed route bus service.

The State Controller will begin distributing State Transit Assistance funding to the Transportation Agency in mid-January.



Approved by: _____
Debra L. Hale, Executive Director

Date signed: January 22, 2016

Consent Agenda

Counsel Approval: N/A
Finance Approval: Yes

Attachment: Resolution 2016-02

**RESOLUTION NO. 2016-02 OF THE
TRANSPORTATION AGENCY FOR MONTEREY COUNTY**

***STATE TRANSIT ASSISTANCE FUND ALLOCATION
FOR FISCAL YEAR 2015-16***

WHEREAS, the State of California pursuant to the Public Utilities Code, Chapter 4, Transportation Development Section 99313 and 99314 has made State Transit Assistance Funds available to transportation planning agencies to be allocated for public transportation purposes;

WHEREAS, Fiscal Year 2015-16 State Transit Assistance estimates have been prepared by the California State Controller describing the funding expected to be available for allocation by the Transportation Agency for Monterey County to public transit operators in Monterey County;

WHEREAS, proposed fiscal year 2015-16 expenditures of Monterey-Salinas Transit are in conformity with the Regional Transportation Plan;

WHEREAS, the level of passenger fares and charges is sufficient to enable Monterey-Salinas Transit to meet the fare revenue requirements of Public Utilities Code sections 99268.2, 99268.3, 99268.4, and 99268.9;

WHEREAS, Monterey-Salinas Transit is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended;

WHEREAS, the sum of allocations from the State Transit Assistance Fund does not exceed the amount that Monterey-Salinas Transit is eligible to receive during the fiscal year;

WHEREAS, priority consideration has been given to claims to offset reductions in federal and state operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or public transportation needs;

WHEREAS, Monterey-Salinas Transit has made a reasonable effort to implement the productivity improvements recommended in the Triennial Performance audit completed for the three year period ending June 30, 2013;

WHEREAS, Monterey-Salinas Transit is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers of persons operating under a franchise or license; and

WHEREAS, Monterey-Salinas Transit has submitted certifications, completed within the last 13 months by the Department of the California Highway Patrol, verifying that they are in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251;

NOW, THEREFORE, BE IT RESOLVED THAT: the Transportation Agency for Monterey County does allocate State Transit Assistance Funds for fiscal year 2015-16, up to the amounts indicated below, not to exceed the funds available in the State Transit Assistance account at the time claims are submitted.

Jurisdiction	Type of Service	Operating <u>and/or</u> Capital	Total	State Controller's Report Code
Monterey-Salinas Transit	Monterey-Salinas Transit RIDES Program <u>and/or</u> <u>Monterey-Salinas fixed route service</u>	\$2,219,751	\$2,219,751	Art. 6.5 PUC 99313.3
Total		\$2,219,751	\$2,219,751	

PASSED AND ADOPTED by the Transportation Agency for Monterey County, State of California this 27th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

**FERNANDO ARMENTA, CHAIR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY**

ATTEST:

**DEBRA L. HALE, EXECUTIVE DIRECTOR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY**



Memorandum

To: Board of Directors
From: Christina Watson, Principal Transportation Planner
Meeting Date: January 27, 2016
Subject: Federal Legislative Update

RECOMMENDED ACTION

RECEIVE federal legislative update.

SUMMARY

On December 4, 2015, the President signed a \$300 billion, five-year authorization bill called the “Fixing America’s Surface Transportation” (FAST) Act.

FINANCIAL IMPACT

A five-year authorization bill will provide more stability and certainty for transportation investments. The discussion below summarizes the financial impacts to the nation.

DISCUSSION

Authorizations

On December 1, 2016, the Conference Committee reported out HR 22, the “Fixing America’s Surface Transportation” (FAST) Act. The House and Senate passed the bill on December 3. On the date that the prior extension was set to expire, December 4, President Obama signed the bill. The FAST Act authorizes Highway, Transit and Railroad programs at \$305 billion over 5 years, 15% or \$2.5 billion more per year than current funding. **Attachment 1** is a summary of the conference report.

While the FAST bill provides a small amount of additional funding, it does not solve the ongoing problem of the solvency of the Highway Trust Fund, and the fact that the federal gas tax can no longer meet the needs of the system. Instead, the FAST Act will be funded by a variety of other revenue-raising provisions such as reducing the amount the Federal Reserve pays large banks in dividends. That said, the measure provides stability and shifts the focus from preserving funding to reviewing the implementation of the new requirements.

For highways and “transportation alternatives” (bicycle and pedestrian projects):

1. Creates two new freight programs:
 - a. A Formula Freight program that allocates \$6.3 billion over 5 years to the states.
 - b. A Nationally Significant Freight and Highway Projects Competitive grant program funded at \$4.5 billion over 5 years.
2. Includes local transportation agencies as eligible recipients of grant funds.

3. Allows all locally owned bridges on the federal-aid highway system to be eligible for funding in the National Highway Performance Program.
4. Allows states to relinquish ownership of park-and-ride lots to local governments.
5. Establishes a new pilot program to allow up to five states to substitute their own environmental laws and regulations for the National Environmental Policy Act (NEPA) if the state’s laws and regulations are at least as stringent as NEPA.
6. Funds transportation alternatives (bicycle and pedestrian projects) at \$835 million per year in 2016 and 2017 and \$850 million per year in 2018, 2019 and 2020.
 - a. Redesignates the transportation alternatives program as the “Surface Transportation Block Grant Program set-aside”.
 - b. Gives Metropolitan Planning Organization’s (MPO) new flexibility to use up to 50% of this funding for other (i.e. not bike/pedestrian projects) Surface Transportation Eligible projects.

For bus transit: authorizes \$61 billion for 5 years (an 18% increase over current levels), including:

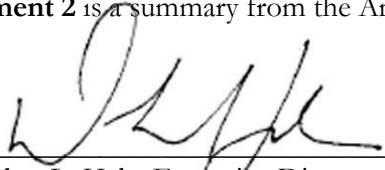
1. \$13 billion for the state of good repair transit formula program that funds repairs and upgrading of transit systems,
2. \$3.7 billion for bus and bus facilities, and
3. \$1.5 billion for a competitive bus grant program.

For rail (included for the first time - previously went through separate authorization process):

1. Authorizes \$10.2 billion over the five-year period for intercity passenger rail investment, including \$8 billion for Amtrak and \$2.2 billion for three new grant programs:
 - a. \$1 billion for a state-of-good-repair program,
 - b. \$1.1 billion for a competitive rail safety and infrastructure grant program, and
 - c. \$100 million for a program to provide operating assistance to passenger rail providers to initiate or restore rail service.
2. Creates a State-Supported Route Committee to encourage a more collaborative relationship between states, Amtrak, and USDOT regarding state-supported routes.
3. Includes \$199 million for Positive Train Control.
4. Maintains the current railway-highway grade crossing program and increases funding by \$5 million per year to \$245 million in Fiscal Year 2020.
5. Streamlines federal environmental review process for rail projects.
6. Requires Class I Railroads to provide crude oil movement information to emergency responders.

Appropriations

On December 17, the House approved the \$680 billion tax extenders bill, which included making the transit commute benefit equal to the parking benefit in perpetuity. On December 18, the House passed a \$1.1 trillion omnibus appropriations bill that funds the government through September 2016, including \$500 million for National Infrastructure Investments (previously known as Transportation Investments Generating Economic Recovery, or “TIGER” grants). The bills were combined in the House, and the Senate passed the combined measure on December 18, quickly followed by a signature from the President. **Attachment 2** is a summary from the American Public Transportation Association.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 8, 2016

Consent Agenda

Counsel Approval: N/A
Finance Approval: N/A

Attachments:

1. FAST Act Summary
2. December 16, 2016 APTA Legislative

FAST ACT

The Fixing America's Surface Transportation (**FAST**) Act is five-year legislation to improve the Nation's surface transportation infrastructure, including our roads, bridges, transit systems, and rail transportation network. The bill reforms and strengthens transportation programs, refocuses on national priorities, provides long-term certainty and more flexibility for states and local governments, streamlines project approval processes, and maintains a strong commitment to safety.

ROADS & BRIDGES

- Facilitates commerce and the movement of goods by refocusing existing funding for a National Highway Freight Program and a Nationally Significant Freight and Highway Projects Program
- Expands funding available for bridges off the National Highway System
- Converts the Surface Transportation Program (STP) to a block grant program, increases flexibility for states and local governments, and rolls the Transportation Alternatives Program into the STP Block Grant
- Streamlines the environmental review and permitting process to accelerate project approvals
- Eliminates or consolidates at least six separate offices within the Department of Transportation and establishes a National Surface Transportation and Innovative Finance Bureau to help states, local governments, and the private sector with project delivery
- Increases transparency by requiring the Department of Transportation to provide project-level information to Congress and the public
- Promotes private investment in our surface transportation system
- Promotes the deployment of transportation technologies and congestion management tools
- Encourages installation of vehicle-to-infrastructure equipment to improve congestion and safety
- Updates research and transportation standards development to reflect the growth of technology

PUBLIC TRANSPORTATION

- Increases dedicated bus funding by 89% over the life of the bill
- Provides both stable formula funding and a competitive grant program to address bus and bus facility needs
- Reforms public transportation procurement to make federal investment more cost effective and competitive
- Consolidates and refocuses transit research activities to increase efficiency and accountability
- Establishes a pilot program for communities to expand transit through the use of public-private partnerships
- Eliminates the set aside for allocated transit improvements
- Provides flexibility for recipients to use federal funds to meet their state of good repair needs
- Provides for the coordination of public transportation services with other federally assisted transportation services to aid in the mobility of seniors and individuals with disabilities
- Requires a review of safety standards and protocols to evaluate the need to establish federal minimum safety standards in public transportation and requires the results to be made public

HIGHWAY & MOTOR VEHICLE SAFETY

- Focuses funding for roadway safety critical needs
- Increases percentage of National Priority Safety Program states can spend on traditional safety programs
- Ensures more states are eligible for safety incentive grant funds and encourages states to adopt additional safety improvements
- Encourages states to increase safety awareness of commercial motor vehicles

★★★ SUMMARY ★★★

- Increases funding for highway-railway grade crossings
- Requires a feasibility study for an impairment standard for drivers under the influence of marijuana
- Improves the auto safety recall process to better inform and protect consumers
- Increases accountability in the automobile industry for safety-related issues

TRUCK & BUS SAFETY

- Overhauls the rulemaking process for truck and bus safety to improve transparency
- Consolidates truck and bus safety grant programs and provides state flexibility on safety priorities
- Incentivizes the adoption of innovative truck and bus safety technologies
- Requires changes to the Compliance, Safety, Accountability program to improve transparency in the FMCSA's oversight activity
- Improves truck and bus safety by accelerating the introduction of new transportation technologies

HAZARDOUS MATERIALS

- Grants states more power to decide how to spend training and planning funds for first responders
- Requires Class I railroads to provide crude oil movement information to emergency responders
- Reforms an underutilized grant program for state and Indian tribe emergency response efforts
- Better leverages training funding for hazmat employees and those enforcing hazmat regulations
- Requires real-world testing and a data-driven approach to braking technology
- Enhances safety for both new tank cars and legacy tank cars
- Speeds up administrative processes for hazmat special permits and approvals
- Cuts red tape to allow a more nimble federal response during national emergencies

RAILROADS

- Provides robust reforms for Amtrak, including reorganizing the way Amtrak operates into business lines
- Gives states greater control over their routes, by creating a State-Supported Route Committee
- Speeds up the environmental review process for rail projects
- Creates opportunities for the private sector through station and right-of-way development
- Consolidates rail grant programs for passenger, freight, and other rail activities
- Establishes a Federal-State Partnership for State of Good Repair grant program
- Strengthens Northeast Corridor planning to make Amtrak more accountable and states equal partners
- Allows competitors to operate up to three Amtrak long-distance lines, if at less cost to the taxpayer
- Strengthens passenger and commuter rail safety, and track and bridge safety
- Preserves historic sites for rail while ensuring that safety improvements can move forward
- Unlocks and reforms the Railroad Rehabilitation and Improvement Financing (RRIF) loan program
- Includes reforms to get RRIF loans approved more quickly with enhanced transparency
- Provides commuter railroads with competitive grants and loans to spur timely Positive Train Control implementation
- Provides competitive opportunities for the enhancement and restoration of rail service

ADDITIONAL PROVISIONS

- Includes bipartisan measures to simplify rules and regulations, aid consumers, assist low-income housing residents, and help build a healthier economy
- Includes bipartisan provisions to provide energy infrastructure and security upgrades
- Streamlines the review process for infrastructure, energy, and other construction projects

FINANCING PROVISIONS

- Includes fiscally responsible provisions to ensure the bill is fully paid for
- Ensures the Highway Trust Fund is authorized to meet its obligations through FY 2020
- Directs offsets from the FAST Act into the Highway Trust Fund to ensure fund solvency
- Reauthorizes the dedicated revenue sources to the Highway Trust Fund, which periodically expire

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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



December 16, 2015

House Files Omnibus Appropriations Bill and Tax Extenders Package; Transit Commuter Tax Benefit Raised to Parity with Parking Benefit Permanently

Late Tuesday night, congressional leaders released an Omnibus appropriations bill funding all federal departments, agencies and programs through the balance of Fiscal Year 2016. This agreement has been under negotiation for the past several weeks. In addition, a broad tax extenders package was also filed in the House of Representatives, and it was the intent of congressional leaders to combine the tax extenders bill with the Omnibus appropriations bill during House consideration. Due to the timeline necessary for consideration of legislation, the House of Representatives voted earlier today on a short stop-gap Continuing Resolution (CR) to fund the government at current levels through December 22, and the Senate later passed the measure by voice vote.

On the broader Omnibus and tax extenders legislation, the House Rules Committee was meeting earlier today to consider these measures.

Tax Extenders

The significance of this latest "tax extenders" agreement is that it includes a number of permanent provisions, including a provision that APTA has long advocated for: the permanent extension of parity for the transit commuter benefit. Section 105 of the proposed legislation, the Extension of Parity for Exclusion from Income for Employer-Provided Mass Transit Parking Benefits, effectively raises the amount an employer can offer to their employees either as a tax-free fringe benefit or as a pre-tax option in order to pay for their mass transit commute to and from work. The provision increases the transit commuter tax benefits from the current \$130 to \$250, rising to \$255 the following year.

While the tax extenders package amends the statute to raise the level in law to \$175 per month, the Internal Revenue Code also includes a cost of living adjustment [Section 132(f)(6)] that has been causing the benefit for parking to be raised by IRS rulings each year. The parking benefit has been \$175 in the statute, but due to the COLA, it is scheduled to go up to \$255 in 2016. By increasing the statutory level for the transit benefit from \$100 to \$175, the transit commuter tax benefit would then be subject to all of the historic COLAs, thereby raising the transit benefit to \$250 in FY 2015 and \$255 in FY2016.

This is an historic agreement, putting to an end the annual fight to restore parity to transit commuter tax benefits.

The tax extenders agreement also extends for two years through FY 2016 (retroactive to 2015) the Alternative Fuels Tax Credit and the alternative fuels property (infrastructure) credit. These provisions were previously extended retroactively for 2014 in the tax extenders bill passed in December 2014. Small, medium, and large-sized transit agencies across the country benefit from these tax credits, especially, the \$0.50 per gasoline gallon equivalent (GGE) tax credit offered to transit agencies fueling their vehicles with compressed (CNG) or liquefied (LNG) natural gas. These credits provide important offsets to transit agency fuel and operating costs, thereby supporting improved transportation services, as well as aiding in job retention. A two year extension of these credits will assist those transit agencies that use CNG and LNG fueled vehicles to operate their systems safely and efficiently to carry millions to work, school, medical appointments and other activities.

For a copy of the tax extenders agreement, [please click here](#).

Omnibus

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In total, the bill provides \$57.6 billion for the Transportation-Related HUD portion of the omnibus, \$3.8 billion higher than

Fiscal Year (FY) 2015 levels. The discretionary appropriations for the Department of Transportation (DOT) reaches a level of \$18.7 billion, or an increase of \$847 above FY 2015 enacted levels.

Included in the spending package is \$500 million for National Infrastructure Investments (previously TIGER grants), maintaining FY 2015 levels.

The overall increase in funding levels was possible due to a budget agreement reached by former Speaker of the House John Boehner before his departure. This deal raised discretionary spending caps by \$80 billion over two years and suspended the debt limit to March 2017.

For a table of relevant DOT appropriations [please click here](#). For a copy of the full Omnibus Appropriations bill, [please click here](#).

Transit

The Omnibus bill appropriates a total of \$11.8 billion for the Federal Transit Administration (FTA), an increase of \$870 million. Of this amount, \$9.347 billion is allocated from the Mass Transit Account (MTA). All formula programs and discretionary bus grants are appropriated at levels authorized in the Fixing America's Surface Transportation (FAST) Act. Additionally, \$2.177 billion is provided for Capital Investment Grants (New Starts), a level that is \$125 million below the FAST Act authorization, but nearly \$256 million more than the House passed level, and \$592 million above the Senate Appropriations Committee reported level. Of the total for Capital Investment Grants, \$1.250 billion is to go to all Full Funding Grant Agreement (FFGA) projects within FTA. Consistent with the FAST Act, the maximum share for a New Starts FFGA is capped at 60 percent. Additionally, \$353 million is dedicated for Small Starts projects, \$50 million for core capacity grants, and \$5 million is allocated for a new expedited project delivery pilot authorized in the FAST Act.

No General Funds were appropriated for FTA Transit Research programs, although the FAST Act funds a portion of those programs, including the Transit Cooperative Research Program (TCRP) from the Mass Transit Account (MTA). FTA Administrative Expenses are appropriated at \$108 million, \$6.5 million of which is dedicated to the administration of the Sec. 5329 Public Transportation Safety program, and \$1 million is allocated to Transit Asset Management. The Washington Metropolitan Area Transit Authority (WMATA) is funded at the same level of \$150 million as in FY 2015.

The appropriations bill includes language that continues to allow grantees to use geographic preferences (local hire). However, the bill includes new limitations on when such preferences may be used, conditioned on a certification that qualified, unemployed residents in the jurisdiction are prepared to do the work, that the contractor will not displace any of its existing employees, and that any delay or increase in cost for the project due to a hiring preference will not delay or displace any other project in the STIP or TIP.

Rail

The Federal Railroad Administration (FRA) sees an increase of \$52 million, rising to \$1.678 billion. Within this amount, Amtrak grant funding is maintained at \$1.39 billion. Of that amount, \$1.102 billion is dedicated to Capital and Debt Service Grants, and \$289 million is for Operating Subsidies. Several provisions are included in the Amtrak appropriations, such as requiring overtime limits on employees, and prohibiting federal funding for routes where Amtrak offers a discount of 50 percent or more off peak fares. While Amtrak maintained the current structure of how they are appropriated funds for this year, they will be required to make their future budgetary requests in the format prescribed in the FAST Act (with a carve out for the Northeast Corridor from the National Network). An additional \$50 million is appropriated for Rail Safety Grants, including \$25 million specifically for Positive Train Control (PTC) implementation.

No funds are provided for the state passenger rail grants authorized from the general fund under the FAST Act (Consolidated Rail Infrastructure and Safety Improvements, Federal-State Partnership for State of Good Repair, Restoration and Enhancement Grants). The FAST Act authorized \$200 million for these grants in FY 2016. However, the bill provides no prohibition on the use of funds for the California High Speed Rail program, as was included in the bill as passed by the House earlier this year.

Should you have any questions about any information contained in this alert, please contact Michael Fimmano at mfimmano@apta.com.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Christina Watson, Principal Transportation Planner
Meeting Date: January 27, 2016
Subject: Legislative Program

RECOMMENDED ACTION

ADOPT final 2016 Legislative Program.

SUMMARY

The purpose of the legislative program is to set general principles to guide staff and Board responses to proposed legislative or budgetary issues. The program also notifies state representatives of the Transportation Agency's position on issues of key importance to the agency.


FINANCIAL IMPACT

The recommended action has no direct financial impact.

DISCUSSION

The 2015 TAMC Legislative Program focused on maintaining and augmenting transportation funding. The draft 2016 legislative program continues this focus on transportation funding.

Attachment 1 is the final 2016 legislative program, and **Attachment 2** is the final program, showing changes from the draft reviewed by this Board on December 2, 2015. The Committees reviewed and commented on the draft program in November and January. Agency staff also discussed the draft program with partner agencies statewide and locally. The federal program was changed to reflect the passage of a five-year authorization bill in December.

Approved by: 
 Debra L. Hale, Executive Director

Date signed: January 8, 2015

Consent Agenda

Counsel Approval: N/A
 Finance Approval: N/A

Attachments:

1. Final 2016 Legislative Program
2. Final 2016 Legislative Program, showing changes



FINAL 2016 Legislative Program: State Issues

- 1S. Increase and preserve funding for transportation projects, support the constitutional protection of all transportation funding resources, and preserve regional discretion and priority-setting.
- 2S. Encourage the state to increase investments in passenger rail and bus transit projects and seek funding for Monterey County projects.
- 3S. Support legislation that promotes transit-oriented development, complete streets, and active transportation projects.
- 4S. Work with partner agencies to reach agreement on proposals for California Environmental Quality Act (CEQA) reform, while retaining environmental protections.
- 5S. Support efforts to extend and expand Public Private Partnership authority, public tolling authority, and design-build authority, expand mode eligibility, and allow for regional control of such projects.
- 6S. Support efforts to develop alternative funding sources to offset the reduction in gas tax revenues and ensure that any pay-by-the-mile funding is equitably assessed and distributed.
- 7S. Support redefinition of “disadvantaged communities” in the Greenhouse Gas Reduction Fund (i.e., “cap and trade”) grant program guidelines to better reflect economic and rural area considerations, and seek funding from the program for regional priority projects.
- 8S. Support measures to allow the California Department of Fish and Wildlife to allow Caltrans to adopt appropriate avoidance and mitigation measures to protect the Santa Cruz Long-Toed Salamander from potential impacts of the Highway 156 project.
- 9S. Support legislation to transfer funding derived from the sale of excess rights-of-way purchased for the Prunedale Bypass project to priority projects in the region.
- 10S. Support legislation to expand the Capitol Corridor Joint Powers Authority to Salinas, and to expand the Los Angeles-San Diego Rail Corridor Agency (LOSSAN) to San Francisco.
- 11S. Support funding proposals to enable cities and counties to implement storm water runoff requirements for transportation projects.
- 12S. Support legislation that promotes transparency and access to information on rail transport of hazardous materials.
- 13S. Support member agencies’ requests for state funding of regionally significant transportation projects and support partner agency legislative efforts as they interface with regional transportation priorities, when they are consistent with Transportation Agency for Monterey County priorities.



FINAL 2016 Legislative Program: Federal Issues

- 1F. Support stabilizing and increasing transportation funding sources to avoid the bankruptcy of the federal highway and transit trust funds:
 1. Increase and index the gas tax to inflation.
 2. Explore innovative funding mechanisms, such as a pay-by-the-mile user fee.
 3. Remove procedural obstacles that impede expenditure of authorized federal funding.
- 2F. Support streamlining of federal rail funding and removal of funding barriers between commuter and intercity rail programs, with the goal of increasing passenger rail service for the traveling public.
- 3F. Support an adequate level of funding for Amtrak and support a fair share allocation to California for capital improvements and vehicle acquisition.
- 4F. Support member agencies' requests for federal funding of regionally significant transportation projects and support partner agency legislative efforts as they interface with regional transportation priorities, when they are consistent with Transportation Agency for Monterey County priorities.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

DraftFINAL 2016 Legislative Program: State Issues

- 1S. Increase and preserve funding for transportation projects, support the constitutional protection of all transportation funding resources, and preserve regional discretion and priority-setting.
- 2S. Encourage the state to increase investments in passenger rail and bus transit projects and seek funding for Monterey County projects.
- 3S. Support legislation that promotes transit-oriented development, complete streets, and active transportation projects.
- 4S. Work with partner agencies to reach agreement on proposals for California Environmental Quality Act (CEQA) reform, while retaining environmental protections.
- 5S. Support efforts to extend and expand Public Private Partnership authority, public tolling authority, and design-build authority, expand mode eligibility, and allow for regional control of such projects.
- 6S. Support efforts to develop alternative funding sources to offset the reduction in gas tax revenues and ensure that any pay-by-the-mile funding is equitably assessed and distributed.
- 7S. Support redefinition of “disadvantaged communities” in the Greenhouse Gas Reduction Fund (i.e., “cap and trade”) grant program guidelines to better reflect economic and rural area considerations, and seek funding from the program for regional priority projects.
- 8S. Support measures to allow the California Department of Fish and Wildlife to allow Caltrans to adopt appropriate avoidance and mitigation measures to protect the Santa Cruz Long-Toed Salamander from potential impacts of the Highway 156 project.
- 9S. Support legislation to transfer funding derived from the sale of excess rights-of-way purchased for the Prunedale Bypass project to priority projects in the region.
- 10S. Support legislation to expand the Capitol Corridor Joint Powers Authority to Salinas, and to expand the Los Angeles-San Diego Rail Corridor Agency (LOSSAN) to San Francisco.
- 11S. Support ~~efforts-funding proposals~~ to ~~allow-enable~~ cities and counties to ~~fund-and~~ implement storm water runoff requirements for transportation projects.
- 12S. Support legislation that promotes transparency and access to information on rail transport of hazardous materials.
- 13S. Support member agencies’ requests for state funding of regionally significant transportation projects and support partner agency legislative efforts as they interface with regional transportation priorities, when they are consistent with Transportation Agency for Monterey County priorities.



DraftFINAL 2016 Legislative Program: Federal Issues

- ~~4F.~~ Support ~~the following priorities for federal transportation authorization legislation:~~
- ~~1. Approve a multi-year authorization bill to provide stability, stabilizing and certainty for transportation investments.~~
 - ~~2.1F. Stabilize and increase, increasing~~ transportation funding sources to avoid the bankruptcy of the federal highway and transit trust funds:
 - ~~a.1. Increase and index the gas tax to inflation.~~
 - ~~b.2. Explore innovative funding mechanisms, such as a pay-by-the-mile user fee.~~
 - ~~c.3. Remove procedural obstacles that impede expenditure of authorized federal funding.~~
 - ~~3. Allocate funding for projects that support safety, economic development, and job creation.~~
 - ~~4. Support regional planning and priority setting.~~
 - ~~5. Support enhanced infrastructure bank programs.~~
 - ~~6. Promote transit-oriented development, complete streets, and active transportation projects.~~
 - ~~7.2F. Streamline, streamlining of~~ federal rail funding and removal of funding barriers between commuter and intercity rail programs, with the goal of increasing passenger rail service for the traveling public.
- ~~2F.3F.~~ Support an adequate level of funding for Amtrak ~~in the annual appropriations bill and authorization legislation~~ and support a fair share allocation to California for capital improvements and vehicle acquisition.
- ~~3F.4F.~~ Support member agencies' requests for federal funding of regionally significant transportation projects and support partner agency legislative efforts as they interface with regional transportation priorities, when they are consistent with Transportation Agency for Monterey County priorities.

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Memorandum

To: Board of Directors
From: Hank Myers, Senior Transportation Planning Engineer
Meeting Date: January 27, 2016
Subject: Cost Estimating/Engineering Services - Request for Qualifications

RECOMMENDED ACTION:

1. **APPROVE** the Cost Estimating/Engineering Scope of Services; and
2. **AUTHORIZE** staff to release a request for qualifications with the scope of work, score the received statements of qualifications, and conduct interviews as necessary.

SUMMARY:

The Transportation Agency is seeking qualified consultants to provide cost estimating and/or engineering services for various transportation projects for a two-year period on an “on-call” basis. Staff will return to the Board with a pre-qualified list of recommended consultants for approval.

FINANCIAL IMPACT:

The maintenance of an on-call consultant list creates efficiencies by eliminating the need for new solicitations for consultants for each project. Costs for the actual contracts would be borne by budgeted projects. A total of \$200,000 is currently budgeted in various work elements in anticipation of potential need for cost estimating or engineering services.

DISCUSSION:

The Transportation Agency will use this Request for Qualifications (RFQ) to solicit statements of qualifications from consultants to provide cost estimating and/or engineering services for a two-year period on an “on-call” basis. The RFQ will focus on identifying the consultants who have extensive experience with providing cost estimating and/or engineering services to support Agency development of federal, state and locally funded transportation projects. The proposed scope of services for an on-call list will be included in the RFQ process used to solicit consultant proposals for this work.

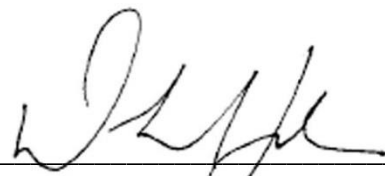
As the Regional Transportation Planning Agency, TAMC expects to deliver a variety of transportation projects within its jurisdiction. Transportation projects will cover a broad range including rail projects, street and highway projects, transit projects, bicycle and

pedestrian projects, and other transportation related projects. Individuals or firms should have specific and demonstrated expertise and success in providing effective cost estimating and/or engineering services for the Agency as outlined in the RFQ.

The Agency will select the consultant(s) based upon demonstrated competence and professional qualifications. The selected firms will be placed on a pre-qualified list. It is anticipated that more than one firm may be selected. It is expected that individual contracts for cost estimating and/or engineering services will be awarded on an as-needed basis, at such times as the Agency needs for cost estimating and/or engineering assistance arise. After reviewing the specific services required for a project, the Agency will issue a request for proposals from the consultants on the pre-qualified list. The Agency will describe the project and scope of services to be provided by the consultants. The consultants will provide proposals including a not-to-exceed cost estimate based on its fixed fee schedule to the Agency. The Agency will review the proposals and the qualified consultant will be selected to perform the requested services under a standard Agency contract.

The attached scope of services outlines the type of services that may be requested from consultants. TAMC intends to recommend budgeting approximately fifty thousand dollars (\$50,000) to provide assistance in developing independent cost estimates and for reviews of cost proposals, scopes of work, and project schedules. The Agency also intends budgeting approximately one hundred and fifty thousand dollars (\$150,000) to provide assistance in engineering services and value engineering services for the development of various Agency projects.

Once the Transportation Agency Board approves the scope of services, staff will prepare the request for qualifications based on the standardized format and release it to interested consultants. When staff receives the statements of qualifications, staff will have the discretion of interviewing the consultants or selecting them based on their submitted qualifications. Once selected, staff will return to the Board for approval of the list of recommended consultants.

Approved by: 
Debra L. Hale, Executive Director

Date Signed: January 12, 2016

Consent Agenda

Counsel Approval: Yes
Admin/Finance Approval: Yes

Attachment: Scope of Services

SCOPE OF SERVICES

Cost estimating/engineering services cover a broad range of needs and can involve providing key transportation support activities generally described below, but not limited to:

1. Developing independent cost estimates for environmental review, design and construction for a variety of transportation modes (highways, rail, local streets, bike, and pedestrian)
2. Providing assistance to the Agency reviewing cost proposals, scopes of work, and schedules (for the above type projects).
3. Providing preliminary engineering support services for development of projects (for the above type projects).
4. Providing value engineering services for evaluation of project designs developed for projects (for the above type projects).



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Virginia Murillo, Assistant Transportation Planner
Meeting Date: January 27, 2016
Subject: Monterey-Salinas Transit Bus Study

RECOMMENDED ACTION:

APPROVE allocation of \$65,000 of Monterey Branch Line lease revenues for a busway study by the Monterey-Salinas Transit District.

SUMMARY:

The Rail Policy Committee recommends the allocation of Monterey Branch Line lease revenues for a “Monterey Bay Feasibility Study of Bus Operations on State Route 1 Shoulders and in the Monterey Branch Line right-of-way.”

FINANCIAL IMPACT:

The feasibility study cost estimate is \$160,000. MST is asking for a contribution of \$65,000 from the Transportation Agency. Monterey Branch Line lease revenues are available to provide this funding. Use of these revenues is restricted to expenses related to the Monterey Branch Line.

DISCUSSION:

The Transportation Agency purchased the Monterey Branch Line in 2003 for \$9.3 million to preserve the right-of-way for future transit needs. In 2009, the Transportation Agency Board adopted light rail as the preferred use for the Branch Line. The cost of Phase 1 (light rail service with 15 min headways between Monterey and Marina) is estimated to be \$165 million. Phase 2 (extended service with 15 minute headways from Marina to Castroville) is expected to cost an additional \$40-50 million. The light rail project is currently in the environmental phase, pending the identification of new federal, state or local funding. **Per TAMC Board action, light rail remains the long-term plan for the use of the Branch Line.**

In the meantime, operating a low cost busway along the corridor is an interim, cost-effective service that would improve regional transit to and from the Monterey Peninsula and provide a faster alternative to the congested Highway 1 freeway. Service along this busway can also provide evidence of ridership demand along the corridor that will help make the case needed to obtain funding for future light rail service.

MST is proposing to study feasibility of operating buses along the State Route 1 shoulders and/or along the Monterey Branch Line right-of-way (**Attachment 1**). The proposed study would further the efforts of AB 946 (Stone) that authorized MST to operate public transit buses on road shoulders in Monterey and Santa Cruz Counties. The proposed scope of work and schedule for the study is included as **Attachment 2**.

At the January 11 meeting, the Rail Policy Committee recommended that the Board allocate \$65,000 from the Monterey Branch Line lease revenues account to fund part of MST's proposed \$160,000 feasibility study, provided that it is clear that the long-term plan for the Monterey Branch Line corridor remains light rail transit. MST will contribute \$30,000 of its own funding, and is requesting \$65,000 in federal planning funds from the Association of Monterey Bay Area Governments.

To process this funding request, Agency staff is requesting that the Board approve the revised Local Agency Funding Agreement, Exhibit A, for Monterey-Salinas Transit (**Attachment 3**). The Local Agency Funding Allocation Agreement is designed to comply with the State requirement that the Transportation Agency for Monterey County enter into contracts with its member agencies for disbursement of funding. The current version of the Local Agency Funding Allocation Agreement covers all sources of discretionary funding that passes through the Transportation Agency. The agreement details the fiscal provisions that the grantee, in this case MST, is required to comply with in order to meet state and federal regulations and receive reimbursement of funds from TAMC.

Approved by: 
Debra L. Hale, Executive Director

Date signed: January 13, 2015

Consent Agenda

Counsel Approval: N/A
Finance Approval: Yes

Attachments:

1. MST Request Letter
2. Proposed Plan Schedule and Scope
3. TAMC - MST Funding Agreement, Exhibit A



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*

December 14, 2015

Ms. Debbie Hale, Executive Director
Transportation Agency for Monterey County
55-B Plaza Circle
Salinas, CA 93901

Dear Ms. Hale,

I am writing to request \$65,000 in funding out of the Monterey Branch Line account to help fund the *Monterey County Feasibility Study of Bus Operations on State Route 1 Shoulders and Monterey Branch Line*. Monterey-Salinas Transit (MST) will also request planning study funds from the Association of Monterey Bay Area Governments (AMBAG), and MST will contribute funds, as well. The package of funding will provide for a robust corridor study of State Route 1 in Monterey County. This study would assess the feasibility of operating MST buses on roadway shoulders and/or segments of the Monterey Branch Line. The study would further the efforts of AB 946 (Stone) that authorized MST to operate public transit buses on road shoulders in Monterey County while also analyzing the feasibility of using segments of the Monterey Branch Line for bus operations. A partnership of Caltrans, the California Highway Patrol, the Association of Monterey Bay Area Governments, MST and TAMC will conduct the feasibility study in consideration of community needs and safety and to identify existing transit deficiencies to improve public transit.

I thank you in advance for your consideration of this funding request. Should your staff have any questions, please contact Michelle Overmeyer at 393-8131.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carl G. Sedoryk", with a checkmark at the end.

Carl G. Sedoryk
General Manager/CEO

**Monterey County Feasibility Study of
Bus Operations on State Route 1 Shoulders
and Monterey Branch Line**

SCOPE OF WORK

1. Project Initiation

Task 1.1 Grant Kick-Off Meeting

MST will hold a kick-off meeting with TAMC and AMBAG staff to discuss grant procedures and project expectations including invoicing, quarterly reporting, and all other relevant project information. Meeting summary will be documented.

Responsible Party: MST

Deliverable and Documentation: Executed contract between TAMC and MST, kick-off meeting notes.

Task 1.2 Project Management

Periodic group meetings and conference calls between the agencies and the consultant to monitor and direct the Consultant and to ensure that the deliverables meet the scope of work and that the project remains on time and within budget.

Responsible Party: MST

Deliverable and Documentation: Notes from Partners meetings

Task 1.3 Procurement of Consultant

MST will contract for professional services using MST's Purchasing Department. A Request for Proposal (RFP) will be prepared and a contract executed between MST and the Consultant for professional services.

Responsible Party: MST

Deliverable and Documentation: RFP; Executed Third Party Contract

Task 1.4 Project Kick-off Meeting

The purpose of this meeting is to identify:

- Study area boundaries
- Objectives for the study
- Refine scope of work and budget by tasks
- Revise schedule as needed

Responsible Party: MST; Consultant

Deliverable and Documentation: Revised Scope of Work, Budget and Schedule

Task 1	Deliverables
1.1	<i>Executed contract between TAMC and MST</i>
1.2	<i>Partners/Consultant Meeting Notes</i>
1.3	<i>Executed Consultant Contract</i>
1.4	<i>Map of Study Area Boundaries Study Objectives Final Scope of Work, Budget and Schedule</i>

2. Data Collection and Analysis

Task 2.1 Literature and/or Current Practices Review

Consultant will research any literature on transit bus on road shoulder operations, as well as transit bus operations on former rail corridors, and characterize current practices at any agencies employing this operating strategy. This will include review and summary of public perceptions and transit employees’ experiences where information is readily available. Additionally, the consultant will identify outreach efforts and stakeholders that were important in those operations, as well as the funding tools used for successful operations in other communities.

Responsible Party: Consultant

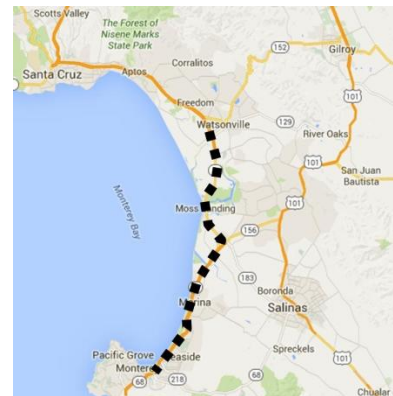
Deliverable and Documentation: Summary of existing bus-on-shoulder and rail right-of-way operations.

Task 2.2 Collect Information for Existing Highway 1 Traffic Conditions

The project would evaluate the segment of State Route 1 between the Santa Cruz County lines to State Route 68 in Monterey- a length of approximately 25 miles. A consultant will collect existing Caltrans traffic counts and conditions on this segment of Highway 1. Where information is lacking, additional hose counts will be conducted.

Existing planning documents already completed for the study area will be reviewed and a summary of current the future improvements will be provided. These documents include, but are not limited to:

- Regional Transportation Plans
- Moving Forward Monterey Bay (AMBAG 2014)
- *State Routes 1 & 183 Corridor System Management Plan* (Caltrans, October 2011)

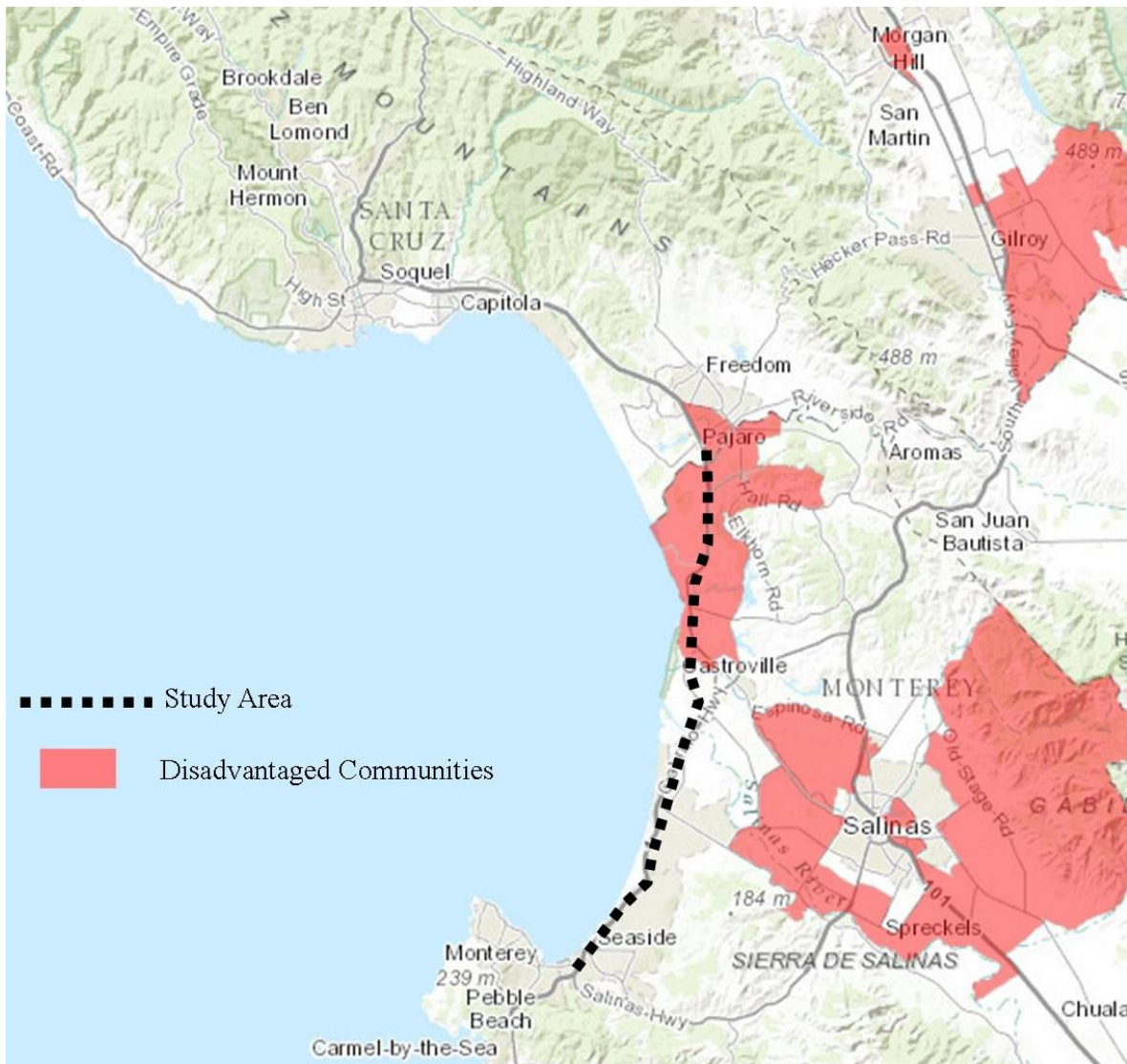


The consultant will review transit operating schedules for MST using Highway 1 and the parallel local road network and compile performance measures and operating cost data from MST to be used for baseline and concept scenarios.

Responsible Party: Consultant; MST

Deliverable and Documentation: Summary of current Highway 1 bus operations and performance characteristics.

Task 2	Deliverable
2.1	<i>Summary of existing bus-on-shoulder and bus on former rail corridor operations.</i>
2.2	<i>Summary report of traffic conditions operations and study performance measures.</i>



3. Technical Studies and Concept Scenario Evaluations

Task 3.1 Traffic Analysis

The consultant will analyze current Caltrans traffic data from the 2015 Performance Measurement System (PeMS) collection and future traffic counts and forecasts from the AMBAG travel demand model 2035 horizon year. Traffic analysis will include but not be limited to travel speeds, congestion and mode share for all modes on Highway 1, especially during peak periods. A limited number of adjacent, non-highway, roadways will be included in the analysis for the purpose of identifying potential conflicts in Levels of Service (LOS) requirements where the Monterey Branch Line intersects congested local roadways.

Responsible Party: Consultant;

Deliverable and Documentation: Summary of current Highway 1 operations.



Task 3.2 Transit Route Performance Analysis

The consultant will evaluate all MST routes that operate on Highway 1. Existing performance measures will be evaluated, such as passengers per hour and on-time performance. Estimated bus speeds between interchanges will be prepared and pinch points and pinch-point delay will be identified. The consultant would evaluate transit bus travel time savings compared to conventional traffic.

Responsible Party: Consultant; MST;

Deliverable and Documentation: Summary of current Highway 1 bus operations and performance characteristics. Identification of congested segments impeding bus operations

Task 3.3 Identify State Route 1 segments for bus operation on shoulder and operations on the rail right-of-way owned by TAMC adjacent to State Route 1.

Using data from 3.1 and 3.2, as well as field observations, the Consultant will identify suitable segments of the rail right-of-way owned by TAMC as well as State Route 1 to operate buses on roadway shoulders, to emulate grade separated bus only lanes for higher quality transit without costly construction. A discussion of what kind of cost-effective maintenance these segments will require to ensure safe use of the corridor will include but not be limited to: condition of the subsurface of the TAMC-owned rail right-of-way, State Route 1 shoulder width, pavement condition, roadbed section and location of utilities. Operating buses on the TAMC-owned rail right-of-way and/or roadway shoulders of State Route 1 is expected to improve mobility, reliability of transit times, and reduce total transit vehicle emissions and operating costs by lowering idling time on buses. It is anticipated that providing better travel time incentives will encourage the public to make mode shifts from single-occupant vehicles to greater utilization of MST buses.



To best study how to implement this strategy MST and the Consultant will be in close communication with California Highway Patrol (CHP) and Caltrans to incorporate operational and safety concerns from the respective agencies. Communication with partner agencies and stakeholders will be maintained as the Consultant and MST develop potential safety procedures and assess capital costs for operating buses on shoulders to ensure that the integrity of the roadway infrastructure is preserved.

Responsible Party: Consultant; partner agencies

Deliverable and Documentation: Report on TAMC rail right-of-way and State Route 1 highway segments that impede/promote bus operations and performance characteristics.

Task 3.4 Identify Monterey Branch Line Segments for Bus Operation

Using data from 3.1 and 3.2, as well as field observations, the Consultant will identify suitable segments of the Monterey Branch Line to operate buses on a grade-separated bus only lane for higher quality transit. A discussion of what kind of cost-effective maintenance these segments will require to ensure safe use of the corridor will include, but not be limited to: corridor width, location of utilities, cost of constructing a bus lane, and preserving rail infrastructure to allow the potential for future train service. With the bus on shoulder and/or the Monterey Branch Line busway scenarios, operating buses on a separate guideway is expected to improve mobility, reliability of transit times, and reduce total transit vehicle emissions and operating costs by lowering idling time on buses. This is alternative strategy that would provide better travel time

incentives to encourage the public to make mode shifts from single-occupant vehicles to greater utilization of MST buses.

Responsible Party: Consultant; partner agencies

Deliverable and Documentation: Report on Monterey Branch Line and State Highway 1 segments that impede/promote bus operations and performance characteristics.

Task 3.5: Environmental Impact Consideration

Direct impacts. The Consultant will evaluate any possible direct impacts of project construction on sensitive environmental resources along identified segments in 3.6 and 3.4, such as stream corridors, ponds and wetlands, and other unique habitats; the level and extent of environmental analysis will be determined by MST and the Consultant. Sensitive environmental impacts will focus on the resources within and adjacent to the study area and correlate these to



the assumed infrastructure requirements along the transit route. These objectives complement AMBAG’s SCS and Smart Mobility goals to engage in environmentally sustainable practices.

Indirect impacts. In studying the feasibility of any of the proposed multi-modal improvements, a critical aspect is to assess the indirect environmental impacts of reduced emissions. The above mentioned operating improvements suggested for study on State Route 1 and the Monterey Branch Line can help to facilitate reduced fuel consumption and GHG emissions.

Alternative bus operating strategies. Operating buses on shoulders and/or along the Monterey Branch Line is expected to lower the idling time of buses and lower travel times. It is assumed that this will not only save in operating costs but it will also result in aggregate reduced vehicle emissions. The Consultant will examine the literature present on bus-on-shoulders implementation by other transit agencies while considering current and project traffic conditions on State Route 1 to create a model to project the reduction of bus emissions. A model will also be created to project the reduction of bus emissions with operations along the Monterey Branch Line as well as any combination of modal operations throughout the corridor.

Deliverable and Documentation: Environmental Analysis Report of all Operating Scenarios

Task 3.6: Concept Feasibility

Preliminary feasibility will assess necessary infrastructure improvements for safe bus-on-shoulder operations, as well as operations on the Monterey Branch Line. This will include but not be limited to freeway interchanges, roadway intersections with the rail line, transit routes, bike and pedestrian pathways, and will include planning level cost estimates for construction and right of way.

Responsible Party: Consultant

Deliverable and Documentation: Conceptual Analysis Report. Cost estimates for proposed infrastructure and operating changes.

Task 3.7 Cost-Benefit Assessment

Caltrans' 2015 Strategic Management Plan emphasizes the importance of identifying opportunities to improve transit performance, while responsibly managing state resources. At this portion of the study, the Consultant will assess if operating bus on shoulders or on the Monterey Branch Line are cost-effective options to increase operating efficiency and levels of service on State Route 1 while reducing greenhouse gas emissions. Using data from all previous tasks the Consultant will perform a cost-benefit analysis and compare with the base case, current operations.

Responsible Party: Consultant; partner agencies

Deliverable and Documentation: Cost Benefit Analysis Report for all Operating Scenarios.

Task 3.8 Project Implementation/Next Steps

Some of the projected outcomes of the alternative bus operating strategies will aid in achieving the State and Federal planning goals of increased mobility and improved accessibility to transportation services. Lowering transit travel times will allow for the public's ability to access services and activities, especially those that do not have access to personal vehicles. Many people cannot drive due to age, disability, low-income or other impairment; if higher quality transit service is provided it ensures that all members of the community will receive the benefits of an equitable transport system. These alternative bus operating strategies can assist in achieving the goals of fostering livable and healthy communities that promote social equity, as expressed in the California Transportation Plan 2040 and the Association of Monterey Bay Area Government's (AMBAG) Sustainable Community Strategy (SCS). Furthermore, the alternative bus operating strategies have the potential to reduce vehicle emissions and improve air quality, in particular for disadvantaged communities that are adjacent to State Route 1, attaining the environmental and health benefits sought after in Complete Streets and Smart Mobility planning. In addition, single-occupancy-vehicle (SOV) drivers seeing a public transit vehicle bypassing traffic during rush hours on State Route 1 would have a significant visual impact, so much so as to potentially change commute habits from SOV to transit. If enough commute hour trips along State Route 1 are diverted from SOV's to transit, public sentiment to solve traffic problems on the Monterey Bay coast by widening the freeway from two to three lanes between Monterey and Seaside/Sand City (atop environmentally sensitive coastal dune habitats) may be addressed

without construction and/or expansion of the freeway. Key to this shift in the perception of public transit is SOV drivers seeing buses bypassing traffic to reach commuters’ destinations – downtown Monterey and Carmel.

The Consultant will research requirements for Caltrans project implementation documentation before finalizing a recommended implementation strategy. The Consultant and partner agencies will conduct an assessment to determine strategies to secure future sources of funding for further implementation. Potential funding sources include, but are not limited to: Federal Transportation Administration funds, local sales tax initiatives, and state grant programs, such as AMBAG’s Strategic Highway Research Program 2 (SHRP2), with the ultimate goal of incorporating some of the strategies assessed with this project into a long-range regional transportation plan.

Other projects being considered for funding in the region include a technical modeling analysis study of Hwy 68 and intersections of State Route 1 by AMBAG. Additionally, the SCCRTC is engaging in a similar project to the one proposed by MST; it is a goal to collaborate with SCCRTC to ensure that data is shared and no unnecessary duplication of efforts is undergone. MST and the Consultant will assess the potential to utilize these data collection efforts to bolster funding for this project.

Responsible Party: Consultant

Deliverable and Documentation: Project Implementation Strategy

Task 3	Deliverable
3.1	<i>Summary of Current Operations</i>
3.2	<i>Transit Route Performance technical memo</i>
3.3	<i>Summary of likely SR 1 segments technical memo</i>
3.4	<i>Summary of Monterey Branch Line segments technical memo</i>
3.5	<i>Environmental constraints Matrix</i>
3.6	<i>Report on Engineering Assessment with cost estimates.</i>
3.7	<i>Cost-Benefit Analysis</i>
3.8	<i>Project Implementation Strategy</i>

4. Stakeholder Participation

Task 4.1: Peer Agency Outreach

The Consultant will be responsible for coordinating outreach efforts to other agencies that have implemented bus on shoulder facilities and bus on former rail corridors, including but not limited to the San Diego Association of Governments (SANDAG), PACE (Chicago), and Metro Transit (Minnesota).

The Consultant’s aim will be to collect information on:

- types of outreach conducted by other agencies

- survey results of drivers and transit users, if any
- data and reports on pilot studies of bus on shoulders and other multi-modal enhancements
- data and reports on rail-to-bus corridor studies
- development process to generate best use practices
- funding tools

The Consultant will develop a report comprising user and driver perception of the safety and operational components of introducing these alternative bus corridors, as well as the trip reduction times, if any. It is important that this study examines how other agencies successfully provided stakeholders the opportunity to receive information and provide input. The report will detail types of outreach and the types of funding utilized to design a planning process that will educate the public on safely integrating alternative bus operations into the transportation system.

Responsible Party: Consultant

Deliverable: Peer Agency Report

Task 4.2: Planning Study Steering Committee Meetings:

Consultant and MST will conduct meetings to provide technical and advisory input to the Feasibility Study. A critical partner in ensuring the successful study of implementing bus on shoulders will be CHP. The Consultant will assist in reaching out to CHP to create a dialog and organize at least three meetings throughout the life of the study. The purpose of these meetings is to provide project information and to allow CHP to relay their safety concerns providing MST an opportunity to address those concerns for running buses on shoulders or any other multi-modal implementations.

The Consultant will communicate with District 5 Caltrans and HQ staff about the feasibility of bus on shoulders on state highways. MST and the Consultant will hold at least three meetings with Caltrans to assess the feasibility of designing corridor improvements or State Route 1 in Monterey County. The purpose of these meetings is to ensure clear communication between MST and Caltrans throughout the life of the project. MST would like to work closely with Caltrans to guarantee that this study will produce a viable strategy to improve operations on State Route 1.

Critical partners in the bus operations on the Monterey Branch Line scenario are the local municipalities which oversee and maintain local roadways that would intersect bus lane(s) on the Monterey Branch Line. The Consultant will assist in reaching out to staff members representing at the cities of Marina, Sand City, Seaside, and Monterey to create a dialog and organize at least three meetings throughout the life of the study.

Responsible Party: Consultant and MST

Deliverable: Minutes or notes from Partner meeting.

Task 5 Draft and Final Report

Task 5.1: Produce Administrative Draft Report

Consultant will produce and distribute an Administrative Draft Report for review and discussion with the partner agencies and Stakeholders for their input regarding changes for the Draft Report. In addition, Consultant will prepare a PowerPoint presentation summarizing the results of the report in an editable format.

Responsible Party: Consultant; partner agencies

Deliverable and Documentation: Administrative Draft report incorporating information from all previous tasks, including deliverables, maps, tables, raw data and stakeholder input for review.

Task 5.2: Present Draft Report

Consultant will present the Draft Report to the Boards of TAMC, AMBAG, MST and Stakeholder partners and solicit comments for subsequent revisions.

Responsible Party: Consultant; partner agencies

Deliverable and Documentation: Draft Report incorporating comments from all presentations. Staff report; Board of Directors meeting minutes

Task 5.3: Final Report

Consultant will revise the Draft Report and incorporate all revisions suggested by the Boards of MST, TAMC, AMBAG and Stakeholders. A complete electronic copy of the Final Report, including files in the source applications, will be the final product.

Responsible Party: Consultant

Deliverable and Documentation: Final report incorporating all previous revisions for distribution to the Partners.

Task 5	Deliverable
5.1	<i>Administrative Draft report</i>
5.2	<i>Draft Report and Board Presentations. Staff Report Board of Directors meeting minutes</i>
5.3	<i>Final Report</i>

Task 6: Grant Administration

Task 6.1: Quarterly Reports

Monitor ongoing progress of project and deliver quarterly reports. Oversee ongoing contract management.

Responsible Party: MST

Deliverables and Documentation: MST to provide complete quarterly reports.

Task 6.2: Invoicing

Act as fiscal manager for project, including providing invoicing and ensuring proper documentation of expenditures and timely use of funds.

Responsible Party: MST

Deliverables and Documentation: Quarterly Reports and Invoices

Task	Deliverable
6.1	<i>Quarterly Reports</i>
6.2	<i>Invoices</i>

Transportation Agency for Monterey County
Local Agency Funding Allocation Agreement
 Exhibit A

Monterey-Salinas Transit

Agency	Board Approval Date	Fund Expiration Date	Type	Project	Budget	Paid	Balance Outstanding
MST	3/26/2014	3/26/2017	RSTP (MST Set Aside)	Purchase of mini-buses	\$ 1,410,000	\$ 1,331,427	\$ 78,573
	1/27/2016	1/27/2019	Branch Line Lease Revenue	MST bus on shoulder and/or Monterey Branch Line right-of-way study	\$ 65,000	\$ -	\$ 65,000
					\$ 1,475,000	\$ 1,331,427	\$ 143,573

Last Revised: 1/27/2016

Approved by: _____
 Debra L. Hale, Executive Director



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Rita Goel, Director of Finance & Administration
Meeting Date: January 27, 2016
Subject: **ANNUAL AUDIT REPORT FOR FISCAL YEAR
ENDING JUNE 30, 2015**

RECOMMENDED ACTION:

ACCEPT the Regional Development Impact Fee Joint Powers Agency's audit report for fiscal year ending June 30, 2015.

SUMMARY:

The auditors found no instances of noncompliance that are required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

FINANCIAL IMPACT:

The cost for the annual audit is \$2,500.

DISCUSSION:

The purpose of the audit is to confirm that the Regional Development Impact Fee Joint Powers Agency's financial statements are free of material misstatement and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Moss, Levy & Hartzheim, Certified Public Accountants, completed the audit for fiscal year ending June 30, 2015.

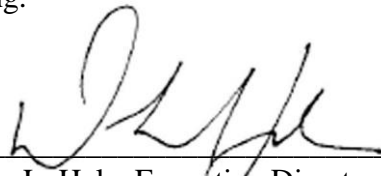
The auditors found no instances of noncompliance that are required to be reported under Government Auditing Standards, nor did they note any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses. Attached with this report are the summary tables from the audit ending June 30, 2015. The audit is also available on the Agency website:

<http://www.tamcmonterey.org/information/audits/index.html>

The total fees and interest collected during the audit reporting period was \$598,070. Expenditures made during the audit period were \$188,337 for Highway 156 activities and \$10,000 transferred to the Transportation Agency for Monterey County partially cover the costs to administer the fee program. The Regional Development Impact Fee Joint Powers has a fund balance of \$1,570,089 as of June 30, 2015.

The total fee program administration cost, including staff time, was \$35,325. The Regional Development Impact Fee Joint Powers Agency contracts with the Transportation Agency for Monterey County for administrative services.

The Agency expects impact fee revenues to continue to grow as the pace of new development picks up. Of note is the planned development in Salinas' Future Growth Area, as well as development throughout the South County that will bring additional revenue into the fee program. Regional fees collected will be expended on projects as prioritized in the Strategic Expenditure Plan. Near-term project expenditures identified in the plan include: State Route 156 Widening, State Route 68 Commuter Improvements, and the SR-68 (Holman Highway) Widening.

Approved by: 
Debra L. Hale, Executive Director

Date: December 14, 2015

Consent Agenda

Counsel Approval: N/A
Finance Approval: Yes

Attachments:

1. Governmental Fund Balance sheet
2. Statement of revenues, expenditures and changes in fund balance

**REGIONAL DEVELOPMENT IMPACT FEE JOINT POWERS A
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>
Revenues:	
Mitigation fees	\$ 591,725
Interest	<u>6,345</u>
Total revenues	<u>598,070</u>
Expenditures:	
Administration	10,000
Project costs	<u>188,337</u>
Total expenditures	<u>198,337</u>
Excess of revenues over (under) expenditures	399,733
Fund balance - July 1, 2014	<u>1,170,356</u>
Fund balance - June 30, 2015	<u><u>\$ 1,570,089</u></u>

The notes to basic financial statements are an integral part of this statement.

REGIONAL DEVELOPMENT IMPACT FEE JOINT POWERS AGENCY
 GOVERNMENTAL FUND
 BALANCE SHEET
 June 30, 2015

	General Fund
ASSETS	
Cash and investments	\$ 1,548,324
Accounts receivable	<u>89,411</u>
Total assets	<u>\$ 1,637,735</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ <u>67,646</u>
Total liabilities	<u>67,646</u>
Fund Balance:	
Restricted for transportation	<u>1,570,089</u>
Total fund balance	<u>1,570,089</u>
Total liabilities and fund balance	<u>\$ 1,637,735</u>

The notes to basic financial statements are an integral part of this statement.

DRAFT MINUTES

TRANSPORTATION AGENCY FOR MONTEREY COUNTY SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES AND MONTEREY COUNTY REGIONAL DEVELOPMENT IMPACT FEE JOINT POWERS AGENCY

EXECUTIVE COMMITTEE MEETING

*Members are: Kimbley Craig (Chair),
Fernando Armenta (1st Vice Chair), Alejandro Chavez (2nd Vice Chair),
Jane Parker (Past Chair),
Dave Potter (County representative), Robert Huitt (City representative)*

Wednesday, January 6, 2016

*** 9:00 a.m. ***

Transportation Agency Conference Room
55-B Plaza Circle, Salinas

1. **CALL TO ORDER:** Vice Chair Armenta called the meeting to order at 9:00 a.m. Committee members present: Armenta, Chavez, Huitt, Parker and Potter. Staff present: Goel, Hale, Muck, Rodriguez, Watson, Wright and Zeller. Others present: Agency Counsel Reimann, Tom Clifford, Clifford & Moss; Sara LaBatt, EMC Research; Terry Feinberg, Moxxy Marketing and Jim Johnson, Monterey Herald. Chair Craig arrived at 9:52 a.m.

2. **PUBLIC COMMENTS:** None.

3. **CONSENT AGENDA:**

On a motion by Committee Member Huitt and seconded by Committee Member Parker the committee voted 5– 0 to approve the consent agenda.

3.1 Approved minutes from the Executive Committee meeting of November 4, 2015.

3.2 Received federal legislative update.

END OF CONSENT

4. On a motion by Committee Member Huitt and seconded by Committee Member Potter the committee voted 5– 0 to approve the recommendations for the 14th Annual Transportation Excellence Awards.

Theresa Wright, Community Outreach Coordinator/Associate Transportation Planner, highlighted the list of nominees for 2015.

She reported the nominees were recognized in the following different categories: Citizens or Organizations, Innovative Activities and Projects. Committee member Huitt requested

that Luciano Rodriguez and avid bike commuter, who is a volunteer bike repair/maintenance instructor for the Monterey County Probation Department and Rancho Cielo be recognized as exemplary. Committee member Potter and Chavez concurred.

5. The Committee received a presentation by staff and EMC Research on the preliminary polling results on the Transportation Investment Plan.

Theresa Wright, Community Outreach Coordinator/Associate Transportation Planner, reported staff has been very busy with continuing efforts for the transportation investment plan. She reported that EMC Research conducted polling to gauge potential voter support for a transportation investment plan 2016 ballot measure.

Sara LaBatt, EMC Research, summarized the polling results of the telephone survey of likely November 2016 voters, in Monterey County held between December 7th through 16th, 2015. She noted that she sees great support and a positive environment for this measure. Tom Clifford noted that he gives credit to TAMC for their efforts. He reported that the stakeholder's investment plan group offers a broad perspective. Terry Feinberg, commented that it is most critical to overcome the opposition, noting this will make a huge difference.

6. The Committee received a report on the draft agenda for TAMC Board meeting of January 27, 2016:

Executive Director Hale highlighted the draft TAMC Board agenda for January 27, 2016. She reported the Board will start off with the election of 2016 officers. The Board will receive a presentation by staff and EMC Research on the preliminary polling results on the Transportation Investment Plan. The 2015 Annual Transportation Excellence Awards Ceremony will be held. On the consent agenda the Board will be asked to approve the final 2016 Legislative Program and approve the Project Management Services Scope of Work; and authorize staff to release a request for qualifications (RFQ) with the scope of work, score the received statements of qualifications, and conduct interviews as necessary.

7. **ADJOURNMENT**

Chair Craig adjourned the meeting at 10:23 a.m.



Elouise Rodriguez, Senior Administrative Assistant

TRANSPORTATION AGENCY FOR MONTEREY COUNTY (TAMC)
RAIL POLICY COMMITTEE MEETING
DRAFT Minutes of January 11, 2016
 Transportation Agency for Monterey County
 55-B Plaza Circle, Salinas

	NOV 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUNE 15	AUG 15	SEP 15	NOV 15	JAN 16
F. Armenta, Dist. 1 (J. Martinez)	C	P	C	P(A)	C	P	P	C	P	P	P
J. Phillips, Dist. 2 (J. Stratton)	A	P(A)	A	P(A)	A	P(A)	P(A)	A	P(A)	P(A)	P(A)
J. Parker, Dist. 4 (K. Markey)	N	P(A)	N	P(A)	N	E	P(A)	N	P(A)	P(A)	P(A)
D. Potter, Dist. 5, Chair (K. Lee , J. Mohammadi)	C	P	C	P	C	P	P	C	P(A)	P	P(A)
B. Delgado, Marina (F. O'Connell)	E	-	E	P(A)	E	P	-	E	-	P	P
E. Smith, Monterey (R. Deal)	L	P	L	P	L	E	P	L	-	P	E
K. Craig, Salinas, Vice Chair (R. Russell , J. Serrano)	L	P	L	E	L	P	P	L	P	P(A)	P
T. Bodem, Sand City (L. Gomez)	E	P	E	-	E	P	-	E	P	P	E
R. Rubio, Seaside (I. Oglesby)	D	P	D	P	D	P	E	D	P	P	P
A. Chavez, Soledad (F. Ledesma)		P		P		P	E		P	P	P
M. Twomey, AMBAG (H. Adamson)		-		-		-	P(A)		-	-	P(A)
O. Monroy-Ochoa, Caltrans District 5		P		-		-	-		-	-	E
C. Sedoryk, MST (H. Harvath, L. Rheinheimer)		P(A)		P(A)		P(A)	-		P(A)	P(A)	P(A)
B. Sabo, Airport (R. Searle)		-		-		-	-		-	-	-
STAFF											
D. Hale, Exec. Director		P		E		P	E		P	P	P
T. Muck, Deputy Exec. Director		-		P		P	P		P	P	P
C. Watson, Principal Transp. Planner		P		P		P	P		P	P	P
A. Green, Transp. Planner		-		P		E	-		-	-	-
M. Zeller, Principal Transp. Planner		P		P		P	E		P	E	P
H. Myers, Sr. Transp. Engineer		E		P		-	-		-	P	-
V. Murillo, Asst. Transp. Planner		P		P		P	P		P	P	P
E – Excused VC – Video Conference P(A) – Alternate TC – Teleconference											

1. **QUORUM CHECK AND CALL TO ORDER**

Vice Chair Craig called the meeting to order at 3:00 p.m. A quorum was established.

OTHERS PRESENT

Scott Ottmar	City of Seaside	Jerome Landesman	Salinas resident
John Wong	Salinas resident	Steve Eklund	Salinas resident
Paul Powers	Salinas resident	Eric Peterson	Salinas resident
MacGregor Eddy	<i>We Could Car Less</i> Columnist, Salinas Californian		

2. **PUBLIC COMMENTS**

Steve Eklund, Salinas resident, commented that the gas tax should be raised and should be used locally for streets and roads.

Committee Member Armenta noted that John Wong, former City of Salinas Public Works Director, was in attendance.

3. **CONSENT AGENDA**

M/S/C Rubio/Markey/unanimous

3.1 Approved minutes of the November 2, 2015 Rail Policy Committee meeting.

3.2 Received report on final Santa Cruz Branch Line rail transit study.

3.3 Received update on the Pajaro/Watsonville Multimodal Station project.

END OF CONSENT AGENDA

4. **MONTEREY-SALINAS TRANSIT BUS STUDY**

M/S/C Markey/Armenta/unanimous

The Committee received a proposal to use Monterey Branch Line lease revenues to contribute to a busway study by the Monterey-Salinas Transit District and recommended Board approval.

Executive Director Debbie Hale noted that this study is an important first step to help solve the congestion on Highway 1 and make use of the underutilized Monterey Branch Line Corridor.

Hunter Harvath, MST Assistant General Manager, reported that the busway study will produce a cost-benefit analysis to determine the feasibility of operational improvements, such as operating buses on the Highway 1 shoulder and in the Monterey Branch Line right-of-way, to improve regional transit service. Mr. Harvath reported that the study is expected to cost \$160,000 and MST is requesting \$65,000 of Monterey Branch Line lease revenues to fund part of the study, matching a grant application to AMBAG for federal planning funds. Mr. Harvath noted that this study would show the public that MST and TAMC are actively looking at ways to reduce congestion, and when the transportation sales tax measure passes the project can be funded locally.

Committee Member Delgado asked if there are other examples of buses operating on shoulders. Mr. Harvath said that Chicago and Miami both have robust bus-on-shoulder programs that

improve regional transit service. Committee Alternate Adamson mentioned that San Diego was the first in California to pilot a successful bus-on-shoulder demonstration program, but the program was terminated due to a lack of ongoing operating funds. Mr. Harvath noted that Monterey and Santa Cruz Counties obtained legislation to allow buses to operate on the shoulder.

Vice Chair Craig asked how much money was available in the Monterey Branch Line account. Ms. Hale said that the account has approximately \$1 million.

Committee Member Delgado expressed concern that this proposal sounds like an abandonment of the long-term vision for light rail service in the Monterey Branch Line corridor in favor of bus rapid transit. Ms. Hale said that operating bus transit service on the corridor would be an interim solution that can provide evidence of ridership demand along the corridor and help make the case to obtain state or federal funding for future light rail service. Ms. Hale noted that the cost of light rail service is too high to be included in the transportation sales tax expenditure plan.

Committee Member Rubio stated that the study should consider the requirements for light rail in the corridor to ensure there would be no need to remove the busway once funding for the light rail project was made available.

MacGregor Eddy said she has done research on operating bus on shoulders and found that this type of service increases transit ridership and on-time performance.

Steve Eklund said he opposes a general sales tax increase as it hurts people who have the least, and restated his support for a gas tax increase.

5. LEGISLATIVE PROGRAM

The Committee received and commented on the draft 2016 Legislative Program.

Christina Watson, Principal Transportation Planner, reported that there is now a federal transportation multi-year authorization bill known as the Fixing America's Surface Transportation, or FAST Act, and that the federal legislative program will be edited to reflect this. Ms. Watson noted that priority 7S of State legislative program will support a redefinition of disadvantaged communities for the State's cap and trade grant program to better reflect economic and rural area considerations. Executive Director Hale noted that this redefinition is an issue of interest statewide, and especially for Monterey County, as only the communities of Pajaro and East Salinas are eligible under the current definition. She noted that the current definition leaves out many of the communities that one would think of as disadvantaged.

Committee Member Delgado asked if having the definition be zipcode-based would improve the definition of disadvantaged communities. Ms. Watson said that the idea of "regional normalizing" would compare disadvantaged communities by region as opposed to statewide.

Committee Member Delgado asked about priority 13S and the Agency's priority projects. Ms. Watson noted that the priority projects are the same ones that were chosen by the Board.

Committee Member Delgado also asked if the federal reauthorization bill benefits Monterey County. Ms. Watson said that it allows for long term planning and is a slight increase in funding levels from the last bill. She noted a full report is on the January Board agenda.

6. **SALINAS RAIL EXTENSION PROJECT UPDATE**

The Committee received an update on the Salinas Rail Extension Project.

Christina Watson, Principal Transportation Planner, reported staff has been working with Caltrans on the Market Street (Highway 183) improvements proposed as part of the project, including the extension of Lincoln Avenue to provide signalized access to the Salinas station.

Committee Alternate Stratton asked what the delay would be if Caltrans insists TAMC prepare a project report for the highway improvements. Executive Director Hale said that the preparation of the project report would take about three to six months.

Vice Chair Craig asked if City of Salinas staff knew about the \$1.3 million cost of the highway improvements. Ms. Watson said that the strategy to work with Caltrans is pending, and that staff would be having discussions with the City of Salinas on next steps.

Michael Zeller, Principal Transportation Planner, reported that appraisals for acquisition of the nine parcels in the station area are complete. He noted that property owners are now getting their own appraisals.

John Wong, Salinas resident, asked how many properties have been acquired. Mr. Zeller said that two parcels have been acquired so far.

7. **COAST DAYLIGHT**

The Committee received an update on the status of the planned Coast Daylight train service between San Francisco and Los Angeles.

Ms. Watson reported that the Federal Railroad Administration published the Final Environmental Impact Statement (EIS)/ Environmental Impact Report (EIR)/ Record of Decision for the coast rail line corridor between Salinas and San Luis Obispo on November 20, 2015. Ms. Watson also reported that staff held a kick-off meeting with HDR for the federal environmental review of the coast rail line corridor between Salinas and San Jose. The 68-mile rail corridor between Salinas and San Jose will be reviewed for potential improvements to support two passenger rail projects, the Coast Daylight (Pacific Surfliner trains) and the Rail Extension to Monterey County (Capitol Corridor trains).

8. **ANNOUNCEMENTS AND/OR COMMENTS FROM COMMITTEE MEMBERS**

None.

9. **ADJOURN**

Vice Chair Craig adjourned the meeting at 4:05 p.m.



Memorandum

To: Board of Directors
From: Michael Zeller, Senior Transportation Planner
Meeting Date: January 27, 2016
Subject: Cost-Benefit Analysis for Projects

SUMMARY:

At the June 2015 meeting of the Transportation Agency Board, Directors Phillips and Rubio requested information on the use of cost-benefit analysis for proposed projects.

DISCUSSION:

When reviewing projects for a variety of programs and fund sources, the Transportation Agency employs performance-based planning that provides information on the cost / benefit of a given project. The performance measures are developed in consultation with the Association of Monterey Bay Area Governments to ensure that the necessary data is available. This information can then be used to develop the costs and benefits of projects and a comparison can be made of the cost effectiveness of different project scenarios.

A summary of these efforts follows:

- **Regional Transportation Plan (RTP):** The RTP is the Agency's long-range plan, which reviews the available revenues and potential improvement projects over a 30-year period. The Transportation Agency collects information on the performance of the plan in the Policy Element section of the document for Access & Mobility; Safety & Health; Environmental Stewardship; Social Equity; and Economic Benefit. Each of these policy categories includes quantifiable performance measures that are used to ensure that projects selected for funding are moving the region towards achieving its policy goals.
- **Regional Transportation Improvement Program (RTIP):** The RTIP is the Agency's short-range plan, which programs funding to regionally-significant highway, local roads, bike / pedestrian, and transit / rail projects over a five-year period. The RTIP analyzes the cost effectiveness of the plan at both the regional level and project level. The project level evaluation includes use of the Caltrans "Cal B/C" cost-benefit model. This model monetizes several benefits (based on travel time, vehicle operating costs, accidents, and emissions) and provides a ratio of these benefits to the project cost.
- **Regional Roundabout Study:** The Regional Roundabout Study utilizes another Caltrans-developed tool, the Intersection Control Evaluation, to compare the cost effectiveness of different intersection project scenarios – such as a traffic signal to a roundabout. This process also monetizes several benefit categories of the projects (safety, operational analysis, greenhouse gas emissions, and maintenance costs) and

develops a Life Cycle Cost analysis to give a consistent basis on which to compare projects. The end result is a cost/benefit ratio and a recommendation for a preferred intersection project.

- **Grant Programs:** Many funding sources and grant programs now require that a cost/benefit analysis be completed as part of the application package. The Transportation Agency has submitted several such applications for the following projects and programs:
 - **TIGER Grant** – The Transportation Agency completed an application for this federal grant program for the Commuter Rail Extension - Pajaro Station project.
 - **Active Transportation Program** – The Transportation Agency and several local jurisdictions have been successful in receiving funding from this State grant program for bicycle and pedestrian projects, such as the Via Salinas Valley project, the Fremont Avenue Bike Lanes project in Monterey, and the West Broadway Improvement Project in Seaside.

EXAMPLE PROJECT: West Broadway Urban Village Infrastructure Improvements

The City of Seaside was recently successful in receiving an Active Transportation Grant for the West Broadway Urban Village project. This project will reduce Broadway Avenue to a single lane in each direction between Fremont Street & Del Monte Boulevard, and install pedestrian and bicycle facilities with the completion of the bicycle corridor between the Monterey Bay Coastal Trail and General Jim Moore Boulevard.

To determine the benefit / cost ratio for the project, the City used the Cal B/C model, which included consideration of the following factors:

- Existing and forecasted bicycle trips, with and without the project;
- The proposed bicycle route classification;
- Existing and forecasted pedestrian trips, with and without the project;
- Existing vehicle trips along the corridor;
- The number of fatal and injury crashes for the last five years;
- A listing of the safety countermeasures to be included in the project (e.g. pedestrian crossings, traffic signals, bicycle lanes, etc.); and
- The total cost of the project and the amount of funds being requested for the grant.

With this information, the model produces monetized benefits for mobility, health, recreation, emissions, and safety. Caltrans has developed several parameters that are used by the model to convert the inputted factors to dollar values. Factors, such as new bikers and vehicle trips avoided, are multiplied by the parameters for a benefit value. The monetized benefits are then compared to the Net Present Costs to calculate the benefit / cost ratio. For this project the ratio is 3.65, which means that over the life of the project, the value of the benefits are nearly four times that of the costs to construct the project.

Approved by: 
Debra L. Hale, Executive Director

Date Signed: January 12, 2016

- Attachments: 1) Cal B/C Model Inputs and Results
2) Parameters used to monetize benefits by the Cal B/C Model

West Broadway Infrastructure Improvements, Seaside California

Project Name:

West Broadway Infrastructure Improvements

INFRASTRUCTURE

Project Location:

Seaside California

Bike Projects (Daily Person Trips for All Users) (Box 1A)				
	Without Project		With Project	
Existing	276			
Forecast (1 Yr after completion)	280		520	
	Commuters		Recreational Users	
Existing Trips	207		41	
New Daily Trips (estimate) (1 YR after completion) (actual)	103.5		103.5	

Project Information- Non SR2S Infrastructure			
Bike Class Type	Bike Class II		
Average Annual Daily Traffic (AADT)	13,200		

Project Costs (Box 1D)	
Non-SR2S Infrastructure Project Cost	\$4,617,000
SR2S Infrastructure Project Cost	

ATP Requested Funds (Box 1E)	
Non-SR2S Infrastructure	\$3,693,600
SR2S Infrastructure	

CRASH DATA (Box 1F)		
	Last 5 Yrs	Annual Average
Fatal Crashes	0	0
Injury Crashes	10	2
PDO		0

Pedestrian Projects (Daily Person Trips for All Users) (Box 1B)				
	Without Project		With Project	
Existing	238			
Forecast (1 YR after project completion)	242		562	
	Without Project		With Project	
Existing step counts (600 steps=0.3mi=1 trip)				
Existing miles walked				

SAFETY COUNTERMEASURES (improvements) (Box 1G)			Y or N (Capitalized)
Signalized Intersection	Pedestrian countdown signal heads		
	Pedestrian crossing		
	Advance stop bar before crosswalk		
	Install overpass/underpass		
Unsignalized Intersection	Raised medians/refuge islands		
	Pedestrian crossing (new signs and markings only)		
	Pedestrian crossing (safety features/curb extensions)		Y
	Pedestrian signals		
Roadways	Bike lanes		Y
	Sidewalk/pathway (to avoid walking along roadway)		Y
	Pedestrian crossing (with enhanced safety features)		Y
	Pedestrian crossing		Y
Other reduction factor countermeasures			

Safe Routes to School (SR2S) (Box 1C)		Total
Number of student enrollment		
Approximate no. of students living along school route proposed for improvement		
Percentage of students that currently walk or bike to school		
Projected percentage of students that will walk or bike to school after the project		

286

Attachment I-6. Benefit-Cost Analysis

Attachment I-6

20 Year Invest Summary Analysis	
Total Costs	\$4,617,000.00
Net Present Cost	\$4,439,423.08
Total Benefits	\$24,459,702.10
Net Present Benefit	\$16,199,159.65
Benefit-Cost Ratio	3.65

20 Year Itemized Savings	
Mobility	\$16,753,641.20
Health	\$2,019,816.70
Recreational	\$1,216,077.28
Gas & Emissions	\$514,895.28
Safety	\$3,955,271.64

Funds Requested	\$3,693,600.00
Net Present Cost of Funds Requested	\$3,551,538.46
Benefit Cost Ratio	4.56

PARAMETERS

Mobility Parameters		
CA Statewide Hourly Wage (2014)	\$26.07	
Value of Time (VOT)- adult	\$13.03	
Value of Time (VOT)- child	\$5.42	
Bike Path (Class I)	20.38	min/trip
Bike Lane (Class II)	18.02	min/trip
Bike Route (Class III)	15.83	min/trip

Health Parameters		
Cycling	\$146	annual\$/person
Walking	\$146	annual\$/person

Accident Cost Parameters		
Cost of a Fatality (K)	\$4,130,347	\$/crash
Cost of an Injury	\$81,393	\$/crash
Cost of Property Damage (PDO)	\$7,624	\$/crash

Source: Appendix D, Local Roadway Safety: A manual for CA's Local Road Owners Caltra

Recreational Values Parameters		
Biking		
New Users	\$10	per trip
Existing Users	\$4	per trip
Walking		
All Users	\$1	per trip

VMT Reduction		Average fuel pri
Price of gasoline (per gallon incl. tax)	\$3.41	
Price of CO2 (per ton)-adj to 2014\$	\$25	Interagency Wo
Price of Co2 (per lb)	\$0.01	
Working days	250	

2%	Average CA Annual Growth of Population (1955-2011)
4%	Discount Rate used (same as Cal B/C Model)