



AGENDA

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY Meeting Notice

Date: 11:00 a.m., Tuesday, January 27, 2015
Location: Legislative Chamber, Room 250, City Hall
Commissioners: Avalos (Chair), Wiener (Vice Chair), Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang and Yee

CLERK: Steve Stamos

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1.	Roll Call	
2.	Approve the Minutes of the December 16, 2014 Meeting – ACTION*	5
3.	Chair’s Report – INFORMATION	
4.	Executive Director’s Report – INFORMATION	
	During this segment of the meeting for this month, the Executive Director will present the Annual Report (Item 14) in lieu of the Executive Director’s Report.	
5.	Election of Chair and Vice Chair – ACTION	

Items from the Finance Committee

6.	Exercise the Second One-Year Option of the Consultant Contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc. and Increase the Contract Amounts by \$836,000, to a Combined Total Amount Not to Exceed \$1,736,000, for On-Call Transportation Planning Services, and Authorize the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION*	11
7.	Approve the Revised Administrative Code – ACTION*	21
8.	Approve the Revised Rules of Order; the Revised Debt, Fiscal, Investment and Procurement Policies; and the Revised Travel, Conference, Training and Business Expense Reimbursement Policy – ACTION*	59
9.	Increase the Amount of the Professional Services Contract with Mark Thomas & Company, Inc. by \$66,841 to a Total Amount Not to Exceed \$665,022 for Planning, Environmental, and Engineering Services; Increase the Amount of the Professional Services Contract with S&C Engineers, Inc. by \$130,000, to a Total Amount Not to Exceed \$550,700, for Construction Management Services; Increase the Amount of the Construction Contract with O.C. Jones & Sons, Inc. by \$348,000 to a Total Amount Not to Exceed \$2,369,468; Authorize the Executive	

- Director to Modify Payment Terms and Non-Material Contract Terms and Conditions for All Three Contracts; and Authorize an Additional Construction Allotment of \$213,800 to a Total Amount Not to Exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project – **ACTION*** 127
10. Approve the Scope of Work for the Improving West Side Transit Access Strategic Analysis Report – **ACTION*** 147

Items from the Plans and Programs Committee

11. Allocate \$3,815,332 in Prop K Funds, with Conditions, and Allocate \$1,201,000 in Prop AA Funds, with Conditions, for Seven Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – **ACTION*** 155

Items from the Personnel Committee

12. [POSSIBLE CLOSED SESSION] Public Employee Performance Evaluation and Adopt the Executive Director's Performance Objectives for 2015 – **ACTION*** 171
- The Transportation Authority may hold a closed session under California Government Code 54957 concerning the evaluation of the performance of the Executive Director.
- OPEN SESSION: After the closed session, the Chair shall report the vote taken on motion(s) made in the closed session, if any.
13. Fix Annual Compensation for the Executive Director for the Period October 1 through September 30, 2015 – **ACTION*** 177

Items for Direct Board Consideration

14. Adopt the 2014 Annual Report – **ACTION*** 179
- The Transportation Authority's enabling legislation requires the preparation and adoption of an Annual Report by January of each year "on the progress to achieve the objectives of completion of the projects in the adopted county transportation expenditure plan" (Sec. 131303 of the Public Utilities Code). Adoption of the Annual Report also ensures compliance with the annual reporting requirements in Section 2(d) of the Transportation Authority's Administrative Code. **We are seeking an action to adopt the 2014 Annual Report.**

Other Items

15. Introduction of New Items – **INFORMATION**
- During this segment of the meeting, Board members may make comments on items not specifically listed above, or introduce or request items for future consideration.
16. Public Comment
17. Adjournment

* Additional materials

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DRAFT MINUTES

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Tuesday, December 16, 2014

1. **Roll Call**

Chair Avalos called the meeting to order at 10:06 a.m. The following members were:

Present at Roll Call: Commissioners Avalos, Breed, Cohen, Farrell, Tang and Wiener (6)

Absent at Roll Call: Commissioners Campos and Kim (entered during Item 3), Mar (entered during Item 2) and Yee (4)

2. **Approve the Minutes of the November 25, 2014 Meeting – ACTION**

There was no public comment.

The minutes were adopted without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Cohen, Farrell, Mar, Tang and Wiener (7)

Absent: Commissioners Campos, Kim and Yee (3)

3. **Chair's Report – INFORMATION**

Chair Avalos reported that there were many accomplishments over the past year. He thanked his colleagues on the Board and their staff at City Hall for their hard work. He extended his gratitude to the Citizens Advisory Committee (CAC), which reviewed every item that came before the Board and provided valuable input.

Chair Avalos recognized Glenn Davis, the outgoing Chair of the CAC, for his four and a half years of service. He noted that Mr. Davis joined the CAC in 2009 and had represented both Districts 8 and 9. He said that as CAC Chair for the past several years, Mr. Davis had provided thoughtful leadership and involved all committee members in the various policy and planning discussions of the CAC.

Chair Avalos remembered Jennifer Matz, who had passed away earlier in the month. He said his thoughts and condolences went out to Ms. Matz's family during their time of loss. He noted that Ms. Matz was most recently the Director of Waterfront Development in San Francisco's Office of Economic and Workforce Development; a tireless leader that had with a keen understanding of the interplay between government and the private sector; and a key figure in many of the major development projects shaping the city, including the Golden State Warriors arena, Pier 70 and the Mission Rock project led by the San Francisco Giants. He concluded by saying Ms. Matz's humor, warmth and passion would be missed but not forgotten.

Chair Avalos closed his remarks by recognizing Leah Shahum, Executive Director of the San

Francisco Bicycle Coalition (SFBC). He stated that after 12 years at the helm of the SFBC and having grown the organization to become the largest city-based bicycle advocacy organization in the nation at over 12,000 members, Ms. Shahum was stepping down and preparing for her next endeavor which would include a stint as a Marshall Scholar to study European experience with Vision Zero. He said that under her leadership, the city had seen exponential growth of cycling and the expansion of the bicycle network with innovative facilities and treatments in more locations citywide. He added that he personally appreciated the protected bicycle lanes on San Jose Avenue and was looking forward to the Mansell, Masonic and Market Street facilities to be implemented. He said that Ms. Shahum had also increased bicycle education and outreach and laid out the next generation bicycle network with SFBC's Connecting the City vision. He noted that she would leave the SFBC in good hands and her successor, Noah Budnick of New York's Transportation Alternatives, was slated to arrive in February.

Chair Avalos presented a certificate of commendation to Ms. Shahum for her efforts to make cycling safe and comfortable for everyone and for her leadership advocating for the city to adopt Vision Zero.

Ms. Shahum thanked staff and the Board for their support of the SFBC and for making the city a safer place.

There was no public comment.

4. **Executive Director's Report – INFORMATION**

Tilly Chang, Executive Director, presented the Executive Director's Report.

There was no public comment.

Items from the Finance Committee

5. **Increase the Amount of the Professional Services Contract with WMH Corporation by \$5,400,000, to a Total Amount Not to Exceed \$11,300,000 to Complete Preliminary Engineering, Environmental Analysis, and Design Services for the Yerba Buena Island Bridge Structures and Authorize the Executive Director to Modify Non-Material Contract Terms and Conditions – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

6. **Exercise the Second One-Year Option of the Memorandum of Agreement (MOA) with the Office of Economic and Workforce Development and Increase the MOA Amount by \$164,600, to a Total Amount Not to Exceed \$500,000, for CityBuild Services to Promote Workforce Development for Phase II of the Presidio Parkway Project and Authorize the Executive Director to Modify Non-Material Agreement Terms and Conditions – ACTION***

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

7. **Adopt Positions on State Legislation – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

8. **Adopt the 2015 State and Federal Legislative Program – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

9. **Authorize the Executive Director to Execute a Memorandum of Agreement with the City and County of San Francisco, through the San Francisco Planning Department, for a Three-Year Period, in an Amount Not to Exceed \$139,276, for the Geary Corridor Bus Rapid Transit Project Environmental Review Phase, and to Negotiate Agreement Payment Terms and Non-Material Agreement Terms and Conditions – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

10. **Assign the Professional Services Contract with Jacobs Engineering Group to CirclePoint, Increase the Amount of the Contract by \$225,000, to a Total Amount Not to Exceed \$4,409,489, for Environmental Analysis Services for the Geary Corridor Bus Rapid Transit Project Environmental Impact Report/Statement, and Authorize the Executive Director to Modify Non-Material Contract Terms and Conditions – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

11. **Authorize the Executive Director to Execute a Funding Agreement with the**

Metropolitan Transportation Commission, in an Amount Not to Exceed \$300,000 for the San Francisco Bay Area Core Capacity Transit Study, and to Negotiate Non-Material Agreement Payment Terms and Non-Material Agreement Terms and Conditions – ACTION

There was no public comment.

This item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

Items from the Plans and Programs Committee

12. **Program \$4 Million in Prop K Funds to the Quint-Jerrold Connector Road Project via a Fund Swap with an Equivalent Amount of Federal Transit Administration Funds from the Peninsula Corridor Joint Powers Board, and Commit to Allocate the Prop K Funds for Construction of the Connector Road, with Conditions – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

13. **Appoint Santiago Lerma and Chris Waddling to the Citizens Advisory Committee – ACTION**

There was no public comment.

The motion to appoint Santiago Lerma and Chris Waddling was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

14. **Appoint Winston Parsons to the Geary Corridor Bus Rapid Transit Citizens Advisory Committee – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

15. **Allocate \$30,486,088 in Prop K Funds, with Conditions, and Allocate \$2,585,624 in Prop AA Funds, with Conditions, for Nine Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules and Amend the Relevant 5-Year Prioritization Programs – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

16. **Allocate \$872,859 in Prop K Funds, with Conditions, to the San Francisco Municipal Transportation Agency for Geary Corridor Bus Rapid Transit Environmental Review and Initial Construction Phase Improvements Planning, Subject to the Attached Fiscal Year Cash Flow Distribution Schedule and Amend the Relevant 5-Year Prioritization Program – ACTION**

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

Commissioner Mar thanked Transportation Authority staff and the Board for supporting the early actions that would provide near-term improvements along the Geary Corridor. He said the project served Districts 1, 2, 5 and 6. He emphasized how critical the 38 Geary line was as the busiest line west of Chicago, carrying 55,000 passengers per day, or comparable to the daily ridership of the entire Caltrain system. He stated that the actions approved would ensure that the project moved forward.

Items from the Personnel Committee

17. **[POSSIBLE CLOSED SESSION] Public Employee Performance Evaluation and Adopt the Executive Director's Performance Objectives for 2015 – ACTION**
18. **Fix Annual Compensation for the Executive Director for the Period October 1 through September 30, 2015 – ACTION**

Commissioner Tang moved to continue Items 17 and 18 to the January Board meeting, seconded by Commissioner Farrell.

There was no public comment.

The motion to continue the items was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener (9)

Absent: Commissioner Yee (1)

Other Items

19. **Introduction of New Items – INFORMATION**

There were no new items or public comment.

20. **Public Comment**

There was no public comment.

21. **Adjournment**

The meeting was adjourned at 10:36 a.m.



RESOLUTION EXERCISING THE SECOND ONE-YEAR OPTION OF THE CONSULTANT CONTRACTS WITH ARUP NORTH AMERICA LIMITED, NELSON\NYGAARD CONSULTING ASSOCIATES, AND STANTEC CONSULTING SERVICES INC., INCREASING THE CONTRACT AMOUNTS BY \$836,000, TO A COMBINED TOTAL AMOUNT NOT TO EXCEED \$1,736,000, FOR ON-CALL TRANSPORTATION PLANNING SERVICES, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO MODIFY CONTRACT PAYMENT TERMS AND NON-MATERIAL CONTRACT TERMS AND CONDITIONS

WHEREAS, As Congestion Management Agency (CMA), the Transportation Authority produces the long-range Countywide Transportation Plan and the Congestion Management Program, and develops the travel demand forecasting model for San Francisco; and

WHEREAS, As CMA, the Transportation Authority also conducts citywide, area-, neighborhood-, and corridor-based transportation planning studies addressing congestion management and transportation system development issues and prepares occasional Strategic Analysis Reports (SARs) on emerging policy issues; and

WHEREAS, As sales tax administrator, the Transportation Authority leads project development planning and design studies to advance key Transportation Authority Board or Prop K priorities, particularly where multi-jurisdictional issues exist; and

WHEREAS, On December 11, 2012, through Resolution 13-19, the Transportation Authority awarded three-year consultant contracts, with an option to extend for two additional one-year periods, to Arup North America Limited (Arup), Nelson\Nygaard Consulting Associates (Nelson\Nygaard), and Stantec Consulting Services Inc. (Stantec), in a combined amount not to exceed \$600,000 for on-call transportation planning services; and



WHEREAS, On June 24, 2014, through Resolution 14-82, the Transportation Authority approved the first of two contract options and increased the contract amounts by an additional \$300,000, to a combined total not to exceed \$900,000; and

WHEREAS, The transportation planning teams provides a unique set of skills, technical specialists, and relevant project experience, particularly in program management; and

WHEREAS, Since 2012, the consultant teams provided assistance to support various transportation studies, including the Waterfront Transportation Assessment, Potrero Hill and Chinatown Neighborhood Transportation Plans (NTPs), 19th Avenue Bulb-outs Project Study Report, Central Subway Phase III – Initial Study, Late Night Transportation Plan, Geary Corridor Bus Rapid Transit (BRT) Environmental Review support and the Geneva-Harney BRT Feasibility Study, Treasure Island Mobility Management Program, Freeway Corridor Management Study and Strategic Highway Research Program Transit Passenger Simulation; and

WHEREAS, For the upcoming year, the consultant teams will continue to provide assistance as the following projects advance forward – Geary Corridor BRT, Chinatown NTP, Treasure Island Management Mobility Study, Freeway Corridor Management Study, and Strategic Highway Research Program Transit Passenger Simulation – and provide other anticipated transportation planning services as needed, such as the San Francisco Transportation Plan Update, the Neighborhood Transportation Improvement Program, and SARs; and

WHEREAS, The establishment of contracts with one or more consultant teams enables the Transportation Authority to enlist the services of a broad range of transportation planning specialists on an on-call, task order basis; and

WHEREAS, Given the wide range of desired proficiencies and experience, the amount and complexity of the Transportation Authority's work program, and occasional conflicts of interest or availability that arise for specific efforts, there is a need for broad and deep access to transportation

planning skills in the on-call planning contract; and

WHEREAS, Amounts and funding sources for each project included in the proposed contract amendments are summarized in Attachment 1; and

WHEREAS, In addition to increases associated with specific projects, a contingency is also included to accommodate unanticipated needs for on-calling planning services; and

WHEREAS, The proposed action will exercise the second and final option of the initial contract and will maintain contract terms and conditions; and

WHEREAS, The scope of work and budget described in the proposed amendment will be included in the Transportation Authority's mid-year budget amendment and sufficient funds will be included in next fiscal year's budget to cover the cost of these contracts; and

WHEREAS, The budget for these activities will be funded by a combination of federal Surface Transportation Program grants, federal grants from Caltrans and the Metropolitan Transportation Commission, local contributions from the Treasure Island Development Authority and Prop K funds; and

WHEREAS, At its January 13, 2015 meeting, the Finance Committee reviewed and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby exercises the second one-year option of the consultant contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., and increases the contract amounts by \$836,000, to a combined total amount not to exceed \$1,736,000, for on-call transportation planning services; and be it further

RESOLVED, That the Executive Director is hereby authorized to modify contract payment terms and non-material contract terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, "non-material" shall mean contract



terms and conditions other than provisions related to the overall contract amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.

Attachment:

1. List of Proposed Projects and Funding Sources

**Attachment 1:
List of proposed projects and funding sources**

Projects	Funding Source(s)	Amount
1. SFTP Update	Federal Surface Transportation Program grant, Prop K and anticipated funding from the Mayor's Office	\$200,000
2. Treasure Island Mobility Management Program	Federal grants from Caltrans and MTC, Treasure Island Development Authority and Prop K	\$195,000
3. Strategic Highway Research Program Transit Passenger Simulation	Federal grant from MTC	\$116,000
4. Geary BRT	Prop K	\$100,000
5. Chinatown NTP	Prop K	\$15,000
6. Freeway Corridor Management Study	Caltrans Planning Grant and Prop K	\$15,000
7. Contingency	To be determined	\$195,000
TOTAL		\$836,000



Memorandum

Date: 01.08.15 **RE:** Finance Committee
January 13, 2015

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Christensen, Farrell, Tang and Avalos (Ex Officio)

From: David Uniman – Deputy Director for Planning *DUE*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Exercising the Second One-Year Option of the Consultant Contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., Increasing the Contract Amounts by \$836,000, to a Combined Total Amount Not to Exceed \$1,736,000, for On-Call Transportation Planning Services, and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions

Summary

On December 11, 2012, through Resolution 13-19, the Transportation Authority awarded three-year consultant contracts, with an option to extend for two additional one-year periods, to Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., in a combined amount not to exceed \$600,000 for on-call transportation planning services. On June 24, 2014, through Resolution 14-82, the Transportation Authority approved the first of two contract options and increased the contract amounts by an additional \$300,000, to a combined total not to exceed \$900,000. For the upcoming year, the consultant teams will continue to provide assistance as the following projects advance forward – Geary Corridor Bus Rapid Transit, Chinatown Neighborhood Transportation Plan, Treasure Island Mobility Management Program, Freeway Corridor Management Study, and Strategic Highway Research Program Transit Passenger Simulation. The proposed contract amount also provides capacity to support the San Francisco Transportation Plan Update, as well as anticipated support for the Neighborhood Transportation Improvement Program, Strategic Analysis Reports, and other planning efforts. The establishment of contracts with one or more consultant teams enables the Transportation Authority to enlist the services of a broad range of transportation planning specialists on an on-call, task order basis. **We are seeking a recommendation to exercise the second one-year option of the consultant contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., increase the contract amounts by \$836,000, to a combined total amount not to exceed \$1,736,000, for on-call transportation planning services, and authorize the Executive Director to modify contract payment terms and non-material contract terms and conditions.**

BACKGROUND

The Transportation Authority has long-range, strategic and project planning capabilities that stem from its multiple roles. As Congestion Management Agency (CMA), the Transportation Authority produces the long-range Countywide Transportation Plan, maintains the Congestion Management Program and develops the travel demand forecasting model for San Francisco. As CMA, the Transportation Authority also conducts citywide, area-, neighborhood-, and corridor-based transportation planning studies addressing congestion management and transportation system development issues. The Transportation Authority furthermore prepares occasional Strategic Analysis Reports (SARs) on emerging policy issues. As sales tax administrator, the Transportation Authority leads project development planning and design studies to advance key Transportation Authority Board or Prop K priorities, particularly where multi-

jurisdictional issues exist. The Transportation Authority also conducts oversight to ensure timely delivery of other Prop K planning projects.

On December 11, 2012, through Resolution 13-19, the Transportation Authority awarded three-year consultant contracts, with an option to extend for two additional one-year periods, to Arup North America Limited (Arup), Nelson\Nygaard Consulting Associates (Nelson\Nygaard), and Stantec Consulting Services Inc. (Stantec), in a combined amount not to exceed \$600,000 for on-call transportation planning services. On June 24, 2014, through Resolution 14-82, the Transportation Authority approved the first of two contract options and increased the contract amounts by an additional \$300,000, to a combined total not to exceed \$900,000. The establishment of contracts with one or more consultant teams enables the Transportation Authority to enlist the services of a broad range of transportation planning specialists on an on-call, task order basis.

DISCUSSION

The purpose of this memorandum is to seek a recommendation to exercise the second one-year option of the consultant contracts for on-call transportation planning services to support the Transportation Authority's work program over the next year.

The transportation planning teams provides a unique set of skills, technical specialists, and relevant project experience, particularly in program management. In particular, Arup demonstrates strong capabilities in transit and highway operations analysis and other requested task areas, Nelson\Nygaard builds upon a proven track record of performance in a majority of on-call services task areas, and Stantec brings relevant experience in major transit and freeway performance initiatives as well as access to broad international experience through a United Kingdom-based partner. General areas of expertise include:

- Project Management;
- Transportation planning;
- Communications and community involvement;
- Design and cost estimation;
- Modeling/data analysis; and
- Policy and economic analysis

Since 2012, the consultant teams provided assistance to various transportation studies, including the Waterfront Transportation Assessment, Potrero Hill and Chinatown Neighborhood Transportation Plans (NTP), 19th Avenue Bulb-outs Project Study Report, Central Subway Phase III – Initial Study, Late Night Transportation Plan, Geary Corridor Bus Rapid Transit (BRT) Environmental Review support and the Geneva-Harney BRT Feasibility study, Treasure Island Mobility Management Program, Freeway Corridor Management Study and Strategic Highway Research Program Transit Passenger Simulation.

The first contract option, approved in June 2014, did not anticipate costs relating to the shift in personnel by a subconsultant that has recently joined Stantec. This subconsultant, which provided expertise in project management, toll policies and engineering, was previously contracted with under the Transportation Authority's Project Management Oversight on-call contract for the Treasure Island Mobility Management Program and Freeway Corridor Management Study. Also, the Geneva-Harney BRT Feasibility study required additional project management and planning resources in order to address an expanded study effort that allowed the Transportation Authority to collaborate more fully with study partners in project development. In addition, in Fall 2014, the Federal Highway

Administration awarded the Transportation Authority a new grant to implement applied research on transit passenger simulation in a real-world planning environment. On-call planning services were needed for project management and planning expertise.

For the upcoming year, the consultant teams will continue to provide assistance as the following projects advance forward – Geary Corridor BRT, Chinatown NTP, Treasure Island Management Mobility Study, Freeway Corridor Management Study, and Strategic Highway Research Program Transit Passenger Simulation – and provide other anticipated transportation planning services as needed, such as the San Francisco Transportation Plan (SFTP) Update, the Neighborhood Transportation Improvement Program (NTIP), and SARs.

SFTP Update: In 2013, the Transportation Authority adopted SFTP that serves as the city’s blueprint for transportation system development and investment over the next 30 years. Consistent with newly adopted regional guidelines for development of countywide transportation plans, we initiated the 2017 SFTP Update in 2014 to update the plan to account for changes in mobility conditions since the last plan was adopted (e.g., the proliferation of Transportation Network Companies, significant housing construction, etc.) and to inform the 2017 Regional Transportation Plan (RTP or Plan Bay Area) update, which is now underway. The SFTP Update identifies key transportation needs through an analysis of future trends, and aligns these needs with projected available funding, as well as potential new revenues. The SFTP Update will include background papers and studies (land use, revenue, institutional, etc.) and strategic policy initiatives to support the investments in the transportation system. Consultant tasks for this project include project management support and technical analysis for needs identification and investment scenarios.

Treasure Island Management Mobility Program: As the designated Treasure Island Mobility Management Agency, the Transportation Authority carries out a work program per agreement with the Treasure Island Development Authority that includes three elements: agency governance, administration, and outreach; program planning; and program engineering. Agency governance and administration tasks include support for program scoping, scheduling, and budgeting, and strategic advising on toll agency formation and operation. Planning tasks include day-to-day management of the Treasure Island Mobility Management Study, which will recommend toll policies, anticipated in Summer 2015. Engineering tasks include serving as a liaison between the Planning team and Engineering team, and leading the development of operating agency agreements. We seek to continue our use of on-call planning services to carry out these tasks.

Geary Corridor BRT: The Geary Corridor BRT project is scheduled to complete its environmental review phase this year, with major milestones slated throughout the year, including circulating a public draft Environmental Impact Report/Statement (EIR/S) in the spring, developing responses to public comments received this summer, and developing a final EIR/S for certification and various related approval actions this fall. On-call planning services are needed to assist in managing the technical consultant team to produce the needed environmental documentation, conduct accompanying public outreach, and provide technical planning analysis on detailed design issues as they arise.

Strategic Highway Research Program Transit Passenger Simulation: In Fall 2014, the Federal Highway Administration (FHWA) awarded the Transportation Authority (as part of a three-agency consortium) a \$700,000, 24-month grant to implement applied research on transit passenger simulation in a real-world planning environment. At the conclusion of this grant, San Francisco will have a more robust set of tools with which to analyze transit crowding and transit reliability. While a large tranche of the work will be completed in-house, on-call planning services are needed for project management among the three agencies, and planning expertise.

Chinatown NTP: The Chinatown NTP provides analysis and recommendations on how to address transportation issues of top concern to the Chinatown community. These include persistent high traffic volumes on Broadway and pedestrian safety issues on the neighborhood's high injury corridors. Development of recommendations (with the support of consultant support provided through on-call planning services) is underway and the final project report is due by June 2015.

Freeway Corridor Management Study: The San Francisco Freeway Corridor Management Study (SF FCMS) is a collaborative effort that builds on recommendations from the 2013 SFTP. The SF FCMS initiates a planning process to look at ways to increase the operational efficiency and person throughput of San Francisco's freeways by considering technology and signage/stripping, as well as converting existing general purpose travel lanes to carpool or transit lanes, and/or managed (express) lanes. It will provide inputs and priorities from San Francisco into parallel freeway management plans at both the regional and state level. This was one of the highest performing projects in Plan Bay Area. The SF FCMS findings will inform the development of the 2017 Plan Bay Area update. On-call planning services sought include strategic advising on the managed lane project development process.

Other Transportation Planning Services: Other anticipated transportation planning services may include support for SARs (e.g. see separate agenda item for approval of a SAR on Improving West Side Transit Access), NTIP and corridor and area planning studies. Several new studies are undertaken each year, and we also continue to support the implementation of completed NTPs after they are approved. We also reviews and provides input to other local, regional, and statewide transportation plans.

Given the wide range of desired proficiencies and experience, the amount and complexity of the Transportation Authority's work program, and occasional conflicts of interest or availability that arise for specific efforts, there is a need for broad and deep access to transportation planning skills in the on-call planning contract. We propose to renew the contracts of all three consultant teams with whom the Transportation Authority may call upon on a task order basis. Such an arrangement has proved beneficial to the Transportation Authority's work program.

Amounts and funding sources for each project included in the proposed contract amendments are summarized in Attachment 1. In addition to increases associated with specific projects, a contingency is also included to accommodate unanticipated needs for on-calling planning services. The proposed action will exercise the second and final option of the initial contract and maintains contract terms and conditions.

Since a portion of the contracts are anticipated to be funded with federal financial assistance from FHWA, administered by the California Department of Transportation (Caltrans) and the Metropolitan Transportation Commission (MTC), the Transportation Authority will adhere to federal regulations pertaining to disadvantaged business enterprises (DBE). For these contracts, we established a DBE goal of 13%. Overall, the three consultant teams have maintained 18% DBE participation collectively, from Asian Pacific-owned firm, Cooper Puggeda Management Inc., and women-owned firms, Eisen|Letunic, Transportation Analytics and Strategic Economics. Cooper Puggeda Management Inc. is also based in San Francisco.

ALTERNATIVES

1. Recommend exercising the second one-year option of the consultant contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., increasing the contract amounts by \$836,000, to a combined total amount not to exceed \$1,736,000, for on-call transportation planning services and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions, as requested.
2. Recommend exercising the second one-year option of the consultant contracts with Arup North

America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., increasing the contract amounts by \$836,000, to a combined total amount not to exceed \$1,736,000, for on-call transportation planning services, and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions, with modifications.

3. Defer action, pending additional information or further staff analysis.

CAC POSITION

Due to the year-end holidays, the Citizens Advisory Committee does not meet in late December and therefore, did not take a position on this item.

FINANCIAL IMPACTS

The scope of work and budget described in the proposed amendment will be included in the Transportation Authority's mid-year budget amendment and sufficient funds will be included in next fiscal year's budget to cover the cost of these contracts. Budget for these activities will be funded by a combination of federal Surface Transportation Program grants, federal grants from Caltrans and MTC, local contributions from the Treasure Island Development Authority and Prop K funds.

RECOMMENDATION

Recommend exercising the second one-year option of the consultant contracts with Arup North America Limited, Nelson\Nygaard Consulting Associates, and Stantec Consulting Services Inc., increasing the contract amounts by \$836,000, to a combined total amount not to exceed \$1,736,000, for on-call transportation planning services, and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions.

Attachment:

1. List of proposed projects and funding sources

ORDINANCE AMENDING THE TRANSPORTATION AUTHORITY'S ADMINISTRATIVE
CODE

WHEREAS, The Transportation Authority's Administrative Code prescribes the powers and duties of officers of the Transportation Authority, the method and appointment of employees of the Transportation Authority, and the policies and systems of Transportation Authority operation and management; and

WHEREAS, The Administrative Code was last amended on January 28, 2014 through Ordinance 14-01 and Transportation Authority staff has proposed amendments to the Administrative Code, with assistance from general counsel, to provide clarifications as well as to better reflect state and local government codes; and

WHEREAS, At its January 13, 2015 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Administrative Code as detailed in Attachment 1; and be it further

RESOLVED, That the Executive Director is hereby authorized to distribute the amended Administrative Code to all relevant parties.

Attachment:

1. Administrative Code



ADMINISTRATIVE CODE

SECTION 1. TITLE AND AUTHORITY.

This Ordinance is enacted pursuant to the provisions of California Public Utilities Code Section 131265, and may be referred to as the “San Francisco County Transportation Authority Administrative Code.” This Ordinance prescribes the powers and duties of officers of the San Francisco County Transportation Authority (~~hereinafter referred to as the~~ Transportation Authority); the method of appointment of employees of the Transportation Authority; and the policies, and systems of operation and management of the Transportation Authority.

SECTION 2. DUTIES OF THE TRANSPORTATION AUTHORITY.

The Transportation Authority shall have the power, authority, and duty to do all things necessary and required to accomplish the stated purposes and goals of Division 12.5 of the California Public Utilities Code, also known as the Bay Area County Traffic and Transportation Funding Act, including the following:

- (a) The Transportation Authority shall administer the Transportation Expenditure Plan which became effective upon approval by the voters on November 7, 1989 of Proposition B, as superseded by the New Transportation Expenditure Plan which became effective upon adoption by the voters on November 4, 2003 of Proposition K, which extended the sales tax implemented by Proposition B for a 30-year period.
- (b) The Transportation Authority shall adopt an annual budget by June 30 and fix the compensation of its officers and employees. The compensation of Transportation Authority Officers shall be as provided in Section 3.2 herein.
- (c) The Transportation Authority shall cause a post audit of its financial transactions and records at least annually by a certified public accountant.
- (d) The Transportation Authority shall prepare and adopt an annual report by January 31 of each year on the progress to achieve the objectives of completion of the projects in the Transportation Expenditure Plan.
- (e) The Transportation Authority shall conduct an employee performance evaluation of the Executive Director by December 31 of each year for the Executive Director’s work performance for the current year.

SECTION 3. POWERS AND DUTIES OF THE TRANSPORTATION AUTHORITY OFFICERS.

The eleven members of the Board of Supervisors of the City and County of San Francisco (City) shall be the officers of the Transportation Authority. They shall be known as “Commissioners.”

- (a) A Commissioner may designate another local elected official who represents the citizens of the City and County of San Francisco to serve as his or her alternate. The designation shall be made in writing to the Chairperson of the Transportation Authority and shall become effective when delivered. The alternate’s term of office shall be the same as that of the regular member. When the regular member is not present at the meeting of the Transportation Authority, the alternate may act as the regular member and shall have all the



rights, privileges, and responsibilities of the regular member, including compensation for the meeting.

- (b) **Chairperson.** The Chairperson shall possess the following powers and duties:
1. To preside at all meetings;
 2. To appoint the membership and the Chairperson and Vice-Chairperson of the committees of the Transportation Authority;
 3. To decide the agenda of Transportation Authority meetings;
 4. To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and
 5. To perform such additional duties as may be designated by the Transportation Authority.
- (c) **Vice-Chairperson.** The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

SECTION 3.1. Method of Appointment of the Transportation Authority Officers.

- (a) The Chairperson shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January.
- (b) The Vice-Chairperson shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January.
- (c) If the Chairperson or Vice-Chairperson resigns or is removed from office, the election for Chairperson or Vice-Chairperson to serve the remainder of the term, shall be at the next meeting of the Transportation Authority.

SECTION 3.2. Compensation of Commissioners.

- (a) As required by the provisions of California Public Utilities Code Section 131268, Transportation Authority Commissioners or their alternates shall be compensated at the rate of \$100 for each day attending the business of the Transportation Authority, but not to exceed \$400 in any month, for any of the following occurrences that are related to business of the Transportation Authority:
1. A meeting of the legislative body;
 2. A meeting of an advisory body;
 3. A conference or organized educational activity, including ethics training; or
 4. Any other occurrence, if the Transportation Authority has adopted a written policy in a public meeting specifying that the attendance at such occurrence would constitute the performance of official duties for which Transportation Authority Commissioners may receive compensation.
- (b) Commissioners shall receive reimbursement for necessary travel and personal expenses incurred in the performance of ~~duty~~their duties when such expenses are authorized in advance and as ~~per the adopted Transportation Authority travel allowances and policies as~~



set forth in the Transportation Authority's adopted Travel, Conference, Training and Business Expense Policy.

SECTION 4. STAFF TO THE TRANSPORTATION AUTHORITY.

- (a) **Executive Director.** The Transportation Authority shall appoint the Executive Director, who shall serve at the pleasure of the Transportation Authority. The Executive Director shall possess the power and duty to administer the business of the Transportation Authority, including the following powers and duties:
1. To supervise and direct preparation of the annual draft budget for the Transportation Authority;
 2. To formulate and present plans for implementation of the Transportation Expenditure Plan of the Transportation Authority, including establishment of project priorities within the priorities set by the plan, and the means to finance them;
 3. To provide guidance to and to monitor and coordinate the activities of the project sponsors to ensure that the projects are completed;
 4. To submit to the Transportation Authority each year a complete report of the finances and administrative activities of the Transportation Authority for the preceding year;
 5. To direct the preparation and administration of purchase orders and contracts for goods and services, to execute contracts for goods, materials and services, including support services, and agreements with sponsoring agencies where estimated expenditures thereunder do not exceed \$75,000 and to execute any agreements with sponsoring agencies where sufficient funding for such is available in the Transportation Authority's budget;
 6. To administer the personnel system of the Transportation Authority, including hiring, controlling, supervising, promoting, transferring, suspending with or without pay or discharging any employee. To this end, the Executive Director shall prepare and maintain a personnel manual, stating the rules of employment of the Transportation Authority, and methods of compensation established by the Transportation Authority; and
 7. To provide the day-to-day administration of the Transportation Authority and to perform such other and additional duties as the Transportation Authority may prescribe.
- (b) **Chief Deputy Director.** The Executive Director shall appoint a Chief Deputy Director. In the event of the Executive Director's temporary absence, disability or unavailability or during a vacancy in that position, the Chief Deputy Director shall act as the Executive Director.
- (c) **Additional Staff.** The Executive Director may create additional staff positions subject to the approval of the Transportation Authority. Duties shall be defined by the Executive Director and shall be contained in a written job description. The Executive Director shall appoint additional staff members to approved positions. All employees are "at-will" employees and serve at the pleasure of the Executive Director.

SECTION 4.1 Benefits for Employees.



The Transportation Authority may contract with the appropriate agencies of the State of California to provide retirement and health benefits for its employees or with any other retirement or health system which it determines is in the best interests of its employees, and in accordance with applicable state and federal laws.

SECTION 4.2 Rules of Employment.

The Executive Director ~~of the Transportation Authority~~, or his or her designee, shall administer the personnel policies of the Transportation Authority as set forth in the Personnel Manual. The Executive Director shall take all necessary actions to hire, promote, transfer, suspend with or without pay, or discharge any employee in accordance with the procedures in the Personnel Manual.

SECTION 5. METHODS, PROCEDURES AND SYSTEMS OF OPERATION AND MANAGEMENT.

SECTION 5.1. Meetings and Rules of Procedure.

- (a) All proceedings of the Transportation Authority shall be in conformance with the provisions of the Bay Area County Traffic and Transportation Funding Act (Sections 131000 et seq. of Division 12.5 of the California Public Utilities Code), the San Francisco County Transportation Authority Reauthorization Ordinance (Article 14, commencing with Section 1401 of the San Francisco Business and Tax Regulations Code ~~of the City and County of San Francisco~~), and ~~the City and County of~~ San Francisco Transportation Expenditure Plan adopted by the voters as Proposition B on November 7, 1989, as superseded by the New Transportation Expenditure Plan adopted by the voters as Proposition K on November 4, 2003, and this Administrative Code.
- (b) Except as otherwise determined by the Transportation Authority, regular meetings of the Transportation Authority shall be held on the fourth Tuesday of each month in the Legislative Chamber of City Hall or other location as designated with proper notice by the Transportation Authority, except when that day or any preceding Tuesday that month is a holiday, in which case the meeting shall be held on the following Tuesday.
- (c) The acts of the Transportation Authority shall be expressed by motion, resolution or ordinance.
- (d) The majority of the members of the Transportation Authority shall constitute a quorum for the transaction of business, and all official acts of the Transportation Authority shall require the affirmative vote of a majority of all the members of the Transportation Authority.
- (e) All meetings of the Transportation Authority shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) and the Transportation Authority's adopted Sunshine Policy.

SECTION 5.2 Committees of the Transportation Authority.

- (a) **Plans and Programs Committee.** The Chairperson of the Transportation Authority shall appoint a ~~Transportation~~ Plans and Programs Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the third Tuesday of each month, except when that day or



any preceding Tuesday that month is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following:

1. To review projects and programs contained in the Transportation Expenditure Plan and recommend fund allocations to the Transportation Authority for their implementation in accordance with the priorities established by the Transportation Expenditure Plan;
2. To recommend fund allocations for the Transportation Fund for Clean Air ~~(TFCA)~~ program to the Transportation Authority;
3. To monitor project implementation;
4. To review the transportation plans of all City transportation agencies;
5. To recommend to the Transportation Authority programming of relevant federal and state funds;
6. To review and make recommendations on any policies necessary for the implementation of the Transportation Authority's plans and programs;
7. To review and make recommendations on the adoption of a Congestion Management Program and any other plans and programs for which the Transportation Authority has responsibility;
8. To recommend the allocation of funds to Proposition AA projects, in accordance with the Strategic Plan on the timing of expenditures, and to monitor and expedite delivery of Proposition AA projects;
9. To review and make recommendations on the filling of appointments and to monitor the efforts of the Citizens Advisory Committees.

(b) **Finance Committee.** The Chairperson of the Transportation Authority shall appoint a Finance Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the second Tuesday of each month, except when that day is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following:

1. To set the parameters (spending limits) of the Transportation Authority's annual budget, which shall include but not be limited to the detailed Administrative Operating Expenses, Debt Service (if applicable), and a single line item for Capital Expenditures; and recommend to the Transportation Authority the adoption of the budget and any necessary budget revisions, including any mid-year adjustments in the budget due to revisions in revenues and/or expenses;
2. To track, review and make recommendations on pending or proposed federal, state, and local legislation;
3. To review and recommend long-range financial planning for the Transportation Authority;
4. To review Transportation Authority investments, audits, and financial reports prepared by staff and to make any necessary recommendations to the Transportation Authority;



5. To make recommendations to the Transportation Authority concerning the issuance of bonds;
 6. To review and make recommendations on any fiscal/procurement policies of the Transportation Authority;
 7. To review and recommend, as appropriate, the award of contracts requiring the approval of the Board of Commissioners (Board);
 8. To monitor and make recommendations on pending or proposed litigation; and
 9. To monitor Transportation Authority implementation of adopted policies.
- (c) **Personnel Committee.** The Chairperson of the Transportation Authority shall appoint a ~~Transportation Authority~~ Personnel Committee which shall be composed of the Chairperson of the Transportation Authority, and the Chairpersons of the Plans and Programs and Finance Committees. The Transportation Authority Chairperson or his or her designee shall serve as the Chairperson and a voting member of the Personnel Committee. Two members shall constitute a quorum and all official acts of the Personnel Committee shall require the affirmative vote of ~~the majority of the quorum~~ majority of the authorized number of members of the Committee. Meetings of the Personnel Committee shall be held at the call of the Committee Chairperson. The responsibilities of this Committee shall include the following:
1. To make recommendations on the hiring, firing, and employment status of the Executive Director of the Transportation Authority;
 2. To conduct annual performance evaluations of the Executive Director; and
 3. To make recommendations on the Transportation Authority's policies and actions related to staffing levels, job specifications, compensation ranges and employment conditions.
- (d) **Additional Committees.** The Transportation Authority may create, and the Chairperson of the Transportation Authority shall appoint the membership of select committees established consistent with the following criteria:
1. The committee shall have a clear, simple, narrow, single statement of purpose;
 2. The committee will be created for a specified maximum period of time; and
 3. The size of the committee will be no less than three nor more than five Commissioners, based on the committee purpose.
- (e) **Transportation Authority Committee Procedures.** In addition to the regular members of each Committee, with the exception of the Personnel Committee, the Transportation Authority Chairperson shall serve on each Transportation Authority Committee established under this Code or any select committee established by the Transportation Authority, as a non-voting, ex-officio member, except that the Chairperson shall serve as a voting member when his/her presence is necessary in order to constitute a quorum. With the exception of the Personnel Committee, three members of the Transportation Authority Committee shall constitute a quorum for the transaction of business and all official acts of the Transportation Authority Committee shall require the affirmative vote of the majority of the ~~quorum~~ authorized



number of members of the Committee. In the case of a tie vote in any Transportation Authority Committee, the Transportation Authority Chairperson, who is present but not acting as a voting member, may cast the deciding vote.

SECTION 5.3. Citizen Advisory Committees.

- (a) **Citizens Advisory Committee.** The Transportation Authority shall appoint eleven members to a Citizens Advisory Committee ~~(CAC)~~. This Committee shall include representatives from various segments of the community, such as public policy organizations, labor, business, senior citizens, the disabled, environmentalists, and the neighborhoods, and reflect broad transportation interests. The committee members shall be residents of San Francisco and shall serve without compensation for a two-year period. This Committee shall meet at least quarterly and all meetings shall be open to the public. The staff of the Transportation Authority will be available to assist the Committee. This Committee shall assist the Transportation Authority in:
1. Defining the mission of the Transportation Authority;
 2. Reflecting community values in the development of the mission and program of the Transportation Authority, and channeling that mission and program back to the community;
 3. Defining criteria and priorities for implementing the Transportation Expenditure Plan program consistent with the intention of Proposition B, as amended and superseded by the New Transportation Expenditure Plan program consistent with the intention of Proposition K; and
 4. Monitoring the Transportation Authority's programs and evaluating the sponsoring agencies' productivity and effectiveness.
- (b) **Additional Advisory Committees.** The Transportation Authority may appoint any other advisory committees that it deems necessary.

SECTION 5.4 Contracts.

- (a) Contracts for the purchase of supplies, equipment and materials in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the Transportation Authority's adopted Procurement Policy.
- (b) Contracts for the purchase of services in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the ~~Transportation Authority's adopted~~ Procurement Policy.
- (c) The Executive Director is authorized to contract for goods and services for an amount less than or equal to \$75,000 in conformance with the ~~Transportation Authority's adopted~~ Procurement Policy. The Executive Director is authorized to amend contracts and agreements within the parameters specified in the ~~Transportation Authority's adopted~~ Procurement Policy.
- (d) Where advantageous, the Transportation Authority may contract without initiating a competitive procurement process with the City ~~and County of San Francisco~~ to render designated services or to provide materials on behalf of the Transportation Authority.



- (e) All contracts shall reflect the Disadvantaged Business Enterprise/Local Business Enterprise goals, if applicable and as permitted by law, and Equal Benefits provisions adopted by the Transportation Authority.

SECTION 5.5 Procedures for Implementing the California Environmental Quality Act.

SECTION 5.5.1. Authority and Mandate.

- (a) This Section 5.5 is adopted pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 and following, as amended; and pursuant to the Guidelines for Implementation of the California Environmental Quality Act, as amended, appearing as Title 14, Division 6, Chapter 3 of the California Code of Regulations (hereinafter referred to collectively as “CEQA”).
- (b) Any amendments to CEQA adopted subsequent to the effective date shall not invalidate any provision of this Section 5.5. Any amendments to CEQA that may be inconsistent with this Section 5.5 shall govern until such time as the relevant provision is amended to remove such inconsistency.
- (c) This Section 5.5 shall govern in relation to all other ordinances of the Transportation Authority and rules and regulations pursuant thereto. In the event of any inconsistency, the provisions of this Section 5.5 shall prevail.

SECTION 5.5.2. Incorporation by Reference.

The provisions of CEQA are not repeated here, but are expressly incorporated herein by reference as though fully set forth.

SECTION 5.5.3. Responsibility.

The administrative actions required by CEQA with respect to the preparation of environmental documents, giving of notice and completing other activities shall be performed by staff of the Transportation Authority or by consultants under the direction of the Transportation Authority. These activities may include, but are not limited to:

- (a) Preparing any necessary forms, checklists and processing guidelines to implement CEQA in accordance with this Section 5.5;
- (b) Determining excluded and exempt activities which are not subject to CEQA;
- (c) Determining when a negative declaration or environmental impact report (EIR) is required when acting as a lead agency or as is otherwise required by CEQA;
- (d) Ensuring that agencies and other interested parties are consulted and have an opportunity to comment during the CEQA process when acting as a lead agency or as is otherwise required by CEQA;
- (e) Preparing environmental documents and notices when acting as a lead agency or as is otherwise required by CEQA;
- (f) Consulting, providing comments, and attending hearings as necessary on behalf of the Transportation Authority when it acts as a responsible agency under CEQA; and



- (g) Ensuring coordination with federal lead and responsible agencies when project review is required under both CEQA and the National Environmental Policy Act (“NEPA”).

SECTION 5.5.4. List of Non-Physical and Ministerial Projects.

The Transportation Authority shall maintain a list of types of ministerial projects excluded from CEQA. Such lists shall be modified over time as the status of types of projects may change under applicable laws, ordinances, rules and regulations. The list shall not be considered totally inclusive, and may at times require refinement or interpretation on a case-by-case basis. The list of ministerial projects and modifications thereto shall be kept posted in the offices of the Transportation Authority, and copies shall be sent to the ~~Transportation Authority’s Board of Commissioners (“Board”)~~.

SECTION 5.5.5. Categorical Exemptions.

The Transportation Authority shall maintain a list of types of projects which are categorically exempt from CEQA. This list shall be kept posted in the offices of the Transportation Authority, with copies sent to the Board. The list shall be kept up to date in accordance with any changes in CEQA.

SECTION 5.5.6. Initial Evaluation of Projects

- (a) For projects that are not statutorily excluded or categorically exempt from CEQA, an initial study shall be prepared to establish whether a negative declaration or an EIR is required prior to the decision as to whether to carry out or approve the project. If it is clear at the outset that an EIR is required, however, such determination may be made immediately and no initial study shall be required.
- (b) Each initial study shall meet the requirements of CEQA with respect to contents and consultation with Responsible and Trustee Agencies. During preparation of the initial study, the Transportation Authority may consult with any person having knowledge or interest concerning the project.
- (c) If a project is subject to both CEQA and NEPA, an initial evaluation prepared pursuant to NEPA may be used to satisfy the requirements of this Section.
- (d) Based on the analysis and conclusions in the initial study, the Transportation Authority shall determine, based on the requirements of CEQA, whether there is substantial evidence that any aspect of the project may cause a significant effect on the environment, and whether a negative declaration or and EIR shall be prepared.

SECTION 5.5.7. Negative Declarations or Mitigated Negative Declarations.

- (a) When a negative declaration is required, it shall be prepared by or at the direction of the Transportation Authority. All CEQA requirements governing contents, notice, and recirculation shall be met.
- (b) The Board shall review and consider the information contained in the final negative declaration, together with any comments received during the public review process, and, upon making the findings as provided in CEQA, shall adopt the negative declaration, prior to approving the project. If the Board adopts a mitigated negative declaration, it



shall also adopt a program for reporting on or monitoring the mitigation measures for the project that it has either required or made a condition of approval to mitigate or avoid significant environmental effects.

~~(e) After the Board has decided to carry out or approve the project, the Transportation Authority may file a notice of determination with the county clerk in the county or counties in which the project is to be located. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.~~

SECTION 5.5.8. Draft Environmental Impact Reports.

- (a) If it is determined that a project may have a significant effect on the environment and that an EIR is required, the Transportation Authority shall prepare a Notice of Preparation and shall meet all requirements for notice and circulation as required by CEQA.
- (b) The EIR shall be prepared by or under the direction of the Transportation Authority. The EIR shall first be prepared as a draft report. During preparation of the draft EIR, the Transportation Authority may consult with any person having knowledge or interest concerning the project and shall meet all CEQA consultation requirements.
- (c) When the draft EIR has been prepared, the Transportation Authority shall file a Notice of Completion and shall provide public notice of the draft EIR, as required by CEQA. The comment period on draft EIRs shall meet the requirements of CEQA. The draft EIR shall be available to the general public upon filing of the ~~N~~notice of ~~C~~ompletion.
- (d) Public participation, both formal and informal, shall be encouraged at all stages of review, and written comments shall be accepted at any time up to the conclusion of the public comment period. The Transportation Authority may give public notice at any formal stage of the review process, beyond the notices required by CEQA, in any manner it may deem appropriate, and may maintain a public log as to the status of all projects under formal review. Members of the general public shall be encouraged to submit their comments in writing as early as possible.

SECTION 5.5.9. Final Environmental Impact Reports.

- (a) A final EIR shall be prepared in accordance with CEQA by, or at the direction of, the Transportation Authority, based upon the draft EIR, the consultations and comments received during the review process, and additional information that may become available.
- (b) In the judgment of the Board, if the final EIR is adequate, accurate and objective, and reflects the independent judgment and analysis of the Board, the Board shall certify its completion in compliance with CEQA. The certification of completion shall contain a finding as to whether the project as proposed will, or will not, have a significant effect on the environment.

SECTION 5.5.10. Actions on Projects.



- (a) Before making its decision whether to carry out or approve the project, the Board shall review and consider the information contained in the ~~EIR~~-environmental document and shall make findings as required by CEQA.
- (b) After the Board has decided to carry out or approve a project, the Transportation Authority may file a notice of determination with the county clerk of the county or counties in which the project is to be located and as required by CEQA. Such notice shall contain the information required by CEQA. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.

SECTION 5.5.11. Additional Environmental Review.

If the Transportation Authority or the Board determine that additional environmental review is required by CEQA, or if modifications to a project require additional environmental review, such review will be conducted as provided by CEQA and in accordance with the applicable procedures set forth in this Section 5.5.

SECTION 5.5.12. Evaluation of Modified Projects.

- (a) After evaluation of a proposed project has been completed, a substantial modification of the project may require reevaluation of the proposed project.
- (b) Where such a modification occurs as to a project that has been determined to be excluded or categorically exempt, a new determination shall be made. If the project is again determined to be excluded or categorically exempt, no further evaluation shall be required. If the project is determined not to be excluded or categorically exempt, an initial study shall be conducted as provided in ~~this~~ Section 5.5.6.
- (c) Where such a modification occurs as to a project for which a negative declaration has been adopted or a final EIR has been certified, the Transportation Authority shall reevaluate the proposed project in relation to such modification. If, on the basis of such reevaluation, the Transportation Authority determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons supporting the determination shall be noted in writing in the case record, and no further evaluation shall be required. If the Transportation Authority determines that additional environmental review is necessary, a new evaluation shall be completed prior to the decision by the City Board as to whether to carry out or approve the project as modified. CEQA sets forth specific requirements for the determination of whether a supplemental or subsequent EIR is necessary, as well as the applicable process.

SECTION 5.5.13. Multiple Actions on Projects.

- (a) The concept of a project is broadly defined by CEQA so that multiple actions of the same or of different kinds may often constitute a single project. This concept of a project permits all the ramifications of a public action to be considered together, and avoids duplication of review.
- (b) Early and timely evaluation of projects and preparation of EIRs shall be emphasized.
- (c) Only one initial study, negative declaration or EIR shall be required for each project.



- (d) Only one evaluation of a project or preparation of an EIR shall occur in cases in which both the Transportation Authority and one or more other public agencies are to carry out or approve a project. In such cases the evaluation or preparation is performed by the lead agency, which agency is selected by reference to criteria in CEQA.
- (e) CEQA provides that a single initial study, negative declaration or EIR may be employed for more than one project, if all such projects are essentially the same in terms of environmental effects. Furthermore, an initial study, negative declaration or EIR prepared for an earlier project may be applied to a later project, if the circumstances of the projects are essentially the same.
- (f) Reference is made in CEQA to simultaneous consideration of multiple and phased projects, related projects, cumulative effects of projects, projects elsewhere in the region, existing and planned projects.

SECTION 5.5.14. Severability.

- (a) If any article, section, subsection, paragraph, sentence, clause or phrase of this Section 5.5, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, or other competent agency, such decision shall not affect the validity or effectiveness of the remaining portions. The Board hereby declares that it would have passed each article, section, subsection, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.
- (b) If the application of any provision or provisions of this Section 5.5 to any person, property or circumstances is found to be unconstitutional or invalid or ineffective in whole or in part by any court of competent jurisdiction, or other competent agency, the effect of such decision shall be limited to the person, property or circumstances immediately involved in the controversy, and the application of any such provision to other persons, properties and circumstances shall not be affected.
- (c) These severability provisions shall apply to this Section 5.5 as it now exists and as it may exist in the future, including all modifications thereof and additions and amendments thereto.

SECTION 6. PRINTING OF THE ADMINISTRATIVE CODE.

The Transportation Authority may provide for the printing of its administrative code and all subsequent amendments thereto.

SECTION 7. SEAL.

The Transportation Authority may provide for and adopt an official seal. The use of the seal of the ~~San Francisco County~~ Transportation Authority shall be for purposes directly connected with the official business of the Transportation Authority.



Memorandum

Date: 01.08.15 **RE:** Finance Committee
January 13, 2015

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Christensen, Farrell, Tang and Avalos (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Approval of the Revised Administrative Code, the Revised Rules of Order, the Revised Debt, Fiscal, Investment and Procurement Policies, and the Travel, Conference, Training and Business Expense Reimbursement Policy

Summary

While it is Transportation Authority direction to review the Investment Policy and Debt Policy on an annual basis, it is also important to review the administrative code and all policies periodically, to ensure compliance with current statutes and the Transportation Authority's objectives. Upon the advice of the Transportation Authority's financial advisors, bond counsel and legal counsel, we are recommending changes to the Administrative Code; Rules of Order; Debt, Fiscal, Investment, and Procurement Policies; and the Travel, Conference, Training and Business Expense Reimbursement Policy to conform to applicable law and consistent with state and local government codes. **We are seeking a recommendation to approve the revised Administrative Code, the revised Rules of Order, the revised Debt, Fiscal, Investment and Procurement Policies, and the Travel, Conference, Training and Business Expense Reimbursement Policy.**

BACKGROUND

The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives.

It is Transportation Authority direction to review its Debt Policy annually, to maintain prudent debt management principles and to maximize the Transportation Authority's debt capacity, and its Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the Transportation Authority's portfolio. While the Transportation Authority is not required to review its Fiscal and Procurement policies, it is good management practice to do so on a regular basis.

DISCUSSION

The purpose of this memorandum is to present staff recommendations for updates to the Transportation Authority's policies. Attachment 1 provides a matrix of the proposed changes and explanations of the changes. Below are brief descriptions of each policy and procedure.

Administrative Code: The Administrative Code prescribes the powers and duties of officers of the Transportation Authority, the method and appointment of employees of the Transportation Authority, and the policies and systems of Transportation Authority operation and management. At the

Transportation Authority's request, Nossaman LLP (Nossaman), general counsel to the Transportation Authority, reviewed the Administrative Code adopted on January 28, 2014 through Ordinance 14-01. Based on that review, we are recommending changes as redlined in Attachment 2.

Rules of Order: The Rules of Order establishes procedures to ensure its Board and Committee meetings are conducted in a clear and efficient manner, while in compliance with current statutes and Transportation Authority objectives. Nossaman reviewed the Rules of Order adopted on January 28, 2014 through Resolution 14-43, and based on that review, we are recommending changes as redlined in Attachment 3.

Debt Policy: The purpose of the Debt Policy is to organize and formalize debt issuance-related policies and procedures. At the Transportation Authority's request, the Transportation Authority's financial advisor, KNN Public Finance (KNN), and the Transportation Authority's bond counsel, Nixon Peabody LLP (Nixon Peabody), reviewed the Debt Policy adopted on January 28, 2014 through Resolution 14-43. Based on that review, we are recommending changes as redlined in Attachment 4.

Fiscal Policy: The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the Transportation Authority. KNN and Nixon Peabody reviewed the Fiscal Policy adopted on January 28, 2014 through Resolution 14-43, and based on that review, we are recommending changes as redlined in Attachment 5.

Investment Policy: The purpose of the Investment Policy is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. KNN and Nixon Peabody reviewed the Investment Policy adopted on January 28, 2014 through Resolution 14-43, and based on that review, we are recommending changes as redlined in Attachment 6.

Procurement Policy: The Procurement Policy is designed to guide decisions pertaining to procurement, including the modes, methods and procedures for acquiring the materials, equipment and services necessary to carry out the operations of the Transportation Authority. Nossaman reviewed the Procurement Policy adopted on January 28, 2014 through Resolution 14-43, and based on that review, we are recommending changes as redlined in Attachment 7.

Travel, Conference, Training and Business Expense Reimbursement Policy: This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of commissioners and employees. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner. Based on the Transportation Authority's review of the Travel, Conference, Training and Business Expense Reimbursement Policy adopted on June 17, 2008 through Resolution 08-79, we are recommending changes as redlined in Attachment 8.

ALTERNATIVES

1. Recommend approval of the revised Administrative Code, the revised Rules of Order, the revised Debt, Fiscal, Investment and Procurement Policies, and the Travel, Conference, Training and Business Expense Reimbursement Policy, as requested.
2. Recommend approval of the revised Administrative Code, the revised Rules of Order, the revised Debt, Fiscal, Investment and Procurement Policies, and the Travel, Conference, Training and

Business Expense Reimbursement Policy, with modifications.

3. Defer action, pending additional information or further staff analysis.

CAC POSITION

Due to the year-end holidays, the Citizens Advisory Committee does not meet in late December and therefore, did not take a position on this item.

FINANCIAL IMPACTS

There is no financial impact to the Transportation Authority's adopted FY 2014/15 budget from the requested action.

RECOMMENDATION

Recommend approval of the revised Administrative Code, the revised Rules of Order, the revised Debt, Fiscal, Investment and Procurement Policies, and the Travel, Conference, Training and Business Expense Reimbursement Policy.

Attachments (8):

1. Policies Matrix
2. Draft Administrative Code
3. Draft Rules of Order
4. Draft Debt Policy
5. Draft Fiscal Policy
6. Draft Investment Policy
7. Draft Procurement Policy
8. Draft Travel, Conference, Training and Business Expense Reimbursement Policy

Attachment 1

San Francisco County Transportation Authority
Policies Matrix

ADMINISTRATIVE CODE			
SECTION	REVISION	REASON	PAGE
Section 3.2(b)	(b) Commissioners shall receive reimbursement for necessary travel and personal expenses incurred in the performance of duty <u>their duties</u> , when such expenses are authorized in advance and as per the adopted Transportation Authority travel allowances and policies as set forth in the Transportation Authority's adopted Travel, Conference, Training and Business Expense Policy.	Clean-up change.	2-3
Section 5.2(c)	4. The Chairperson of the Transportation Authority shall appoint a Transportation Authority Personnel Committee which shall be composed of the Chairperson of the Transportation Authority, and the Chairpersons of the Plans and Programs and Finance Committees. The Transportation Authority Chairperson or his or her designee shall serve as the Chairperson and a voting member of the Personnel Committee. Two members shall constitute a quorum and all official acts of the Personnel Committee shall require the affirmative vote of the majority of the <u>a majority of the authorized number of members of the Committee</u> . Meetings of the Personnel Committee shall be held at the call of the Committee Chairperson. The responsibilities of this Committee shall include the following: <u>1.</u> To make recommendations on the hiring, firing, and employment status of the Executive Director of the Transportation Authority; <u>2.</u> To conduct annual performance evaluations of the Executive Director; and <u>3.</u> To make recommendations on the Transportation Authority's policies and actions related to staffing levels, job specifications, compensation ranges and employment conditions.	Clean-up change. Change made to reflect the requirement in Government Code § 54952.6 that actions of a legislative body be made by a majority of the members of that body.	6
Section 5.2(c)	In addition to the regular members of each Committee, with the exception of the Personnel Committee, the Transportation Authority Chairperson shall serve on each Transportation Authority Committee established under this Code or any select committee established by the Transportation Authority, as a non-voting, ex-officio member, except that the Chairperson shall serve as a voting member when his/her presence is necessary in order to constitute a quorum. With the exception of the Personnel Committee, three members of the Transportation Authority Committee shall constitute a quorum for the transaction of business and all official acts of the Transportation Authority Committee shall require the affirmative vote of the majority of the quorum <u>authorized number of members of the Committee</u> . In the case of a tie vote in any Transportation Authority Committee, the Transportation Authority Chairperson, who is present but not acting as a voting member, may cast the deciding	Change made to reflect the requirement in Government Code § 54952.6 that actions of a legislative body be made by a majority of the members of that body.	6-7

Attachment 1

ADMINISTRATIVE CODE		
SECTION	REVISION	PAGE
	vote.	
Section 5.3(a)	4. Monitoring the Transportation Authority's programs and evaluating the sponsoring agencies' productivity and effectiveness.	Clean-up change. 7
Section 5.5.7	(e) After the Board has decided to carry out or approve the project, the Transportation Authority may file a notice of determination with the county clerk in the county or counties in which the project is to be located. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.	Change made because this provision is a duplicate of Section 5.5.10(b). 10
Section 5.5.8(c)	When the draft EIR has been prepared, the Transportation Authority shall file a Notice of Completion and shall provide public notice of the draft EIR, as required by CEQA. The comment period on draft EIRs shall meet the requirements of CEQA. The draft EIR shall be available to the general public upon filing of the <u>N</u> notice of <u>C</u> ompletion.	Clean-up change. 10
Section 5.5.8(d)	Public participation, both formal and informal, shall be encouraged at all stages of review, and written comments shall be accepted at any time up to the conclusion of the public comment period. The Transportation Authority may give public notice at any formal stage of the review process, beyond the notices required by CEQA, in any manner it may deem appropriate, and may maintain a public log as <u>to</u> the status of all projects under formal review. Members of the general public shall be encouraged to submit their comments in writing as early as possible.	Clean-up change. 10
Section 5.5.10(a)	Before making its decision whether to carry out or approve the project, the Board shall review and consider the information contained in the EIR <u>environmental document</u> and shall make findings as required by CEQA.	Change made to make section reference actions that do not require an EIR. 11
Section 5.5.12(b)	Where such a modification occurs as to a project that has been determined to be excluded or categorically exempt, a new determination shall be made. If the project is again determined to be excluded or categorically exempt, no further evaluation shall be required. If the project is determined not to be excluded or categorically exempt, an initial study shall be conducted as provided in the Section 5.5.6.	Clean-up change. 11
Section 5.5.12(c)	Where such a modification occurs as to a project for which a negative declaration has been adopted or a final EIR has been certified, the Transportation Authority shall reevaluate the proposed project in relation to such modification. If, on the basis of such reevaluation, the Transportation Authority determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons supporting the determination shall be noted in writing in the case record, and no further evaluation shall be required. If the Transportation Authority determines that additional environmental review is necessary, a new evaluation shall be completed prior to the decision by the City Board as to whether to	Clean-up change. 11

Attachment 1

ADMINISTRATIVE CODE			
SECTION	REVISION	REASON	PAGE
	carry out or approve the project as modified. CEQA sets forth specific requirements for the determination of whether a supplemental or subsequent EIR is necessary, as well as the applicable process.		

Attachment 1

RULES OF ORDER			
SECTION	REVISION	REASON	PAGE
Rule 1.1	As used in these Rules, the following words and phrases shall have the meanings respectively <u>respectively</u> ascribed to them by Rules 1.2 through 1.18.	Clean-up change.	1
Rule 1.3	“Adopted” in connection with proposed resolutions or ordinances, shall mean and include adoption of such proposed resolutions of <u>or</u> ordinances by the San Francisco County Transportation Authority.	Clean-up change.	1
Rule 2.2	Except this rule and Rules which are restatements of other applicable laws and which are designated in these Rules by an asterisk, any rule may be suspended by the affirmative vote of eight (8) members unless there be less than eight (8) members present, in which case the unanimous consent of the members present, but not less than six (6) shall be required. A motion to suspend the rules is not debatable.	Clean-up change.	3
Rule 2.15	Any person so removed shall be excluded from further attendance at the meeting from which removed, unless permission to attend be granted upon motion adopted by a majority vote of the Board or committee, and such exclusion shall be effected by attendant law enforcement officer or officers upon being so requested by the presiding officer.	Clean-up change.	4-5
Rule 3.5	Calendar Agenda . Prior to preparation of the calendar agenda , the Executive Director shall review and finalize with the Chair all matters to be considered at the meeting. Any member may request of the Chair in writing ten (10) business days prior to the scheduled Board or committee meeting that an item be included on the calendar agenda . The Chair shall either refer the issue to committee within a reasonable time or advise the member why it will not be scheduled.	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	6
Rule 3.7	The Clerk may read abbreviated titles of measures on the calendar agenda when the abbreviated working will clearly express to the members and to the listening public the nature of the measure.	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	7
Rule 3.9	*Measures Not on the Calendar Agenda . Before considering an item of business not on the calendar agenda , the Board shall adopt a motion (i) by majority vote of the full membership of the Board that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by a two-thirds vote of the full membership, or if less than two-thirds of the members are present, a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the calendar agenda was posted (Section 54954.2 of the Government Code).	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	7

Attachment 1

RULES OF ORDER			REASON	PAGE
SECTION	REVISION			
Rule 3.10	<p>All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directives to the staff of the Transportation Authority to perform some specific act in the line of the official duty, adoption of the annual report, inquires, actions of a ceremonial or commemorative nature, and such other actions as may be approved by the Transportation Authority's legal counsel, may be accomplished by motion.</p> <p>Unless otherwise provided by these Rules, a motion of a parliamentary nature shall require for adoption the affirmative vote of at least a majority of the members present of the Board or committee; there being present not less than a quorum.</p> <p>*All other motions shall require for adoption the affirmative vote of a majority of all the members of the Transportation Authority, except as otherwise provided by these Rules, the Code, or other applicable law (Section 131262 of the Code).</p>		<p>Clean-up change.</p> <p>Change made to reflect the requirement in Government Code § 54952.6 that actions of a legislative body be made by a majority of the members of that body.</p>	7
Rule 3.22	<p>Communications shall be time-stamped and shall be deemed received by the Clerk when presented to the Transportation Authority's office.</p> <p>Communications received prior to the printing of the agenda shall be noted on the agenda for the next following Board meeting.</p> <p>Communications received after the printing of the agenda shall be summarized by the Clerk at the Board meeting.</p>		<p>Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.</p>	8
Rule 3.23	<p>*Posting of the Agenda. The Clerk shall post the agenda and send a copy of the agenda to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before any regularly scheduled Board meeting and twenty-four (24) hours before any special meeting is scheduled to be considered (Sections 59454-2, 54956 of the Government Code).</p>		<p>Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.</p>	9
Rule 3.26	<p>Any member of the public is entitled to comment on any matter on the agenda before it is acted on by the Board. In addition, the last item at each Board meeting shall provide an opportunity for members of the public to directly address the Board on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the Board for up to three (3) minutes or for such number of minutes as set by the Chair. The Chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of the Government Code).</p>		<p>Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.</p>	9

Attachment 1

RULES OF ORDER			
SECTION	REVISION	REASON	PAGE
Rule 4.5	In addition to the regular members of each committee, the Chair shall serve on each committee as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when his or her presence is necessary in order to constitute a quorum. In the case of a tie vote in any committee, the Chair who is present but not acting as a voting member, may cast the deciding vote. A majority of the members of the committee shall constitute a quorum for the transaction of business and all official acts of the committee shall require the affirmative vote of a majority of the quorum <u>members of the committee</u> (Section 5.2 if the Administrative Code).	Change made to reflect the requirement in Government Code § 54952.6 that actions of a legislative body be made by a majority of the members of that body. Government Code § 54952.6 provides as follows: "As used in this chapter, 'action taken' means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance."	10
Rule 4.8	Calendar#Agenda . Prior to preparation of a calendar#agenda , the Executive Director shall review and finalize with the committee chair all matters to be considered at the meeting.	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	11
Rule 4.10	The Clerk may read abbreviated titles of measure on the calendar#agenda when the abbreviated wording will clearly express to the members and to the listening public the nature of the measure.	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	11
Rule 4.12	*Measures Not on the Calendar#Agenda . Before considering an item of business not on the calendar#agenda , the committee shall adopt a motion (i) by majority vote of the full membership of the committee that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by the two-thirds vote of its members, or if less than two-thirds of the members are present, by a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the calendar#agenda was posted (Section 54954.2 of the Government Code).	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	11
Rule 4.20	Every member present when a motion is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Government Code Section 1090 et seq., Government Code <u>Section 87100</u> et seq. and all other relevant laws and regulations).	Clean-up change.	12

Attachment 1

RULES OF ORDER			
SECTION	REVISION	REASON	PAGE
Rule 4.24	*Posting of Calendar Agenda. The Clerk shall post the calendar agenda and send a copy of the calendar agenda to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before a regularly scheduled committee meeting or twenty-four (24) hours before a special meeting is scheduled (Sections 54954.2, 54956 of the Government Code).	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	12
Rule 4.25	*Public Comment. Any member of the public is entitled to comment on any matter on the calendar agenda which is within the subject matter jurisdiction of the Transportation Authority before it is acted on by the committee. In addition, the last item at each committee meeting prior to adjournment shall provide an opportunity for members of the public to directly address the committee on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the committee for up to three (3) minutes or for such number of minutes as set by the chair. The committee chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of Government Code).	Clean-up change made to conform language in the Rules of Order to the language used in the Brown Act and by the Transportation Authority.	12-13
Rule 5.1	Conduct of Members. No member in debate shall, directly or indirectly, by any form of words impute to another member or to other members any conduct or motive unworthy or unbecoming to a member.	Clean-up change.	14

Attachment 1

DEBT POLICY			
SECTION	REVISION	REASON	PAGE
II. DEBT POLICY OBJECTIVE	Achieve the highest practical credit ratings <u>that also allow the Transportation Authority to meet its objectives.</u>	The Transportation Authority may have objectives (financing a large project) which could impact credit rating.	1
III. SCOPE AND DELEGATION OF AUTHORITY	This Debt Policy shall govern, except as otherwise covered by the Transportation Authority Investment Policy (a copy of which is attached hereto) <u>and the Transportation Authority adopted Fiscal Policy</u> , the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products.	Include reference to Fiscal Policy	1
IV. ETHICS AND CONFLICTS OF INTEREST	Officers, and employee <u>or agents</u> of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.	Conforms to the Fiscal Policy.	1
V. STRATEGIC PLAN INTEGRATION	The Transportation Authority's multi-year Strategic Plan (Strategic Plan), which programs the Proposition K Sales Tax (Prop K) Expenditure Plan, shall be used in combination with this Debt Policy <u>and the Fiscal Policy</u> to ensure proper allocation and financing of Prop K eligible projects. The Strategic Plan sets priorities and strategies for allocating Prop K funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing <u>and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management.</u> Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.	Includes the Fiscal Policy.	2
VI. STANDARDS FOR USE OF DEBT FINANCING A. Credit Quality.	Credit quality is an important consideration and will be balanced with <u>the Transportation Authority's objectives and the associated</u> the size and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.	See Section II above.	2
VI. STANDARDS FOR USE OF DEBT FINANCING B. Long-Term Capital Projects.	The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the debt repayment period should not exceed the earliest of the following: (1) 120% of the useful life of the project being financed, (2) <u>the end of</u> the term of the current sales tax Expenditure Plan or (3) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs <u>qualify</u> as capital expenditures under	Minor clarifying change.	2

Attachment 1

DEBT POLICY			
SECTION	REVISION	REASON	PAGE
	federal tax principles.		
VI. STANDARDS FOR USE OF DEBT FINANCING D. Ongoing Debt Administration and Internal Controls.	The Transportation Authority shall maintain all debt-related records for a period for no less than the term of the debt. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, <u>tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and other agreements, etc.</u> for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority will develop a standard procedure for archiving transcripts for any new debt. The Transportation Authority will establish internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.	Addition of specific documentation required for compliance with tax-exempt bond requirements.	2-3
VII. FINANCING CRITERIA A. Purpose of Debt 1. New Money Financing	New money issues are financings that generate funding for capital projects. Eligible capital projects for allocation of Transportation Authority funds include the acquisition, construction or major rehabilitation of capital assets. In accordance with the philosophy of the Debt Policy, <u>debt proceeds generally</u> may not be used <u>exclusively</u> for operating expenses. The Capital project funding requirements are outlined in the annual budget, the Strategic Plan and the Expenditure Plan.	Clarification that generally debt proceeds are not used for operating expenses.	3
VII. FINANCING CRITERIA B. Types of Debt 1. Long-Term Debt – Variable Rate	a) <i>Variable Rate Demand Notes (VRDBs)</i> are long term bonds with a fixed principle amortization but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable given current market conditions. VRDBs <u>often</u> require credit enhancement and third party liquidity in the forms of Letters of Credit and/or bond insurance. VRDBs <u>generally</u> allow bondholders to "put" their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket these bonds <u>that are "put."</u>	Clarification that these are usually, but not always, true.	4
VII. FINANCING CRITERIA B. Types of Debt 2. Short-Term Debt	a) <i>Grant Anticipation Notes (GANs)</i> are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.	Added missing period.	5

Attachment 1

DEBT POLICY			
SECTION	REVISION	REASON	PAGE
VIII. TERMS AND CONDITIONS OF BONDS A. Term	All capital improvements financed through the issuance of debt will be financed for a period not to exceed 120% of the expected average useful life of the assets being financed, and in no event should exceed the lesser of forty (40) years or the period of time until sunset of the current Transportation Authority sales tax Expenditure Plan.	Making terminology consistent.	6
VIII. TERMS AND CONDITIONS OF BONDS G. Original Issue Discount.	An original issue discount <u>or original issue premium</u> will be permitted only if the Transportation Authority determines that such discount <u>or premium</u> results in a lower true interest cost on the bonds and that the use of an original issue discount <u>or original issue premium</u> will not adversely affect the project identified by the bond documents.	Addition of original issue premium.	7
IX. CREDIT ENHANCEMENTS C. Liquidity Facilities and Letters of Credit.	Liquidity Facilities and Letters of Credit. The Transportation Authority shall have the authority to enter into liquidity facilities and letter-of-credit agreements when such agreements are deemed prudent and advantageous. Only those financial institutions with short-term ratings of not less than VMIG 1/P1, A-1 and F1, by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively, <u>and with ratings from at least two of the three aforementioned ratings agencies</u> may participate in Transportation Authority liquidity facilities and letter of credit agreements.	Modified to provide more flexibility.	9
X. REFINANCING OUTSTANDING DEBT A. Debt Service Savings.	The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the refunded bond principal amount unless there are other compelling reasons for defeat <u>undertaking the refunding</u> . Additionally, the Transportation Authority has established a minimum present value savings threshold goal of five (5) percent of the refunded bond principal amount for refundings involving derivative products such as the issuance of synthetic fixed rate refunding debt service unless there are other compelling reasons for defeat <u>undertaking the refunding</u> . For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Transportation Authority Board.	Clarify addressing refunding not necessarily defeasance.	9
X. REFINANCING OUTSTANDING DEBT D. Escrow Structuring.	The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. <u>Such certificate shall not be required in the case of SLGs purchased directly from the U.S. Treasury.</u> Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation	Clarify certificate not required if purchasing SLGs from U.S. Treasury.	10

Attachment 1

DEBT POLICY			
SECTION	REVISION	REASON	PAGE
XII. MARKET RELATIONSHIPS E. Other Jurisdictions.	Authority from its own account. From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings or that the credit enhancement is obtained (including, where necessary, through the use of credit enhancement).	Minor clarification.	12
GLOSSARY	<i>Arbitrage.</i> The difference between the interest paid on the <u>an issue of tax exempt securities</u> debt and the interest earned by investing the security <u>debt</u> proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage <u>earned pursuant to the investment of</u> or the proceeds from issuance of tax-exempt municipal securities. <i>Balloon Maturity.</i> A later maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue. <u>Original Issue Premium. The amount by which the public offering price of an issue exceeds its original par amount at the time it is originally offered to an investor.</u> <i>Sales Tax and Revenue Anticipation Notes (TRANs)</i> Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other <u>anticipated</u> revenue sources.	Minor clarifying changes. Changes to "Arbitrage" to more closely track tax requirements. Addition of "Original Issue Premium" definition to accompany the changes made to the body of the document.	16-18

Attachment 1

FISCAL POLICY			
SECTION	REVISION	REASON	PAGE
II. SCOPE OF AUTHORITY	The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, Debt and Investment Policies. Overall policy direction shall be the responsibility of the <u>Transportation Authority Board (the "Board")</u> . Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the <u>Transportation Authority Executive Director (the "Executive Director")</u> . This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.	Clarification of defined terms.	1
III. ANNUAL BUDGET PROCESS	The Transportation Authority Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, procurement and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.	Making use of terminology consistent.	1
III. ANNUAL BUDGET PROCESS B. Public Review of Draft Budget	The draft budget shall be presented at a public hearing <u>shall be presented at a public hearing subject to public consideration in the form of a public hearing</u> at a publicly noticed Transportation Authority meeting <u>prior to being approved by the Board</u> . Notice of the time and place of the public meeting shall be published pursuant to Section 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.	Clarifying language to avoid implication that public have any kind of approval right.	2
IV. BUDGET REQUIREMENTS A. Administrative Operating Expenses	Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including <u>among others, other related expenses such as</u> staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. <u>Specific requirements with respect to certain budgeted expenses are set forth below.</u>	Clarifying that these are not all of the expenses.	2
IV. BUDGET REQUIREMENTS A. Administrative Operating Expenses 2. Emergency Expenditures	The Executive Director is authorized to exceed the overall administrative <u>operating</u> expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Finance Committee within thirty (30) days of the emergency explaining the necessity	Making terminology consistent.	3

Attachment 1

FISCAL POLICY

SECTION	REVISION	REASON	PAGE
IV. BUDGET REQUIREMENTS A. Administrative Operating Expenses 3. Petty Cash	of the action, a listing of expenditures, and future recommended actions. A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures shall <u>may</u> not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include but not be limited to, outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary and convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.	Clarifying that these are not required to be paid from petty cash.	3
VI. DEBT ISSUANCE	As defined by the Transportation Authority's Administrative Code and its Debt Policy, the Finance Committee shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for the debt issuance program guidelines regarding the issuance and management of debt for financing eligible programs and projects.	Eliminating redundancy.	4
IX. PROCUREMENT OF GOODS AND SERVICES	The selection of professional services, of such as <u>legal, financial advisory</u> , private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy.	Clarification.	5
IX. PROCUREMENT OF GOODS AND SERVICES C. CONTRACTS	Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 <u>per fiscal year</u> , provided that the amounts <u>are consistent with were identified and included in</u> the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 <u>and so long as the amendment is consistent with the adopted final budget</u> .	Clarifications.	5-6

Attachment 1

INVESTMENT POLICY			REASON	PAGE
SECTION	REVISION			
I. INTRODUCTION	<p>The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities<u>procedures</u>.</p> <p>The investment policies and procedures<u>procedures</u> of the San Francisco County Transportation Authority (the Transportation Authority) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds will be further restricted by the provisions of relevant bond documents.</p>	<p>Making use of terminology consistent.</p>	1	
VI. ETHICS AND CONFLICT OF INTEREST	<p>Officers, and<u>and</u> agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.</p>	<p>Conforms to the Fiscal Policy.</p>	2	
IX. PERMITTED INVESTMENT INSTRUMENTS	<p>Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate<u>rate</u>de-rating<u>re-rating</u> <u>reductions</u> and the <u>reduction</u>, prognosis for recovery or further rate<u>rate</u>de-rating<u>re-rating</u> and the current market price of the security.</p> <p>5. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.</p> <p>7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States <u>as a general corporation</u>, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is</p>	<p>Clarifying references to rating reductions. Changing semicolon to comma in 5 to reflect that reference is to property owned by a state, department, board, agency or authority of another state. Adding missing language to 7 to track Govt Code 53601.</p>	3-4	

Attachment 1

INVESTMENT POLICY			
SECTION	REVISION	REASON	PAGE
	<p>rated "A" or higher by a NRSRO; or (2) the corporation will be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated "A-1" or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days' maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority's portfolio.</p>		

Attachment 1

PROCUREMENT POLICY			REASON	PAGE
SECTION	REVISION			
Section III.A.	All bids or proposals must be submitted to and received at the location designated no later than the exact time and date stated in bid or proposal requirements, and must be date- and -time-stamped and logged as received by Transportation Authority personnel. Bids or proposals received after the date and time deadline will be returned unopened and will be considered as disqualified. A bid or proposal may be withdrawn prior to bid or proposal opening for any reason by a bidder or his/her authorized representative, provided a written request to withdraw is received by the Transportation Authority prior to bid or proposal opening. After bid or proposal opening, a bid or proposal may be withdrawn only for material obvious error(s) and subject to the written approval by the Executive Director.		Clean-up change.	2
Section III.C.	Awards of contracts for professional services, including legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, and at a price that is fair and reasonable, in accordance with state and federal laws.		Clarification.	3
Section V.	It shall be the policy of the Transportation Authority to have established protest procedures which shall apply to all procurements of supplies, equipment, and services. A copy of these policies and procedures shall be maintained in the Transportation Authority's offices for general inspection and review by the public. In addition, the Transportation Authority shall provide, upon request, a copy of these protest policies and procedures to all individuals, associations, corporations, and companies with which the Transportation Authority conducts business.		Clean-up change.	5
Section V.5	1. A clear and concise statement of the protest, including identification of: a) procedures or specifications contained in bid documents or request for proposals which were allegedly not complied with, or b) specific instance(s) of Transportation Authority failure to follow its policy policies and procedures;		Clean-up change.	6
Section VI.	No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in the excess of its ability to pay as defined by the adopted final budget and the Strategic Plan. Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with were identified and included in the adopted final budget, as amended in accordance with Transportation Authority the Fiscal Policy for the current fiscal year or, in the event that the contract was not		Clean-up and streamlining changes	7

Attachment 1

PROCUREMENT POLICY		
SECTION	REVISION	REASON
	<p>completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000.</p> <p>All expenditures shall comply with all federal, state and local statutory <u>requirements</u> and other legal restrictions placed on the use of said funds. The Executive Director shall execute all contracts in conformance with the monetary limits established in the adopted final budget. The Executive Director and/or his/her designee has the responsibility for monitoring all contractual agreements for compliance with the terms and conditions established in the contract and for rendering payment upon completion of services or delivery of goods and materials as agreed.</p>	
		PAGE

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY		
SECTION	REVISION	REASON
I. PURPOSE AND GENERAL POLICY	<p>A. Purpose. This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of eligible <u>San Francisco County Transportation Authority (Transportation Authority)</u> Commissioners and employees, herein referred to as <u>Transportation Authority</u> personnel, for such expenses. These rules and guidelines are designed to safeguard public funds and to ensure <u>San Francisco County Transportation Authority (Authority)</u> and its personnel are using the <u>most</u> economical and well-documented procedures in a consistent manner.</p> <p>B. General Policy. The <u>Transportation Authority</u> recognizes that in some instances it is necessary and/or convenient for authorized <u>Transportation Authority</u> personnel to incur <u>incur</u> expenses for travel, training and other business purposes in connection with the official business of the <u>Transportation Authority</u>. Additionally, the <u>Transportation Authority</u> recognizes the benefit of attendance at meetings, conferences and other functions which advance professional knowledge and provide opportunities to exchange information related to transportation, government operations and issues. The policy of the <u>Transportation Authority</u> is to pay or reimburse <u>Transportation Authority</u> personnel for such expenses, travel and fees that <u>a reasonable and prudent person would incur when traveling on official business and</u> which serve as <u>Transportation Authority</u> purpose and are deemed necessary and/or advantageous to the <u>Transportation Authority</u>.</p> <p>C. Limitations. Travel and meeting expenditures shall not exceed the approved budget and shall be consistent with associated policies established by the <u>Transportation Authority</u>. Eligible <u>Transportation Authority</u> personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.</p>	Clean-up and streamlining changes.
II. ELIGIBILITY	<p>A. Eligible Personnel. Expenses are authorized for <u>Transportation Authority</u> Commissioners and employees (<u>Transportation Authority</u> personnel). These policies will apply for these individuals under contract to the Authority for which the approved contract provides for reimbursement of travel and conference expenses as noted in the contract. Travel expenses may be authorized for the purpose of conducting business on behalf of the <u>Transportation Authority</u>, including employment interviews.</p> <p>B. Eligible Travel Expenses. The following expenses are eligible for reimbursement in connection with authorized <u>Transportation Authority</u> business, travel, conferences, meetings, and training, subject to the restrictions identified later in this policy. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$2500) for amounts not to exceed the per diem rates and allowances</p>	<p>Clean-up and streamlining changes; updated for consistency with GSA and IRS.</p>

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY		
SECTION	REVISION	REASON
	<p>established by the General Services Administration (GSA); Internal Revenue Service; and/or United States Department of Defense (USDOD) as appropriate:</p> <ol style="list-style-type: none"> Meals; Lodging; Transportation charges (including commercial carrier fares; rental car charges; private car mileage allowances; parking; bridge and road tolls; and necessary taxi or public transit fares); and Miscellaneous expenses: <p>Local and long distance business telephone calls, faxes and internet access telegrams by the most economical practicable commercial service; subject to review by the Deputy Director for Finance and Administration and only approved if deemed reasonable and proper. Any charges in excess of \$5.00 per day shall be itemized to include to whom the call was made and the nature/need for the call;</p>	
II. ELIGIBILITY B. Eligible Travel Expenses Footnote	<p>Per diem is an allowance for lodging (excluding taxes), meals and incidental expenses. The United States General Services Administration (GSA) establishes per diem rates for destinations within the Continental United States. The <u>United States Department of State</u> establishes the foreign rates (for example, Russia, Arabia, Bahamas, Europe, etc.). The Department of Defense (DOD) establishes non-foreign rates such as Alaska, Hawaii, Puerto Rico, and Guam. These rates are reviewed annually by the respective Federal agency.</p> <p>A. General. <u>Transportation</u> Authority personnel may incur expenses for the purchase of meals for persons not employed by the <u>Transportation</u> Authority, with whom the <u>Transportation</u> Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meeting, must be included in the Expense Report <u>expense report</u>. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the per diem amount. Actual costs shall include reasonable and customary gratuities, but not the cost of alcoholic beverages. All such expenditures for personnel <u>employees</u> must be approved in advance by the Executive Director.</p> <p>C. Local Area Meals. Reimbursement for employee meals in the local area must be associated with <u>Transportation</u> Authority business and must be approved in advance by the Executive Director. Meal expenses incurred prior to authorization will be at the risk of the employee. Meals should not exceed <u>the per diem rates and allowances established by the GSA or USDOD as appropriate</u> the following costs: breakfast (\$7); lunch (\$10); and dinner (\$18). Unusual costs must be justified in writing.</p> <p>D. Out-of-Area Meals. Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the Travel Authorization</p>	<p>Clean-up and streamlining changes</p> <p>2</p>
VI. MEAL EXPENSE		<p>Clean-up and streamlining changes</p> <p>5</p>
VI. MEAL EXPENSE		<p>Clean-up and streamlining changes; updated for consistency with GSA and IRS.</p> <p>5</p>

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY			
SECTION	REVISION	REASON	PAGE
VII. LODGING EXPENSES	<p>For <u>travel authorization form</u>. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25.00, and in accordance with the per diem of the federal standard meal allowance, as <u>established by the GSA or USDOD as appropriate</u>published in Internal Revenue Service Publication 463 (or any successor publication). Unusual costs must be justified in writing.</p> <p>Reimbursement is allowable for single-room lodging expenses associated with attendance at out-of-area conferences or meetings. The cost of a single room will be reimbursed when travel exceeds the day's duration. Where available, government and group rates must be requested. No reimbursement is authorized for overnight accommodations within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma; the counties of Alameda, San Francisco, Contra Costa, San Mateo, Solano, Marin, or Santa Clara unless prior authorization is granted.</p> <p><u>Transportation</u> Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. The Authority will reimburse its personnel for lodging up to the rates published by the Internal Revenue Service Publication 463 (or any successor publication). If lodging is required in connection with a conference, the lodging costs shall not exceed the maximum group rate published by the sponsor of the conference. If no group rate is available at the time of booking, the <u>Transportation</u> Authority will reimburse its personnel for lodging up to the rates <u>established by the GSA or USDOD as appropriate</u>published in Internal Revenue Service Publication 463 (or any successor publication).</p>	Clean-up and streamlining changes; updated for consistency with GSA and IRS.	6
VIII. MEANS OF TRANSPORTATION	<p>A. General. All travel must utilize the most <u>efficient, direct and</u> economical mode of available transportation. <u>Transportation</u> Authority personnel shall use government and group rates offered by providers of transport where available. If for personal convenience, <u>Transportation</u> Authority personnel travel an indirect route and travel is interrupted, any resulting extra expense will be borne by the individual except for reasons beyond the control of the individual. For employees, any resulting excess travel time, except where beyond the control of the employee, will not be considered work time, but will be charged the appropriate type of leave.</p> <p>Charges or loss of refunds resulting from failure to cancel reservations in accordance with the carrier's rules and time limits usually will not be reimbursed, unless it can be shown that such failure resulted from circumstances beyond the control of <u>Transportation</u> Authority personnel.</p> <p>Unusual portions of transportation tickets are subject to refund and, when purchased by the <u>Transportation</u> Authority, the individual traveler is responsible to see that they are turned in promptly to secure such a refund.</p>	Clean-up and streamlining changes	6

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY			
SECTION	REVISION	REASON	PAGE
VIII. MEANS OF TRANSPORTATION	<p>D. Automobiles</p> <p>1. Privately-owned Automobile for Official Business</p> <p>In instances where <u>Transportation</u> Authority personnel use their private automobiles for transportation between their normal work location and other designated work locations (e.g., the site of a meeting), <u>Transportation</u> Authority personnel may be reimbursed for such mileage based upon the standard mileage rate as <u>established by the GSA in Internal Revenue Service Publication 463</u>. When actual mileage exceeds by 10% the reasonable distance between points, <u>Transportation</u> Authority personnel must justify such excess. Inability to do so will result in the reimbursement being based on mileage for the most direct route. Mileage rate of reimbursement will be adjusted as required. Mileage reimbursement for out-of-area trips shall not exceed the cost of the most <u>efficient and</u> economical direct air rate. <u>Transportation</u> Authority personnel who use their privately-owned motor vehicles for transportation while on official <u>Transportation</u> Authority business must carry at least the minimum automobile liability insurance for privately-owned motor passenger vehicles as required by the State of California. Reimbursement for this minimum automobile liability insurance coverage shall not be allowed. <u>When using privately-owned motor vehicles, Transportation Authority personnel will not be reimbursed for any damages that may occur.</u></p>	Clean-up and streamlining changes; updated for consistency with GSA and IRS.	7
VIII. MEANS OF TRANSPORTATION	<p>F. Reimbursement. Unless otherwise provided above, the <u>Transportation</u> Authority will reimburse its personnel for transportation at the rates <u>established by the GSA or USDOD as appropriate published by the Internal Revenue Service Publication 463 (or any successor publication).</u></p>	Clean-up and streamlining changes; updated for consistency with GSA and IRS.	8



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RESOLUTION APPROVING THE REVISED RULES OF ORDER; THE REVISED DEBT, FISCAL, INVESTMENT AND PROCUREMENT POLICIES; AND THE REVISED TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY

WHEREAS, The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives; and

WHEREAS, It is Transportation Authority direction to review its Debt Policy annually, to maintain prudent debt management principles and to maximize the Transportation Authority's debt capacity, and its Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the Transportation Authority's portfolio; and

WHEREAS, While the Transportation Authority is not required to review its Fiscal and Procurement Policies, it is good management practice to do so on a regular basis, and

WHEREAS, The Rules of Order establish procedures to ensure that Board and Committee meetings are conducted in a clear and efficient manner, and in compliance with current statutes and Transportation Authority policies and objectives; and

WHEREAS, The Debt Policy's purpose is to organize and formalize debt issuance-related policies and procedures; and

WHEREAS, The Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements; and

WHEREAS, The Investment Policy reflects the requirements in state and federal law



regarding the administration of investments by public agencies, and establishes rules for the investment of all funds directly administered by the Transportation Authority; and

WHEREAS, The Procurement Policy guides the decisions pertaining to procurement, including the modes, methods and procedures for acquiring the materials, equipment and services necessary to carry out the operations of the Transportation Authority; and

WHEREAS, The Travel, Conference, Training and Business Expense Reimbursement Policy establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of commissioners and employees; and

WHEREAS, With assistance and guidance from the Transportation Authority's bond counsel, financial advisors and legal counsel, Transportation Authority staff are updating policies to conform to applicable law and consistent with state and local government codes; and

WHEREAS, At its January 13, 2015 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the Rules of Order as presented in Attachment 1; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Debt Policy as presented in Attachment 2; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Fiscal Policy as presented in Attachment 3; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Investment Policy as presented in Attachment 4; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Procurement Policy as presented in Attachment 5; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Travel, Conference,

Training and Business Expense Reimbursement Policy as presented in Attachment 6; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate the policies to all relevant parties.

Attachments (6):

1. Proposed Rules of Order
2. Proposed Debt Policy
3. Proposed Fiscal Policy
4. Proposed Investment Policy
5. Proposed Procurement Policy
6. Proposed Travel, Conference, Training and Business Expense Reimbursement Policy



CHAPTER 1. DEFINITIONS

- Rule 1.1** As used in these Rules, the following words and phrases shall have the meanings ~~receptively~~ respectively ascribed to them by Rules 1.2 through 1.18.
- Rule 1.2** “Administrative Code” shall mean the San Francisco County Transportation Authority’s Administrative Code.
- Rule 1.3** “Adopted” in connection with proposed resolutions or ordinances, shall mean and include adoption of such proposed resolutions ~~of or~~ ordinances by the San Francisco County Transportation Authority.
- Rule 1.4** “Transportation Authority” shall mean the San Francisco County Transportation Authority.
- Rule 1.5** “Board” shall mean the Board of Commissioners of the San Francisco County Transportation Authority.
- Rule 1.6** “Chair” shall mean the Chair of the Transportation Authority or in the absence of the Chair, the Vice-Chair acting as Chair.
- Rule 1.7** “Code” shall mean the California Public Utilities Code, Section 131000 et seq., under which the Transportation Authority was created.
- Rule 1.8** “Clerk” shall mean the Clerk of the Transportation Authority.
- Rule 1.9** “Committee” shall mean a committee of Transportation Authority, including select as well as standing committees.
- Rule 1.10** “Communication” shall mean any matter, other than the measure, in whatsoever form addressed to the Board for consideration or action by the Board or its committees.
- Rule 1.11** “Measure” shall mean and include a proposal, in whatsoever form presented, fulfillment of the purpose of which requires action of the Transportation Authority by Code, amendment, ordinance, resolution or motion, other than a motion designed to accomplish an action strictly parliamentary in character.
- Rule 1.12** “Member” shall mean a member of the Board of Commissioners.
- Rule 1.13** “Ordinances” shall mean procedures for establishing all rules of conduct affecting third parties under the jurisdiction of the Transportation Authority and of a permanent nature and shall include but not be limited to the Administrative Code and employment rules.
- Rule 1.14** “Précis” shall mean a summary of a measure prepared by staff and presented as a part of the Board or committee folder.
- Rule 1.15** “Presiding Officer” shall mean the Chair or acting chair.
- Rule 1.16** “Previous Question” shall be a call to end debate on a matter.
- Rule 1.17** “Resolution” shall mean the procedures for establishing all expressions of opinion of the Transportation Authority which may or may not be of a permanent nature or affect third parties under the Transportation Authority’s jurisdiction.



Rule 1.18 “Rules” shall mean the Rules of Order of the San Francisco County Transportation Authority.



CHAPTER 2. ORGANIZATION AND MEETINGS

- Rule 2.1 Adoption of Rules of Order.** The Rules of Order (Rules) shall be adopted by motion carried by an affirmative recorded vote of a majority of the members of the Board. When adopted, such Rules shall remain in effect unless suspended or amended as provided herein. The Chair or committee chair may adopt temporary rules to address a specific situation or point of order in the Board meeting.
- Rule 2.2 Suspension of Rules.** Except this rule and Rules which are restatements of other applicable laws and which are designated in these Rules by an asterisk, any rule may be suspended by the affirmative vote of eight (8) members unless there be less than eight (8) members present, in which case the unanimous consent of the members present, but not less than six (6) shall be required. A motion to suspend the rules is not debatable.
- Rule 2.3 Amendment to Rules.** All proposed amendments to the Rules shall be referred to the Finance Committee for consideration and recommendation to the Board for adoption.
- Rule 2.4 Parliamentary Authority.** On any question or point of order not contained in these Rules, the Chair shall issue a ruling.
- Rule 2.5 Organization and Election of Chair.** Annually at the first meeting of the Board in January, the newly elected and continuing members of the Board of Commissioners shall elect the Chair and Vice-Chair of the Transportation Authority. The newly appointed Chair shall immediately preside following his or her election at the same meeting (Section 131260 of the Code).
- Rule 2.6 Meetings and Rules of Procedures.** *All proceedings of the Transportation Authority shall be in conformance with the provisions of the Bay Area Traffic and Transportation Funding Act [Sections 131000 et seq. of Division 12.5 of the California Public Utilities Code], the San Francisco County Transportation Reauthorization Authority Ordinance, as amended by Resolution 486-03 (Article 14, commencing with Section 1401 of the San Francisco Business and Tax Regulations Code ~~of the City and County of San Francisco~~), the Transportation Authority's Administrative Code, and the ~~Transportation Authority~~-New Transportation Expenditure Plan for San Francisco adopted together with Board of Supervisors Resolution 485-03 ~~of the Board of Supervisors~~ by the voters on November 4, 2003 as Proposition K.
- Except as otherwise determined by the Board, regular meetings of the Board shall be held at 11:00 a.m. on the fourth Tuesday of each month in the Legislative Chamber of City Hall. However, when that day is a holiday, the meeting shall be held on the following business day. Committee meetings shall be held in Room 263 of City Hall.
- *The acts of the Board shall be expressed by motion, resolution or ordinance (Section 131263 of the Code).
- *All meetings of the Board shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) and the Transportation Authority's adopted Sunshine Policy.
- Rule 2.7 Temporary Meeting Place.** In the event of the regular meeting place is unavailable, the Chair shall designate some other appropriate place as its temporary meeting place.



Rule 2.8 Special Meetings of the Board. A special meeting of the Board of Commissioners may be called, subject to the [Ralph M. Brown Act](#), by the Chair.

Rule 2.9 Attendance at Meetings. All members of the Transportation Authority shall be in their respective seats at the hour appointed for each regular, special or recessed meeting of the Board or one of its committees. The Clerk shall keep a record of the attendance of the members and shall report such record in the minutes.

Rule 2.10 *Quorum. A majority of the members of the Board constitutes a quorum for the transaction of business, and all official acts of the Transportation Authority require the affirmative vote of a majority of the members of the Board (Section 131262 of the Code).

Rule 2.11 Rights of the Members Less Than Quorum. In the absence of a quorum no information may be presented and no official action shall be taken by the members present except to order a call of the Board or committee, to reschedule the same meeting, to recess or to adjourn.

Rule 2.12 Call of the Board or Committee. Whether there be a quorum or not, upon a call of the Board or one of its committees, those absent members shall be sent for by the Board or committee chair and be brought to the Legislative Chamber or to Room 263 for committee meetings by special messengers appointed for the purpose.

When the Board or one of its committees is under call, no member shall leave the Chamber or Room 263 without an announcement from the Chair or committee Chair that the member is excused.

During a call of the Board or one of its committees, when there is a quorum present, business may be transacted as usual, except that no action shall be taken with respect to the matter in connection with which the call was made.

Rule 2.13 Permission to Leave Meeting. No member shall leave the Board or committee meeting while in session if the departure would cause the loss of a quorum.

Rule 2.14 *Power and Duties of Chair and Vice-Chair of the Board. The Chair shall possess the following powers and duties:

To preside at all meetings;

To appoint the membership and the ~~c~~Chair and ~~v~~Vice-~~C~~Chair of the committees of the Transportation Authority, except for the Citizens Advisory Committee;

To decide the agenda of Board meetings;

To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and

To perform such additional duties as may be designated by the Transportation Authority.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair (Section 3 of the Administrative Code).

Rule 2.15 Permission to Remove Disruptive Persons. The Board or committee Chair shall possess the power and duty to order removed from the meeting room any person who commits the



following acts in respect to a regular or special meeting of the Board or a standing or select committee:

Disorderly, contemptuous or insolent behavior toward the Board or committee or any member thereof, tending to interrupt the due and orderly course of said meeting.

A breach of the peace, boisterous conduct or violent disturbance tending to interrupt the due and orderly course of said meeting;

Disobedience of any lawful order of the presiding officer, which shall include an order to be seated or to refrain from addressing the Board or committee, and

Any other unlawful interference with the due and orderly course of said meeting.

Any person so removed shall be excluded from further attendance at the meeting from which removed, unless permission to attend be granted upon motion adopted by a majority vote of the Board or committee, and such exclusion shall be effected by attendant law enforcement officer or officers upon being so request~~ed~~ by the presiding officer.

Any law enforcement officer or officers on duty and in attendance at the meeting or whose services are requested by the presiding officer shall carry out all orders and instructions given by the presiding officer for the purpose of maintain order and decorum at the Board or committee meeting.

In addition to effecting removal of any person who, in the opinion of the presiding officer, has violated the order and decorum of any meeting, such presiding officer may request any law enforcement officer or officers to place such person under arrest for violation of Section 403 or Section 415 of the California Penal Code, or any other applicable law, and shall cause such person to be prosecuted therefore, the complaint to be signed by such presiding officer.



CHAPTER 3. BOARD RULES AND PROCEDURES

Rule 3.1 Call to Order and Roll Call. The Chair shall preside at all Board meetings, and shall call each regular, adjourned, recessed or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the members of the Transportation Authority and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the Chair, the Vice-Chair shall preside and in the absence of both the Chair and the Vice-Chair, the members present after waiting fifteen (15) minutes from the scheduled onset of the meeting, by an order entered in the minutes, shall elect one of their members to act as Chair pro tempore, who, while so acting, shall have the authority of the Chair. The presiding officer shall proceed with the Order of Business.

Rule 3.2 Order of Business. The normal Order of Business for the Board shall be as follows:

1. Roll Call
2. Approval of Minutes
3. Chair's Report
4. Executive Director's Report
5. Consent Agenda
6. Old Business
7. Introduction of New Items
8. Public Comment
9. Adjournment

Rule 3.3 Addressing the Board. When a member desires to address the Board, the member shall either rise in place or raise his or her microphone, address the presiding officer, and when recognized shall proceed to speak, confining discussion to the question before the Board. Members shall not be recognized when away from their seats.

Rule 3.4 Member Entitled to Floor. When two (2) or more members arise at the same time to address the Board, the presiding officer shall designate the member who is entitled to the floor.

The committee chair, or in his or her absence or forbearance another member of the committee, shall be accorded priority in addressing the Board for the purpose of making a presentation concerning any matter submitted to the Board by the committee.

Rule 3.5 Calendar Agenda. Prior to preparation of the ~~calendar~~ agenda, the Executive Director shall review and finalize with the Chair all matters to be considered at the meeting. Any member may request of the Chair in writing ten (10) business days prior to the scheduled Board or committee meeting that an item be included on the ~~calendar~~ agenda. The Chair shall either refer the issue to committee within a reasonable time or advise the member why it will not be scheduled.

Rule 3.6 Calling of Items. The Chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.



- Rule 3.7 Reading Titles.** The Clerk may read abbreviated titles of measures on the ~~calendar-agenda~~ when the abbreviated working will clearly express to the members and to the listening public the nature of the measure.
- Rule 3.8 Introduction of Measures.** Unless provided for by the Administrative Code, the Chair shall decide which items shall be referred to which committee or to the Board. The Executive Director shall prepare a précis of each item to be considered by the Board.
- Rule 3.9 *Measures Not on the CalendarAgenda.** Before considering an item of business not on the ~~calendaragenda~~, the Board shall adopt a motion (i) by majority vote of the full membership of the Board that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by a two-thirds vote of the full membership, or if less than two-thirds of the members are present, a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the ~~calendar-agenda~~ was posted (Section 54954.2 of the Government Code).
- Rule 3.10 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directives to the ~~stall-staff~~ of the Transportation Authority to perform some specific act in the line of the official duty, adoption of the annual report, inquires, actions of a ceremonial or commemorative nature, and such other actions as may be approved by the Transportation Authority's legal counsel, may be accomplished by motion.
- Unless otherwise provided by these Rules, a motion of a parliamentary nature shall require for adoption the affirmative vote of at least a majority of the members ~~present of the Board~~ or committee, there being present not less than a quorum.
- *All other motions shall require for adoption the affirmative vote of a majority of all the members of the Transportation Authority, except as otherwise provided by these Rules, the Code, or other applicable law (Section 131262 of the Code).
- Rule 3.11 Motions to be Stated and Seconded.** The Clerk shall state all motions prior to debate. All motions are to be seconded unless provided for otherwise in these Rules. The Chair shall acknowledge members as they make motions and seconds.
- Rule 3.12 Motion Not Required.** The Board shall consider, without the necessity for a motion and a second, all measure recommended to the Board by the Committee.
- Rule 3.13 Division of the Question.** On the demand of any member, the Chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one of more substantive proposition shall remain for the decisions of the Board. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.
- Rule 3.14 Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by section or paragraphs. Each section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.
- Rule 3.15 The Previous Question.** The previous question shall only be admitted when called for by three (3) members, and if the motion carries, its effect shall be to terminate all debate on the



matter pending, except that the author or mover of the measure, motion or amendment shall have the right to close and the question under discussion shall thereupon be immediately put to a vote.

It shall require a two-thirds vote of the members present to adopt a motion calling for the previous question.

The previous question shall be put in the following form: "Shall the previous question be now put?"

Rule 3.16 Withdrawal of Motion. After the motion has been stated, it shall be in the possession of the Board. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.

Rule 3.17 Reconsideration. When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.

To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, a member may change a vote before the result of the roll call has been announced.

Rule 3.18 Rescind. When a vote has been taken by the Board and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.

Rule 3.19 *Voting Requirements and Procedure. *Every member present when a measure is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Section 1090 et seq. of the Government Code, Section 87100 et seq. of the Government Code, and all other relevant laws or regulations).

No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.

*A tie vote on any matter before the Board shall be deemed to be a disapproval (Section 131262 of the Code).

Rule 3.20 Vote to be Entered in the Minutes. After the Board has voted upon any matter, the name of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the minutes.

Rule 3.21 Identification, Filing and Indexing. The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measures.

Rule 3.22 Disposition of Communications. Communications shall be time-stamped and shall be deemed received by the Clerk when presented to the Transportation Authority's office.

Communications received prior to the printing of the ~~calendar-agenda~~ shall be noted on the ~~calendar-agenda~~ for the next following Board meeting.

Communications received after the printing of the ~~calendar-agenda~~ shall be summarized by the Clerk at the Board meeting.



Rule 3.23 ***Posting of the CalendarAgenda.** The Clerk shall post the ~~calendar-agenda~~ and send a copy of the ~~calendar-agenda~~ to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before any regularly scheduled Board meeting and twenty-four (24) hours before any special meeting is scheduled ~~to be considered~~ (Sections 59454.2, 54956 of the Government Code).

In the case of a rescheduled meeting, notice of the rescheduled new meeting shall be posted outside Room 244 in City Hall.

Rule 3.24 ***Minutes.** Minutes will be kept of each Regular and Special meeting by the Clerk.

Rule 3.25 ***Meetings to Be Public.** Every Board meeting shall be open to the public except that the Chair may order a meeting to be held in the closed session for consideration of matters permitted to be discussed in closed session by State law (Section 54957 et seq. of the Government Code).

Rule 3.26 ***Public Comment.** Any member of the public is entitled to comment on any matter on the ~~calendar-agenda~~ before it is acted on by the Board. In addition, the last item at each Board meeting shall provide an opportunity for members of the public to directly address the Board on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the Board for up to three (3) minutes or for such number of minutes as set by the Chair. The Chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of the Government Code).



CHAPTER 4. COMMITTEE RULES AND PROCEDURES

Rule 4.1 Call to Order and Roll Call. The committee chair shall preside at all committee meetings, and shall call each regular, adjourned, recesses or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the committee members and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the committee chair, the vice-chair shall preside. The presiding officer shall proceed with the Order of Business.

Rule 4.2 Order of Business. The normal Order of Business for committees shall be as follows:

1. Roll call
2. Approval of Minutes
3. Consent Agenda
4. Old Business
5. Introduction of New Items
6. Public Comment
7. Adjournment

Rule 4.3 Standing Committees, General Rules. The standing committees of the Transportation Authority and the matters to be referred to each are set forth in the Administrative Code. Select committees may be established as provided in Section 5.2 of the Administrative Code.

Any member of the Board who is not a member of an assigned committee may join with the members of the said committee in its deliberations provided such participation does not result in a quorum of the Board membership being present, however, only members of said committee shall be entitled to vote, except that the Chair may vote as provided in Section 5.2 of the Administrative Code and Rule 4.5 below, on such matters in committee. Except with respect to the Chair, the participation of a non-member of the committee shall not be counted for purposes of determining whether a quorum of the committee is present.

In the event that the scope of committee assignments may be conflicting, overlapping, ambiguous, or not stated, the Chair shall determine and designate which committee shall have jurisdiction over a particular matter.

Rule 4.4 *Committee Chair. The committee chair will be appointed by the Chair at the beginning of each year (Section 3 (b) of the Administrative Code).

Rule 4.5 *Chair as Non-Voting, Ex-Officio Member. In addition to the regular members of each committee, the Chair shall serve on each committee as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when his or her presence is necessary in order to constitute a quorum. In the case of a tie vote in any committee, the Chair who is present but not acting as a voting member, may cast the deciding vote. A majority of the members of the committee shall constitute a quorum for the transaction of business and all official acts of the committee shall require the affirmative vote of a majority of the quorum members of the committee (Section 5.2 if the Administrative Code).



- Rule 4.6 Time of Meeting.** Every committee shall meet at the time set by the Chair, committee chair at the beginning of his or her appointment, or a majority of the committee, in that order of priority. Whenever a meeting falls on a holiday or a quorum does not result, the meeting shall be rescheduled at the discretion of the committee chair.
- Rule 4.7 Meeting Frequency.** The regular schedule of the standing committee meetings shall provide for meeting at least once a month for each of the committees, except for the Personnel Committee which shall meet only at the call of the Chair.
- Rule 4.8 CalendarAgenda.** Prior to preparation of a ~~calendar~~agenda, the Executive Director shall review and finalize with the committee chair all matters to be considered at the meeting.
- Rule 4.9 Calling of Items.** The committee chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.
- Rule 4.10 Reading the Titles.** The Clerk may read abbreviated titles of measure on the ~~calendar~~agenda when the abbreviated wording will clearly express to the members and to the listening public the nature of the measure.
- Rule 4.11 Introduction of Measures.** The Executive Director shall prepare a précis of each item to be considered by the committee.
- Rule 4.12 *Measures Not on the CalendarAgenda.** Before considering an item of business not on the ~~calendar~~agenda, the committee shall adopt a motion (i) by majority vote of the full membership of the committee that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by the two-thirds vote of its members, or if less than two-thirds of the members are present, by a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the ~~calendar~~agenda was posted (Section 54954.2 of the Government Code).
- Rule 4.13 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directive to the staff of the Transportation Authority to perform some specific act in the line of official duty, adoption of the annual report, inquiries, actions of ceremonial or commemorative nature, and such other actions as may be approved by Transportation Authority's legal counsel, may be accomplished by motion.
- Rule 4.14 Motion to be Stated.** The Clerk shall state all motions prior to debate. No motion in the committee shall require a second. The committee chair shall acknowledge members as they make motions.
- Rule 4.15 Division of the Question.** On the demand of any member, the committee chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one or more substantive propositions shall remain for the decision of the committee. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.
- Rule 4.16 Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by sections or paragraphs. Each



section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.

Rule 4.17 Withdrawal of Motion. After the motion has been stated it shall be in the possession of the committee. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.

Rule 4.18 Reconsideration. When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.

To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, any member may change a vote before the result of the roll call has been announced.

Rule 4.19 Rescind. When a vote has been taken by a committee and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.

Rule 4.20 *Voting Requirements and Procedure. Every member present when a motion is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Government Code Section 1090 et seq., Government Code [Section](#) 87100 et seq. and all other relevant laws and regulations).

No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.

A tie vote on any matter before the committee shall be deemed to be a disapproval except that the Chair may break a tie vote as provided in Rule 4.5.

Rule 4.21 Vote to be Entered in the Minutes. After the committee has voted upon any matter, the names of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the Minutes.

Rule 4.22 Identification, Filing and Indexing. The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measure.

Rule 4.23 Minutes. Minutes will be kept of each Regular and Special meeting by the Clerk.

Rule 4.24 *Posting of ~~Calendar~~ Agenda. The Clerk shall post the ~~calendar agenda~~ and send a copy of the ~~calendar agenda~~ to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before a regularly scheduled committee meeting or twenty-four (24) hours before a special meeting is scheduled (Sections 54954.2, 54956 of the Government Code).

Rule 4.25 *Public Comment. Any member of the public is entitled to comment on any matter on the ~~calendar agenda~~ which is within the subject matter jurisdiction of the Transportation Authority before it is acted on by the committee. In addition, the last item at each committee meeting prior to adjournment shall provide an opportunity for members of the public to directly address the committee on items of interest to the public which have not



been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the committee for up to three (3) minutes or for such number of minutes as set by the chair. The committee chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of Government Code).



CHAPTER 5. MISCELLANEOUS

Rule 5.1 Conduct of Members. No member in debate shall, directly or indirectly, by any form of words impute to another member or to other members any conduct or motive unworthy or unbecoming to a member.

Rule 5.2 Smoking Prohibited. Smoking during Board or committee meetings is prohibited.

Rule 5.3 Honors issued by the Board of Commissioners. The Board may issues honors in the following categories for transportation-related activities:

1. Engrossed Resolutions. Such resolutions shall be prepared for members leaving office; Transportation Authority staff leaving the service after at least ten (10) years of service with the Transportation Authority; and Mayors, members of Congress, and members of the State Legislature upon leaving office.
2. Certificate of Honor. Each member of the Board is authorized to be issued up to five (5) ~~C~~certificates of Honor a year on behalf of the Board without further Board action in accordance with the following procedure.
 - a) No certificates shall be issued to a person or entity which has received a certificate within the previous twelve (12) months.
 - b) Each member desiring to issue a Certificate of Honor shall provide the name of the proposed recipient to the Clerk who will advise other members of the request.
 - c) During the two (2) business days following the provision of the name, other members may indicate their desire to join in on sponsoring the certificate. The primary sponsor shall then permit the additional members to sign the certificate.
3. Letters of Recommendation. Each member of the Board is authorized to issue Letters of Recommendation in the name of the Board without limit as to number.
4. The Executive Director shall, after consultation with the Chair, prescribe the form for each of these honors, and shall facilitate the preparation of such certificates and letters by the staffs of individual members.
5. The Board shall be advised at its regularly scheduled meeting on any engrossed resolutions, certificates of honor or letters of recommendation awarded since the last Board meeting.



DEBT POLICY

I. INTRODUCTION

The purpose of this Policy is to organize and formalize debt issuance-related policies and procedures for the San Francisco County Transportation Authority (~~the~~ Transportation Authority) and to establish a systematic debt policy (Debt Policy). The Debt Policy is, in every case, subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

II. DEBT POLICY OBJECTIVE

The primary objectives of the Transportation Authority's debt and financing related activities are to

- Maintain cost-effective access to the capital markets through prudent yet flexible policies;
- Moderate debt principal and debt service payments through effective planning and project cash management in coordination with Transportation Authority project sponsors; and
- Achieve the highest practical credit ratings that also allow the Transportation Authority to meet its objectives.

III. SCOPE AND DELEGATION OF AUTHORITY

This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy (a copy of which is attached hereto) and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products.

This Policy shall be reviewed and updated at least annually and more frequently as required. Any changes to the policy are subject to approval by the Transportation Authority Board (Board) at a legally noticed and conducted public meeting. Overall policy direction of this Debt Policy shall be provided by the Board. Responsibility for implementation of the Debt Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's debt and finance program, shall lie with the Executive Director. The Board's adoption of the ~~Transportation Authority~~ Annual Budget does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board specifically authorize each debt financing. Each financing shall be presented to the Board in the context of and consistent with the Annual Budget.

While adherence to this Policy is required in applicable circumstances, the Transportation Authority recognizes that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained.

IV. ETHICS AND CONFLICTS OF INTEREST

Officers, ~~and~~ employee or agents of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.



V. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan—~~(Strategic Plan)~~, which programs the Proposition K Sales Tax (Prop K) Expenditure Plan, shall be used in combination with this Debt Policy and the Fiscal Policy to ensure proper allocation and financing of Prop K eligible projects. The Strategic Plan sets priorities and strategies for allocating Prop K funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management. Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.

VI. STANDARDS FOR USE OF DEBT FINANCING

The Transportation Authority's debt management program will promote debt issuance only in those cases where public policy, equity and economic efficiency favor debt over cash (pay-as-you-go) financing.

A. Credit Quality.

Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated ~~the~~ size and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.

B. Long-Term Capital Projects.

The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the debt repayment period should not exceed the earliest of the following: (1) 120% of the useful life of the project being financed, (2) the end of the term of the current sales tax Expenditure Plan or (3) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax principles.

C. Debt Financing Mechanism.

The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable), short-term debt, commercial paper, sales tax revenue and grant anticipation notes, private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.

D. Ongoing Debt Administration and Internal Controls.

The Transportation Authority shall maintain all debt-related records for a period for no less than the term of the debt. At a minimum, this repository will include all official statements, bid



documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and other agreements, etc. for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority will develop a standard procedure for archiving transcripts for any new debt. The Transportation Authority will establish internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.

E. Rebate Policy and System.

The Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, and with applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the ~~Transportation Authority~~ Investment Policy. The Transportation Authority will develop a system of reporting interest earnings that relates to and complies with any tax certificates relating to its outstanding debt and Internal Revenue Code rebate, yield limits and arbitrage, and making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificates. The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.

VII. FINANCING CRITERIA

A. Purpose of Debt.

When the Transportation Authority determines the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. NEW MONEY FINANCING.

New money issues are financings that generate funding for capital projects. Eligible capital projects for allocation of Transportation Authority funds include the acquisition, construction or major rehabilitation of capital assets. In accordance with the philosophy of the Debt Policy, debt proceeds generally may not be used ~~exclusively~~ for operating expenses. The Capital project funding requirements are outlined in the annual budget, the Strategic Plan and the Expenditure Plan.

2. REFUNDING FINANCING.

Refunding bonds are issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section X: Refinancing Outstanding Debt.



B. Types of Debt.

When the Transportation Authority determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. **LONG-TERM DEBT.**

The Transportation Authority may issue long-term debt (e.g. fixed or variable rate revenue bonds) when funding allocations cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that the obligations do not exceed the earliest of the following: (a) 120% of the expected average useful life of the project(s) financed, (b) the sunset date of the current sales tax Expenditure Plan or (c) forty (40) years from the date of issuance.

Fixed Rate

- a) *Current Coupon Bonds* are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be adjusted to accommodate the market conditions at the time of sale, including changing dollar amounts for principal maturities, offering discount and premium bond pricing, modifying call provisions, utilizing bond insurance, and determining how to fund the debt service reserve fund and costs of issuance.
- b) *Zero Coupon and Capital Appreciation Bonds* pay interest that is compounded and paid only when principal matures. Interest continues to accrue on the unpaid interest, and these types of bonds typically bear interest at rates that are higher than those on current-coupon bonds, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal paid at maturity is discounted back to the initial investment amount received at issuance. In the case of capital appreciation bonds, interest on the bond accretes until maturity.
- c) *Special Government Obligations (both tax-exempt and taxable)*, such as the Build America Bond program authorized for calendar years 2009 and 2010 or any other type of new municipal security, structure or tax credit authorized by the Federal Government to assist local governments in accessing the capital markets. So long as the new program's requirements allow the Transportation Authority to adhere to its Debt Policy, the Transportation Authority will evaluate it along with traditional financing structures in order to determine which is the most appropriate for a particular issuance.

Variable Rate

- a) *Variable Rate Demand Notes (VRDBs)* are long-term bonds with a fixed principle amortization but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable given current market conditions. VRDBs often require credit enhancement and third party liquidity in the forms of Letters or Lines of Credit and/or bond insurance. VRDBs generally allow bondholders to "put" their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket ~~these~~ bonds that are "put."



- b) *Indexed Notes* are forms of variable rate debt that do not require Letters or Lines of Credit. These forms of variable rate debt have a fixed spread to a certain identified index such as SIFMA. The rate will reset either on a weekly, monthly, or other basis.

2. SHORT-TERM DEBT.

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority's commercial paper program, short-term borrowings may also be utilized for funding of the Transportation Authority's capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

- a) *Commercial Paper Notes* may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed. In March 2004, the Board approved a \$200 million tax-exempt commercial paper program. Periodic issuances or a retirement of commercial paper notes within the \$200 million Board-approved program do not require further Board action. The retirement of commercial paper is most commonly a result of the issuance of long-term bonds or the repaying of principal from cash on hand.
- b) *Grant Anticipation Notes (GANs)* are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.
- c) *Sales Tax and Revenue Anticipation Notes (SRANs)* shall be issued only to meet sales tax revenue cash flow needs consistent with a finding by bond counsel that that the sizing of the issue fully conforms to Federal tax requirements and limitations for tax-exempt borrowings.
- d) *Letters or Lines of Credit* shall be considered as an alternative to or credit support for other short-term borrowing options.
- e) *Transportation Infrastructure Finance Innovation Act (TIFIA) Loan* is a loan provided by the United States Department of Transportation for certain transportation projects of regional importance. The Transportation Authority may elect to apply for a TIFIA loan if it is determined that it is the most cost effective debt financing option available.
- f) *Grant Anticipation Revenue Vehicle Financing (GARVEE)* are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants. The Transportation Authority may consider the issuance of GARVEEs to meet cash flow shortfalls of grant revenues.

3. VARIABLE RATE DEBT.

To maintain a predictable debt service burden, the Transportation Authority may give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is floating or variable rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the Transportation Authority's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower initial cost of borrowing than fixed rate



financing and shorter maturities but carries both interest rate and liquidity risk. Under no circumstances will the Transportation Authority issue variable rate debt solely for the purpose of earning arbitrage. The Transportation Authority, however, may consider variable rate debt in certain instances.

- a) *Variable Rate Debt Capacity.* Except for the existing \$200 million commercial paper program (which is not covered by the following requirements of variable rate debt), the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:
- (1) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.
 - (2) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
 - (3) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt, subject to other provisions of the Debt Policy regarding Financial Derivative Products.

4. FINANCIAL DERIVATIVE PRODUCTS.

Financial Derivative Products such as interest rate swaps will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces the risk of fluctuations in expense or revenue, or alternatively where the derivative product will significantly reduce total project cost. Financial Derivative Products shall be considered only: (1) after a thorough evaluation of risks associated therewith, including counterparty credit risk, basis risk, tax risk, termination risk and liquidity risk, (2) after consideration of the potential impact on the Transportation Authority's ability to refinance bonds at a future date and (3) after the Board has adopted separate policy guidelines for the use of interest rate swaps and other Financial Derivative Products. Derivative products will only be utilized with prior approval from the Board.

VIII. TERMS AND CONDITIONS OF BONDS

The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:

A. Term.

All capital improvements financed through the issuance of debt will be financed for a period not to exceed 120% of the expected average useful life of the assets being financed, and in no event should exceed the lesser of forty (40) years or the period of time until sunset of the current ~~Transportation Authority sales tax~~ Expenditure Plan.

**B. Capitalized Interest.**

The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, the Transportation Authority will avoid the use of capitalized interest to obviate unnecessarily increasing the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion, be applied to extend the term of capitalized interest but in no event beyond the authorized term.

C. Lien Levels.

Senior and Junior Liens for each revenue source will be utilized in a manner that will maximize the most critical constraint, typically either cost or capacity, thus allowing for the most beneficial use of the revenue source securing the bond.

D. Additional Bonds Test.

Any new senior lien debt issuance must not cause the Transportation Authority's debt service, net of any Federal subsidy or credit, to exceed the level at which the incoming revenues are less than one and a half times (1.5x) the maximum annual principal, interest and debt service, net of any Federal subsidy or credit, for the aggregate outstanding senior lien bonds including the debt service for the new issuance.

E. Debt Service Structure.

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The Transportation Authority will amortize its debt within each lien to achieve overall level debt service (though principal may be deferred in the early years of a bond issue to maximize the availability of pay-as-you-go dollars during that time) or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The Transportation Authority shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to level existing debt service.

F. Call Provisions.

In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. The Transportation Authority may determine that no call feature or a different call feature is appropriate in some circumstances.

G. Original Issue Discount.

An original issue discount or original issue premium will be permitted only if the Transportation Authority determines that such discount or premium results in a lower true interest cost on the bonds and that the use of an original issue discount or original issue premium will not adversely affect the project identified by the bond documents.



H. Deep Discount Bonds.

Deep discount bonds may provide a lower cost of borrowing in certain markets though they may also limit opportunities to refinance at lower rates in the future. The Transportation Authority will carefully consider their value and the effect on any future refinancings as a result of the lower-than-market coupon.

I. Derivative Products.

The Transportation Authority will consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where the derivative product will reduce the total project cost. If interest rate swaps are considered, the Transportation Authority shall develop and maintain an Interest Rate Swap Policy governing the use and terms of these derivative products. For derivatives other than interest rate swaps, the Transportation Authority will undertake an analysis of early termination costs and other conditional terms given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of a particular derivative product. Derivative products will only be utilized with prior approval from the Board.

J. Multiple Series.

In instances where multiple series of bonds are to be issued, the Transportation Authority shall make a final determination as to which allocations are of the highest priority. Projects chosen for priority financing, based on funding availability and proposed timing, will generally be subject to the earliest or most senior of the bond series.

IX. CREDIT ENHANCEMENTS

The Transportation Authority will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or positive impact on overall debt capacity can be shown shall enhancement be considered. The Transportation Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. Bond Insurance.

The Transportation Authority shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds.

B. Debt Service Reserves.

When required, a reserve fund equal to not more than the lesser of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five (125%) percent of average annual debt service (the "Reserve Requirement") shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers, rating agencies and/or other investors requirements.



The Transportation Authority shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

C. Liquidity Facilities and Letters of Credit.

The Transportation Authority shall have the authority to enter into liquidity facilities and letter-of-credit agreements when such agreements are deemed prudent and advantageous. Only those financial institutions with short-term ratings of not less than VMIG 1/P1, A-1 and F1, by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively, and with ratings from at least two of the three aforementioned ratings agencies may participate in Transportation Authority liquidity facilities and letter of credit agreements.

X. REFINANCING OUTSTANDING DEBT

The Transportation Authority shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Transportation Authority will consider the following issues when analyzing possible refunding opportunities:

A. Debt Service Savings.

The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the refunded bond principal amount unless there are other compelling reasons for defeasance undertaking the refunding. Additionally, the Transportation Authority has established a minimum present value savings threshold goal of five (5) percent of the refunded bond principal amount for refundings involving derivative products such as the issuance of synthetic fixed rate refunding debt service unless there are other compelling reasons for defeasance undertaking the refunding. For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Transportation Authority Board.

B. Restructuring.

The Transportation Authority will refund debt when in its best interest to do so. Refundings will include restructuring to meet unanticipated revenue expectations, terminate swaps, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

C. Term of Refunding Issues.

The Transportation Authority will refund bonds within the term of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.



D. Escrow Structuring.

The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Such certificate shall not be required in the case of SLGs purchased directly from the U.S. Treasury. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation Authority from its own account.

E. Arbitrage.

The Transportation Authority shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

F. Commercial Paper Program.

The requirements of this Section X shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes.

XI. METHODS OF ISSUANCE

The Transportation Authority will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

A. Competitive Sale

In a competitive sale, the Transportation Authority's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) Participation from Disadvantaged Business Enterprise (DBE) firms is best effort and not required for winning bid
- d) There are no complex explanations required during marketing regarding issuer's projects, media coverage, political structure, political support, funding or credit quality
- e) The bond type and structure are conventional
- f) Bond insurance is included or pre-qualified (available)
- g) Manageable transaction size
- h) Issuer has strong credit rating
- i) Issuer is well known to investors

**B. Negotiated Sale.**

The Transportation Authority recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows:

- a) Bond prices are volatile
- b) Demand is weak or supply or competing bonds is high
- c) Market timing is important, such as for refundings
- d) Issuer has lower or weakening credit rating
- e) Issuer is not well known to investors
- f) Sale and marketing of the bonds will require complex explanations about the issuer's projects, media coverage, political structure, political support, funding, or credit quality
- g) The bond type and/or structural features are non-standard, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products
- h) Bond insurance is not available or not offered
- i) Early structuring and market participation by underwriters are desired
- j) The par amount for the transaction is significantly larger than normal
- k) Demand for the bonds by retail investors is expected to be high
- l) Participation from DBE firms is required

C. Private Placement.

From time to time the Transportation Authority may elect to privately place its debt. Such placement shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate.

D. Issuance Method Analysis.

The Transportation Authority shall evaluate each method of issuance based on the factors set forth above.

E. Investor Outreach

The Transportation Authority shall participate in informational meetings or conference calls with institutional investors in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes.

F. Feasibility Analysis.

Issuance of revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.



XII. MARKET RELATIONSHIPS

A. Rating Agencies and Investors.

The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's and Fitch Ratings. The Transportation Authority may, from time-to-time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent as advantageous, and (2) prior to each competitive or negotiated sale, offer conference calls or meetings with agency analysts in connection with the planned sale.

B. Transportation Authority Communication.

The Executive Director shall include in the annual report to the Board feedback from rating agencies and/or investors regarding the Transportation Authority's financial strengths and weaknesses and recommendations for addressing any weaknesses.

C. Continuing Disclosure.

After entering into a Continuing Disclosure undertaking, the Transportation Authority shall comply with the terms of such undertaking. The failure to make timely filings must be disclosed and reflects negatively on the Transportation Authority. The Executive Director will take all reasonable steps to ensure that the Transportation Authority's files timely annual reports and event notices with the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system ~~(EMMA)~~.

D. Rebate Reporting.

The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. Therefore, the Executive Director shall take all reasonable steps to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

E. Other Jurisdictions.

From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings ~~or that the credit enhancement is obtained~~ (including, where necessary, through the use of credit enhancement).

F. Fees.

The Transportation Authority will charge recipients of debt issuance proceeds an administrative fee equal to the recipient's pro rata share of administrative costs incurred by the Transportation Authority by issuing debt.



XIII. CONSULTANTS

The Transportation Authority shall select its primary consultant(s) by competitive qualifications-based process through Request for Proposals.

A. Selection of Financing Team Members.

The Executive Director will make recommendations for all financing team members, with the Board providing final approval.

B. Financial Advisor.

The Transportation Authority shall utilize a financial advisor to assist in its debt issuance and debt administration processes as prudent. Selection of the Transportation Authority's financial advisor(s) shall be based on, but not limited to, the following criteria:

- a) Experience in providing consulting services to complex issuers
- b) Knowledge and experience in structuring and analyzing complex issues
- c) Experience and reputation of assigned personnel
- d) Fees and expenses

Financial advisory services provided to the Transportation Authority shall include, but shall not be limited to the following:

- a) Evaluation of risks and opportunities associated with debt issuance
- b) Monitoring marketing opportunities
- c) Evaluation of proposals submitted to the Transportation Authority by investment banking firms
- d) Structuring and pricing
- e) Preparation of request for proposals for other financial services such as trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.
- f) Advice, assistance and preparation for presentations with rating agencies and investors
- g) Assisting in preparation of official statements

The Transportation Authority also expects that its financial advisor will provide the Transportation Authority with objective advice and analysis, maintain the confidentiality of Transportation Authority financial plans, and be free from any conflicts of interest.

C. Bond Counsel.

Transportation Authority debt will include a written opinion by legal counsel affirming that the Transportation Authority is authorized to issue the proposed debt, that the Transportation Authority has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by nationally-recognized counsel with extensive experience in public finance and tax issues. ~~The e~~Counsel will be selected by the Transportation Authority through its request for proposal process.

The services of bond counsel may include , but are not limited to:



- a) Rendering a legal opinion with respect to authorization and valid issuance of debt obligations including whether the interest paid on the debt is tax exempt under federal and State of California law;
- b) Preparing all necessary legal documents in connection with authorization, sale, issuance and delivery of bonds and other obligations;
- c) Assisting in the preparation of the preliminary and final official statements and commercial paper memorandum;
- d) Participating in discussions with potential investors, insurers and credit rating agencies, if requested; and
- e) Providing continuing advice, as requested, on the proper use and administration of bond proceeds under applicable laws and the indenture, particularly arbitrage tracking and rebate requirements.

XIV. UNDERWRITER SELECTION

A. Senior Manager Selection.

The Transportation Authority shall have the right to select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to the following:

- a) The firm's ability and experience in managing complex transactions
- b) Demonstrated ability to structure debt issues efficiently and effectively
- c) Prior knowledge and experience with the Transportation Authority
- d) The firm's willingness to risk capital and demonstration of such risk
- e) The firm's ability to sell bonds
- f) Quality and experience of personnel assigned to the Transportation Authority's engagement
- g) Financing plan presented

B. Co-Manager Selection.

Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Transportation Authority's bonds.

C. Selling Groups.

The Transportation Authority may establish selling groups in certain transactions. To the extent that selling groups are used, the Transportation Authority may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

D. Underwriter's Counsel.

In any negotiated sale of Transportation Authority debt in which legal counsel is required to represent the underwriter, the lead underwriter will make the appointment, subject to Transportation Authority consent.



E. Underwriter's Discount.

- a) The Transportation Authority will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Transportation Authority will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.
- b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Transportation Authority. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

F. Evaluation of Financing Team Performance.

The Transportation Authority will evaluate each bond sale after its completion to assess the following: costs of issuance, including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Transportation Authority shall provide a post-sale evaluation on the results of the sale to the Board.

G. Syndicate Policies.

For each negotiated transaction, the Executive Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

H. Designation Policies.

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the Transportation Authority's bonds will be net designated, unless otherwise expressly stated. The Transportation Authority shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group
- b) Comply with MSRB regulations governing the priority of orders and allocations
- c) Within 10 working days after the sale date, submit to the Executive Director a detail of orders, allocations and other relevant information pertaining to the Transportation Authority's sale.

I. Disclosure by Financing Team Members.

All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, under no circumstances will agreements be permitted which could compromise the firm's ability to provide independent advice which is solely in the Transportation Authority's best interests or which could reasonably be perceived as a conflict of interest.



GLOSSARY

Arbitrage. The difference between the interest paid on ~~the~~ an issue of tax exempt ~~securities debt~~ and the interest earned by investing the ~~security debt~~ proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage earned pursuant to the investment of on the proceeds ~~from issuance~~ of tax-exempt municipal securities.

Balloon Maturity. A ~~later~~-maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue.

Bullet Maturity. Maturity for which there are no sinking fund payments prior to the stated maturity date.

Call Provisions. The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Competitive Sale. A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure. The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

DBE. Disadvantaged Business Enterprises as defined by the Transportation Authority's current DBE policy.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds that are priced for sale at a substantial discount from their face or par value.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Designation Policies. Outline as to how an investor's order is filled when a maturity in an underwriting syndicate is oversubscribed. The senior managing underwriter and issuer decide show the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy. The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.



Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Grant Anticipation Notes (GANs). Short-term notes issued by the government unit, usually for capital projects, which are paid from the proceeds of State or Federal grants of any type.

Grant Anticipation Revenue Vehicle Financing (GARVEE) are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants.

Letters of Credit. A bank credit facility supporting the payment of bonds wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Original Issue Premium. The amount by which the public offering price of an issue exceeds its original par amount at the time it is originally offered to an investor.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or a limited number of investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment subject to certain exceptions.

Sales Tax and Revenue Anticipation Notes (TRANs). Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other anticipated revenue sources.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather as those who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Transportation Infrastructure Finance Innovation Act (TIFIA). Loans and loan guaranty program provided by the United States Department of Transportation for transportation projects of regional importance.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.



Underwriter's Discount. The difference between the price at which the Underwriter buys bonds from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement as, stated in the bond contract.



FISCAL POLICY

I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority's adopted Administrative Code, the current Proposition K Sales Tax Expenditure Plan, federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Debt Policy, and adopted Investment Policies. Overall policy direction shall be the responsibility of the Transportation Authority Board (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Transportation Authority Executive Director (Executive Director). This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. ANNUAL BUDGET PROCESS

The ~~Transportation Authority~~ Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, procurement and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

A. PREPARATION AND REVIEW OF A DRAFT BUDGET

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition K Sales Tax (Prop K) Administrator; San Francisco Congestion Management Agency (CMA); and San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA). Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.



B. PUBLIC REVIEW OF DRAFT BUDGET

The draft budget ~~shall be presented at a public hearing~~ ~~is subject to public consideration in the form of a public hearing~~ at a publicly noticed Transportation Authority meeting ~~prior to being approved by the Board~~. Notice of the time and place of the public meeting shall be published pursuant to Section 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.

C. ADOPTION OF A FINAL BUDGET

As established by the ~~Transportation Authority's~~ Administrative Code, the Transportation Authority Finance Committee shall be responsible for review of the proposed overall operating and capital budget of the Transportation Authority. The Finance Committee shall set the budget parameters (spending limits) by budget line item as detailed in Section III.A. ~~Preparation and Review of a Draft Budget~~ Preparation and Review of a Draft Budget, and shall recommend adoption of the draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. The continuing resolution shall include a date certain by which the annual budget will be adopted.

D. AMENDMENTS TO THE ADOPTED BUDGET

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Finance Committee shall be responsible for review of the proposed amended adopted final budget, and for making a recommendation regarding the amended final budget to the Board. The amended final budget shall be adopted by Board resolution.

IV. BUDGET REQUIREMENTS

A. ADMINISTRATIVE OPERATING EXPENSES

Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including among others, ~~other related expenses such as~~ staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.

1. SALARIES AND BENEFITS

The Board shall budget annually for the compensation (salaries and benefits) of its staff. Pursuant to the Transportation Authority's enabling legislation (Sections 131100 et seq of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop K revenues for the salaries and benefits of Prop K program administrative personnel, and will follow applicable statutes for all other staff expenses.



2. EMERGENCY EXPENDITURES

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Finance Committee within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

3. PETTY CASH

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures shall may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include but not be limited to, outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary and convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

B. DEBT SERVICE

Proposed debt service includes debt service of outstanding debt as well as of anticipated financings within the fiscal year. Decisions to fund capital expenditures through debt issuance must adhere to the policies outlined in the Transportation Authority's most current adopted Strategic Plan and the ~~Transportation Authority~~ Debt Policy.

C. CAPITAL EXPENDITURES

Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop K Administrator, Proposition AA Administrator, and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.

D. PROGRAM AND OPERATING RESERVE

The Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of the estimated net annual sales tax revenue as a hedge against an emergency occurring during the budgeted fiscal year. The adopted final budget, as it may be amended as provided in this Policy, will demonstrate the percentage and amount set aside in the reserve as a separate budget line item.

E. OTHER FUNCTIONAL CATEGORIES

The Executive Director may designate other functional categories as deemed appropriate or necessary.

V. CAPITAL EXPENDITURE ALLOCATIONS

As provided by the ~~Transportation Authority's~~ Administrative Code, the Plans & Programs Committee shall be responsible for recommending allocation of funding for those capital



expenditure programs and projects in the adopted final budget. The Board shall be responsible for reviewing the Plans & Programs Committee's recommendation and allocating project funds by resolution. The Transportation Authority will adopt, maintain and periodically update a multi-year strategic plan that derives from the provisions of the ~~Prop K~~-Expenditure Plan and outlines the categories, funding and delivery priority of projects to be funded. The Strategic Plan shall encompass the period remaining on the ~~Prop K~~-Expenditure Plan and shall be updated periodically as necessary. The Strategic Plan and its governing policies shall be used in combination with the Fiscal and Debt Policies to ensure the proper allocation of funds for and timely financing of eligible programs and projects. No allocations shall be approved that are inconsistent with the adopted Strategic Plan in force at the time of the allocation.

Changes in the capital expenditure supplemental budget documentation do not constitute a budget revision unless such changes exceed authorization for the respective budget line item. Any changes that exceed the amount of the budget line item will require an amendment to the approved final budget to be recommended by the Finance Committee and adopted by the Board. The total allocated capital funding for each Transportation Authority role should be no greater than the respective Capital Expenditures budget line item for the fiscal year.

For allocations with multi-year cash distributions, the allocation resolution shall spell out the maximum reimbursement level per fiscal year, and only the reimbursement amount authorized in the year of allocation shall count against the Capital Expenditures line item for that budget year. The Capital Expenditures line item for subsequent year annual budgets shall reflect the maximum reimbursement schedule amounts committed through the original and any subsequent allocation actions. The Transportation Authority will not guarantee reimbursement levels higher than those adopted in the original and any subsequent allocation actions.

VI. DEBT ISSUANCE

As defined by the ~~Transportation Authority's~~ Administrative Code and its Debt Policy, the Finance Committee shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for ~~the debt issuance program~~ guidelines regarding the issuance and management of debt for financing eligible programs and projects.

VII. INVESTMENTS

As defined by the ~~Transportation Authority's~~ Administrative Code and its Investment Policy, the Finance Committee shall be responsible for oversight of the investment program for Transportation Authority funds. Please refer to the current version of the Investment Policy maintained by the Transportation Authority, for the investment program guidelines regarding all funds and investment-related activities of the Transportation Authority.

VIII. REPORTING REQUIREMENTS

The Executive Director shall report to the Finance Committee at least on a quarterly basis on the Transportation Authority's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy, the Transportation Authority debt program and the Transportation Authority investment program. The Finance Committee shall cause the Transportation Authority's financial transactions and records to be audited by an independent,



certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

IX. PROCUREMENT OF GOODS AND SERVICES

It shall be the policy of the Transportation Authority to competitively bid the procurement of goods and services. Procurements in amounts greater than seventy-five thousand dollars (\$75,000) shall require a formal bid process including advertising requests for bids and/or proposals in appropriate local newspapers or other media outlets. Pursuant to California Public Utilities Code Sections 131285 and 131286, formal procurement of supplies, equipment, and materials in excess of \$75,000 shall be awarded to the lowest responsible bidder after competitive ~~bedding~~ bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Transportation Authority, or, if after rejecting bids received, the Transportation Authority determines and declares by a two-thirds vote of all of its voting members that, in its opinion the supplies, equipment or materials may be purchased at a lower price in the open market.

Procurements of supplies, equipment, and materials in amounts equal to or less than \$75,000 shall be awarded to the lowest responsive bidder following an informal competitive bid process.

The selection of professional services, ~~of such as legal, financial advisory,~~ private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy.

All procurement transactions, regardless of dollar value and regardless of whether by sealed bid, informal quote, or by negotiation, shall be conducted in a manner that promotes free and open competition.

A. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENT

Any procurement whether formal or informal shall comply with the Transportation Authority's applicable non-discrimination, minority/local/women-owned business and other applicable contracting policies in place at the time of procurement.

B. CONFLICT OF INTEREST

No employee, officer or agent of the Transportation Authority shall participate in the selection or in the award or administration of a contract if such participation would result in a conflict of interest, real or apparent, as defined by state statute and applicable case law. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

C. CONTRACTS

Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts ~~are consistent with were identified and included in~~ the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that



the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 and so long as the amendment is consistent with the adopted final budget.

The foregoing notwithstanding, the Executive Director is authorized to execute, without prior Board approval, all standard grant agreements based upon a grant award to a sponsoring agency for programs and projects defined in the adopted final budget supplemental documentation, or as approved by specific Board action.

No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in excess of its ability to pay, as defined by the adopted final budget and the Strategic Plan. All expenditures shall comply with all federal, state, and local statutory and other legal restrictions placed on the use of said funds.

The Transportation Authority shall establish contracts for banking, investment and standard accounting services. Said contracts shall include provisions for the receipt, maintenance, investment and disbursement of funds, payroll functions, and ongoing financial data reports as required by the Transportation Authority.



INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related ~~activities~~procedures.

The investment policies and ~~practices-procedures~~ of the San Francisco County Transportation Authority (~~the~~ Transportation Authority) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds will be further restricted by the provisions of relevant bond documents.

II. SCOPE

This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.

Bond proceeds shall be invested in the securities permitted pursuant to Transportation Authority Board-approved (Board) bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section IX below, bond proceeds may also be invested in investment and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

III. PRUDENT INVESTOR STANDARD

In managing its investment program, the Transportation Authority will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence and diligence, taking into account the prevailing circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

IV. OBJECTIVES

The primary objectives, in priority order, for the Transportation Authority's investment activities are:

- 1) **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.



- 3) **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the ~~Transportation Authority~~ Board and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

VI. ETHICS AND CONFLICT OF INTEREST

Officers, ~~and~~ employees and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

VII. INTERNAL CONTROLS

The Transportation Authority will establish internal controls to ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the Transportation Authority will establish and maintain a list of approved security broker/dealers, selected on the basis of credit worthiness, that are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

IX. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to



be followed will then be decided on a case-by-case basis, considering such factors as the reason for the ~~rate dropping reduction~~, prognosis for recovery or further ~~rate dropping reductions~~ and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlay a repurchase agreement will be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.



7. Commercial paper of “prime” quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated “A” or higher by a NRSRO; or (2) the corporation will be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated “A-1” or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days’ maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority’s portfolio.
8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category “A” or better by a NRSRO. Purchases of medium-term notes will not exceed 30 percent of the Transportation Authority’s portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Purchases of time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority’s portfolio.

To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. The FFIEC provides an overall assessment of the insured depositories’ ability to meet the credit needs of their communities, consistent with safe and sound operations.
10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority’s portfolio.
11. State of California’s Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
12. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments



permitted by subdivisions (a) to (o) of Section 53601 of the Government Code of California, as it may be amended.

13. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is covered by federal deposit insurance. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.
14. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
15. The San Francisco City and County Treasury Pool. There is no limitation as to the percentage of the portfolio that may be invested in this category. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the ~~Transportation Authority Board of Commissioners~~ prior to purchase or acceptance.
16. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall have meet either of the following criteria:
 - Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
 - Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

X. INELIGIBLE INVESTMENTS

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.



XI. MAXIMUM MATURITY

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

XII. REPORTING REQUIREMENTS

The Executive Director will submit a quarterly list of transactions to the ~~Transportation Authority~~ Board. In addition, the Executive Director will submit to the Board an investment report each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date
- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the ~~Transportation Authority~~ Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

XIII. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

**XIV. INVESTMENT POLICY REVIEW**

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



GLOSSARY

AGENCIES. Federal agency securities and/or Government-sponsored enterprises.

ASKED. The price at which securities are offered.

BANKERS' ACCEPTANCE (BA). A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID. The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER. A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL. Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON. (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT. There are two methods of delivery of securities. delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT. The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES. Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, *e.g.*, U.S. Treasury Bills.

DIVERSIFICATION. Dividing investment funds among a variety of securities offering independent returns.



FEDERAL CREDIT AGENCIES. Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE. The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB). Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA). FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC). Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM. The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL STATEMENTS. Financial statements are an overview of the agency's finances and shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae). Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.



LOCAL GOVERNMENT INVESTMENT POOL (LGIP). The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE. The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT. A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY. The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER. The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS. Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO. Collection of securities held by an investor.

PRIMARY DEALER. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE. An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORY. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO). A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.



SAFEKEEPING. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET. A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC). Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1. See Uniform Net Capital Rule.

STRUCTURED NOTES. Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE. Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD. The rate of annual income return on an investment, expressed as a percentage. (a) *INCOME YIELD* is obtained by dividing the current dollar income by the current market price for the security. (b) *NET YIELD* or *YIELD TO MATURITY* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



PROCUREMENT POLICY

I. INTRODUCTION

The Procurement Policy is designed to guide decisions pertaining to procurement, including the modes, methods and procedures for acquiring the materials, equipment and services necessary to carry out the operations of the San Francisco County Transportation Authority (Transportation Authority). This policy is intended to establish the manner in which all Transportation Authority procurement activities shall be conducted, and define the requirements and/or limitations for the Transportation Authority and those individuals, firms or agencies doing business with the Transportation Authority. It is intended to be consistent with the Transportation Authority's Administrative Code, the Proposition K Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Procurement Policy applies to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless otherwise specifically provided. The Transportation Authority may enter into an agreement to solicit and award contracts on behalf of a sponsoring agency, if requested and if it is determined to be in the best interest of the Transportation Authority and the sponsoring agency. The award of such contracts shall be for goods and services for programs or projects contained in the Expenditure Plan.

The Procurement Policy provides guidelines for procuring materials and supplies, professional and technical services, and lease and rental agreements. The Procurement Policy is separate from, but shall be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Fiscal Policy and Disadvantaged Business Enterprise (DBE) and Local Business Enterprise (LBE) Policy, as applicable. Overall policy direction shall be the responsibility of the Transportation Authority Board (Board). Responsibility for implementation of the Procurement Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Executive Director. This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. PROCUREMENT PROCESS

Open competition is the basis for efficient, economic and fair public procurement. It is the policy of the Transportation Authority to competitively bid the procurement of all goods and services, and to encourage small and local firms to do business with the Transportation Authority. All procurement activities are considered to be contractual obligations encompassing financial compensation in return for the rendering of specific goods and/or services. All procurements are to be negotiated on a fixed-price or cost plus fee basis.



A. General Provisions

All procurement transactions, regardless of purchasing methodology or dollar value, shall be conducted in a manner that maximizes open and free competition. Solicitation for offers, whether by an informal or formal bid process or through competitive negotiation shall:

1. incorporate a clear and accurate description of the technical requirements for the materials, product or services to be procured; and
2. clearly set forth all requirements which bidders must fulfill, and all other factors to be used in evaluating the proposals.

All bids or proposals must be submitted to and received ~~to~~at the location designated no later than the exact time and date stated in bid or proposal requirements, and must be date- and ~~time-~~stamped and logged as received by Transportation Authority personnel. Bids or proposals received after the date and time deadline will be returned unopened and will be considered as disqualified. A bid or proposal may be withdrawn prior to bid or proposal opening for any reason by a bidder or his/her authorized representative, provided a written request to withdraw is received by the Transportation Authority prior to bid or proposal opening. After bid or proposal opening, a bid or proposal may be withdrawn only for material obvious error(s) and subject to ~~the~~ written approval by the Executive Director.

The Transportation Authority reserves the right to modify and/or suspend any and all aspects, terms, conditions and requirements of any procurement, to obtain further information from any firm or person responding to the procurement, to waive any informality or irregularity as to form or content of the procurement document or any response thereto, to be the sole judge of the merits of the bids or proposals received, and to reject any or all bids or proposals for any reason provided that such actions are made in accordance with federal and state laws.

Contract awards shall be made only to responsive and responsible contractors that possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as compliance with public policy, record of past performance, and financial and technical resources. False statements in proposals will be a basis for disqualification. All contract awards shall be documented by written purchase order, written contract or written memorandum. Contracts, including all options therein, will generally be limited to a maximum period of five (5) years.

The Transportation Authority annual budget establishes the monetary limits for the procurement of goods and services subject to this Policy. All procurements, whether formal or informal, shall be in compliance with the Transportation Authority's non-discrimination policy, DBE/LBE Policy, if applicable, and any other Transportation Authority contracting policy in effect at the time of the procurement.

B. Conflict of Interest

No employee, officer or agent of the Transportation Authority shall participate in the procurement process, or in the award or administration of a contract, if such participation would result in a conflict of interest, real or apparent, as defined by state and federal laws. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. The



Transportation Authority shall be subject to Articles 1 and 3 of Title 9, Chapter 7 of the California Government Code and the regulations which implement those provisions as well as the San Francisco County Transportation Authority Conflict of Interest Code.

C. Informal Bid Process

Solicitations for goods and services that are anticipated to be equal to or less than \$75,000 may go through an informal Request for Proposal (RFP) or bid process. Quotes may be requested by telephone, via the Internet or through the mail from known qualified vendors or from current vendor catalogs and/or websites. Routine purchases in the amount of \$25,000 or less should be distributed equitably among qualified competitively priced suppliers, with consideration given to DBE/LBE utilization as applicable and as permitted by law. It is not permissible to segment the contract or use multiple solicitations for similar goods or services in order to circumvent the limitation for formal solicitation.

The informal bid or solicitation process shall include a minimum of three quotes from potential providers to ascertain that the proposed price is fair and reasonable. Transportation Authority files shall maintain support documentation demonstrating that a sufficient number of quotes were obtained.

Except in the case of an emergency, or a finding by the Board by two-thirds vote of all its voting members that, in its opinion, the supplies, equipment or materials may be purchased at a lower price in the open market, awards of contracts for supplies, equipment and materials in excess of \$25,000 shall be awarded to the lowest responsible and responsive bidder. Awards of contracts for supplies, equipment and materials not in excess of \$25,000 will generally be awarded to the lowest bidder after a competitive process, but other factors including but not limited to delivery date and known performance and, if applicable and permitted by law, DBE/LBE participation may be considered in selecting the vendor.

Awards of contracts for professional services, including legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, and at a price that is fair and reasonable, in accordance with state and federal laws.

D. Formal Bid Process

Solicitation of goods and/or services that are anticipated to be in excess of \$75,000 shall be required to go through a formal Request for Proposal (RFP) or Invitation for Bid (IFB) process. An RFP process will also be used to procure professional and technical services as applicable in accordance with the provisions of California Government Code Section 4526 and applicable federal laws and regulations. Award of a contract for professional services will be qualifications-based and will consider multiple factors that will be clearly stated in the RFP, although price may be considered during the negotiation of the contract. Procurement for establishing an on-call or preapproved list of professional services providers shall be based on a qualifications-based process in accordance with state and federal law, and price may be taken into consideration when negotiating a contract with a firm selected from such a list to fulfill task orders.



For procurements anticipated to be in excess of \$75,000, an Invitation for Bids (IFB) process will be used to procure all supplies, equipment, or materials that are standard in nature, character, and quality; easily defined; and/or reasonably accessible in the open market. Award will be made to the lowest responsive and responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Board pursuant to California Public Utilities Code Section 131285. If, after rejecting bids received, the Transportation Authority, pursuant to California Public Utilities Code Section 131286, determines and declares by a two-thirds vote of the voting membership of the Board that, in its opinion, the supplies, equipment, or materials may be purchased at a lower price in the open market, the Transportation Authority may proceed to purchase these supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisement.

Solicitation for offers in the formal bid process shall include the following:

1. A clear and accurate written description of the project scope and deliverables, and technical requirements for the materials, product, or service being procured;
2. Special conditions or restricting policies, policy goals such as DBE/LBE goals, if applicable, patents, liquidated damages and performance, bid or indemnification requirements;
3. Proposed timetable for the project or service;
4. General format requirements and number of copies/items (if applicable) to be delivered;
5. Date of pre-proposal conference, if applicable;
6. A clear definition of the evaluation criteria to be used in evaluating the bids or proposals; and
7. Date, time, and place for submission of final bids or proposals.

If a pre-proposal conference is held, a listing of those in attendance showing name(s) of attendees and agency or company represented shall be maintained in the resulting contract files.

Responses to RFPs for professional and technical services shall require identification of the bidders or proposer's key employees and subcontractors. Bidders or proposers shall be required to notify the Transportation Authority of any pending lawsuits or labor disputes that may interfere with the delivery of services.

Procurements in amounts greater than \$75,000 shall require a formal notice process including advertising requests for bids or proposals in local appropriate newspapers or other media outlets. Notice should occur with sufficient time to allow bidders or proposers reasonable time in which to respond. The term "reasonable time" may vary depending on the complexity of the proposed project. Thirty (30) calendar days shall be considered the standard time allotted in notification to potential bidders or proposers. More or less time may be allotted at the determination of the Executive Director.

RFPs and IFBs will be reviewed by a selection panel appointed by the Executive Director. The Executive Director may elect to assemble a separate cost evaluation panel to review cost



proposals and evaluate cost assumptions. Based on their reviews and analysis, the selection panel and cost evaluation panel, if any, shall rank bids or proposals. The Executive Director will recommend to the Board award of a contract, based on the results of the procurement process and the recommendations the selection panel and cost evaluation panel, if any, to the bidder or proposer most advantageous to the Transportation Authority. In the case of IFBs, the Executive Director will recommend award to the lowest responsive and responsible bidder or proposer.

Copies of all correspondence, including negative response letters, copies of evaluation sheets/scores, and copies of all bids or proposals not being considered further shall be maintained in the files.

In the event that only a single bid or proposal is submitted, the Transportation Authority shall document its efforts in soliciting responses; and record the history of all correspondence, negotiations, including parties involved, etc. that took place with reference to the award of the resulting contract.

IV. NONCOMPETITIVE NEGOTIATED AGREEMENTS (SOLE SOURCE)

A noncompetitive, negotiated contract may be developed when special conditions arise. These types of agreements are defined as “Sole Source” agreements. Conditions under which noncompetitive, negotiated contracts may be acceptable include:

1. A unique commodity or specialized professional service is known to be available from only one vendor;
2. An emergency of such magnitude that cannot permit delay; or
3. Competition is determined to be inadequate after solicitation of a number of sources.

In these cases, the Transportation Authority will develop an adequate scope of work, evaluation factors and cost estimate, and conduct negotiations with the vendor to ensure a fair and reasonable cost. The Transportation Authority will document details of the special conditions and retain those details in the respective contract file for audit and grant review purposes.

V. PROCUREMENT PROTEST AND APPEAL PROCEDURES

It shall be the policy of the Transportation Authority to have established protest procedures which shall apply to all procurements of supplies, equipment, and services. A copy of these policies and procedures shall be maintained in the Transportation Authority’s offices for general inspection and review by the public. In addition, the Transportation Authority shall provide, upon request, a copy of these protest policies and procedures to all individuals, associations, corporations, and companies with which the Transportation Authority conducts business.

A bidder or proposer that has timely submitted a bid or proposal in response to a procurement of the Transportation Authority may file a protest asserting that the Transportation Authority has failed to follow applicable policies or procedures relative to seeking, evaluating, and/or awarding a contract or has failed to comply with relevant specifications or procedures contained in the bid documents or request for proposals. In order to file a protest, the protester must be an actual bidder or proposer whose direct economic interests would be affected by the award of a procurement contract or by the failure to award a procurement contract.



Such protests must be filed within the earlier of five (5) business days after (i) notice, actual or constructive, of the Transportation Authority's finding that the bidder or proposer's bid or proposal is not being considered further or (ii) an award of the contract by the Transportation Authority to another bidder or proposer.

A protest shall be deemed filed when the Transportation Authority actually receives the protest by mail or personal delivery. Failure to file a timely protest shall constitute a waiver of the right to file a protest under these procedures. Within five (5) business days of receipt of an untimely protest, the Transportation Authority shall notify the individual or entity that the protest was untimely and is being rejected. Such notice shall constitute the final decision of the Transportation Authority relative to the untimely protest.

All protests filed must be filed by an actual bidder or proposer responding to the procurement and must be in writing and include the following information:

1. Name of individual or entity filing protest;
2. Business address and telephone number of individual or entity;
3. Name and title of contact person;
4. Description of specific procurement and the action or decision being protested;
5. A clear and concise statement of the protest, including identification of:
 - a) procedures or specifications contained in bid documents or request for proposals which were allegedly not complied with, or
 - b) specific instance(s) of Transportation Authority failure to follow its ~~policy-policies~~ and procedures;
6. Detailed factual support for the protest, including relevant documents or correspondence;
7. Desired resolution of the protest; and
8. Dated signature of individual, or authorized representative of entity, filing the protest.

The Executive Director shall review and consider all stated concerns and issues alleged to be in non-compliance and issue a decision within five (5) business days of receipt of the protest. If the decision of the Executive Director is not satisfactory to the protesting party, the protesting party may appeal that decision to the ~~Transportation Authority~~ Board. The appeal must be filed within five (5) business days of the date of the decision. The appeal must clearly state the basis for disputing the decision of the Executive Director.

The appeal shall be referred to the Finance Committee, which shall consider whether to accept the appeal and hold a hearing on the matter. If a majority of the Finance Committee does not wish to accept the appeal, the Finance Committee shall recommend to the ~~Transportation Authority~~ Board that the decision of the Executive Director shall be final.

If a majority of the Finance Committee agrees to accept the appeal and hold a hearing on the matter, the protesting party shall be notified of the hearing date and time, which shall be scheduled at the earliest convenience of the Finance Committee. At the hearing, the protesting party shall be allowed fifteen (15) minutes to present its case. The Transportation Authority staff



shall then be allowed fifteen (15) minutes to present the Transportation Authority's case. The Finance Committee may extend these time periods at its discretion.

Upon conclusion of the hearing, or if the Finance Committee's determination is to agree with the decision of the Executive Director and reject the appeal without a hearing, its recommendation shall be submitted to the Board. The Board shall review and act upon the Finance Committee's recommendation at its next regularly scheduled meeting unless it determines that additional time to consider the appeal is required. The ~~Transportation Authority~~ Board may accept the recommendation of the Finance Committee or determine to take action inconsistent with the recommendation of the Finance Committee. The Board shall issue written notification to the protester of its decision which shall constitute the final decision of the Transportation Authority.

VI. CONTRACT ADMINISTRATION

No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in the excess of its ability to pay as defined by the adopted final budget and the Strategic Plan. Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed ~~seventy-five thousand dollars~~ (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with ~~were identified and included in an the~~ adopted final budget, as amended in accordance with ~~Transportation Authority the~~ Fiscal Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000.

All expenditures shall comply with all federal, state and local statutory requirements and other legal restrictions placed on the use of said funds. The Executive Director shall execute all contracts in conformance with the monetary limits established in the adopted final budget. The Executive Director and/or his/her designee has the responsibility for monitoring all contractual agreements for compliance with the terms and conditions established in the contract and for rendering payment upon completion of services or delivery of goods and materials as agreed.



TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY

I. PURPOSE AND GENERAL POLICY

- A. Purpose.** This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of eligible San Francisco County Transportation Authority (Transportation Authority) Commissioners and employees, herein referred to as Transportation Authority personnel, for such expenses. These rules and guidelines are designed to safeguard public funds and to ~~insure-ensure~~ the ~~San Francisco County Transportation Authority (Authority)~~ and its personnel are using the most economical and well-documented procedures in a consistent manner.
- B. General Policy.** The Transportation Authority recognizes that in some instances it is necessary and/or convenient for authorized Transportation Authority personnel to ~~expend sums and~~ incur expenses for travel, training and other business purposes in connection with the official business of the Transportation Authority. Additionally, the Transportation Authority recognizes the benefit of attendance at meetings, conferences and other functions which advance professional knowledge and provide opportunities to exchange information related to transportation, government operations and issues. The policy of the Transportation Authority is to pay or reimburse Transportation Authority personnel for such expenses, travel and fees that a reasonable and prudent person would incur when traveling on official business and which serve ~~a~~ Transportation Authority purpose and are deemed necessary and/or advantageous to the Transportation Authority.
- C. Limitations.** Travel and meeting expenditures shall not exceed the approved budget and shall be consistent with associated policies established by the Transportation Authority. Eligible Transportation Authority personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.

II. ELIGIBILITY

- A. Eligible Personnel.** Expenses are authorized for Transportation Authority Commissioners and employees (Transportation Authority personnel). ~~In addition, these policies will apply for those individuals under contract to the Authority for which the approved contract provides for reimbursement of travel and conference expenses as noted in the contract.~~ Travel expenses may be authorized for the purpose of conducting business on behalf of the Transportation Authority, including employment interviews.
- B. Eligible Travel Expenses.** The following expenses are eligible for reimbursement in connection with authorized Transportation Authority business, travel, conferences, meetings, and training, subject to the restrictions identified ~~later~~ in this policy. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$25.~~00~~) for amounts not to exceed the per diem rates



and allowances established by the General Services Administration (GSA); ~~Internal Revenue Service~~; and/or United States Department of Defense (USDOD) as appropriate¹:

1. Meals;
2. Lodging;
3. Transportation charges (~~including commercial carrier fares, rental car charges, private car mileage allowances, parking, bridge and road tolls, and necessary taxi or public transit fares~~); and
4. Miscellaneous expenses:
 - a. Local and long distance business telephone calls, faxes and ~~internet access/telegrams~~ by the most economical practicable commercial service, ~~subject to review by the Deputy Director for Finance and Administration and only approved if deemed reasonable and proper~~Any charges in excess of \$5.00 per day shall be itemized to include to whom the call was made and the nature/need for the call;
 - b. Registration fees for attending conferences, seminars, conventions, meetings, or other training of professional societies or community organizations;
 - c. Tips to porters, not to exceed \$2 per bag;
 - d. Purchase of necessary training or conference materials or supplies;
 - e. Business expenses in connection with the preparation of clerical or official reports while on training or travel status; and
 - f. Unforeseen or unusual expenses which are justified, necessary and substantiated.

C. Non-Eligible Travel Expenses. Transportation Authority personnel are not eligible to claim reimbursement for the following items:

1. Personal telephone calls;
2. Constructive expenses, which are those which might have been incurred for Transportation Authority business but were not; such as:
 - a. if two individuals traveled together to a meeting in one car and each claimed full transportation costs, then one would be making a “constructive” claim; or
 - b. if an individual on a trip stayed with friends or relatives, it would be “constructive” to claim a lodging expense.
3. Expenses which are excessive or unreasonable as determined by the Transportation Authority.

D. Expense Limitations. Reimbursement of costs shall be based on the minimum number of days and hours required to transact Transportation Authority business. Costs incurred due to early or late arrival shall be at the traveler’s expense unless it is shown that the savings in airfare outweighs other costs. In that event, it is up to the traveler’s discretion as to whether he or she wishes to take advantage of the reduced airfare by traveling at an earlier/later date.

¹ Per diem is an allowance for lodging (excluding taxes), meals and incidental expenses. The ~~United States General Services Administration (GSA)~~ establishes per diem rates for destinations within the Continental United States. The ~~United States Department of State~~ establishes the foreign rates ~~(for example, Russia, Aruba, Bahamas, Europe, etc.)~~. The ~~Department of Defense (DOD)~~ establishes non-foreign rates such as Alaska, Hawaii, Puerto Rico, and Guam. These rates are reviewed annually by the respective Federal agency.



- E. Cash Advance.** Cash advances may be requested to cover anticipated travel expenses for out-of-area or overnight travel if requested a minimum of ten working days before departure. Cash advances shall not be less than \$100 nor more than the estimated expenses listed on the approved ~~Travel Authorization Form~~ travel authorization form. Advances must be refunded immediately when an authorized trip is canceled or indefinitely postponed.

III. TRAVEL AUTHORIZATION

- A. Approval.** Before any Transportation Authority paid or reimbursed overnight or out-of-area travel may take place, Transportation Authority personnel must first submit a ~~Travel Authorization Form~~ travel authorization form to their supervisor for approval, who will forward the approved form to the Deputy Director ~~for~~ Finance and Administration to verify that sufficient funds are available in the Transportation Authority's budget for the travel. The Deputy Director for Finance and Administration will forward the approved form to the Executive Director for final approval. Transportation Authority Commissioners must submit the ~~Travel Authorization Form~~ travel authorization form to the Executive Director for pre-approval. The Executive Director is authorized to approve travel requests for Transportation Authority personnel consistent with this policy. The Executive Director will inform the Chairperson of the Finance Committee and the Chairperson of the Transportation Authority of all Commissioner travel requests in excess of \$5,000.00. All travel requests must be approved in advance, prior to incurring any reimbursable expenses.
- B. Local Travel.** Local travel, which does not involve overnight travel, can be reimbursed by the Transportation Authority without pre-verification of travel funds availability but staff shall obtain verbal approval from their respective supervisor and the Executive Director. If overnight travel is necessary, a ~~Travel Authorization Form~~ travel authorization form shall be submitted prior to incurring reimbursable expenses.
- C. Out-of-Area Travel.** Out-of-area travel is defined as 50 miles or more beyond the San Francisco city limits.
- D. Travel Authorization Form.** The ~~Travel Authorization Form~~ travel authorization form shall list the destination, purpose and justification for the trip, departure and return dates, and the estimated costs for transportation, meals, lodging, registration, and other expenses.

IV. PROCEDURES FOR CLAIMING EXPENSE REIMBURSEMENT

- A. Expense Report.** Any reimbursement for expenses incurred on behalf of the Transportation Authority shall be claimed on an ~~Expense Report~~ expense report. Expense reports shall be submitted within 45 days of incurring the expenses, and the reports shall be accompanied by adequate documentation supporting the expenses.

The total amount of all expenses pertaining to a particular trip should be accounted for the traveler on an ~~Expense Report~~ expense report form. If the total actual cost of a trip exceeds the amount listed on the ~~Travel Authorization Form~~ travel authorization form, justification and documentation of the excess cost must be provided. In the absence of a satisfactory explanation, any amount in excess of the estimated cost approved on the ~~Travel Authorization Form~~ travel authorization form shall not be allowed. If the cash advance exceeds the actual reimbursable



expense, then the traveler shall immediately return the excess amount with the ~~Expense Report~~ expense report.

- B. Nature of Claim.** Claims must be for actual and necessary expenses consistent with this document; not for “constructive” expenses.
- C. Per Diem Adjustments.** Per diem claims will be adjusted, using the appropriate per meal rate, in those instances where meals are provided gratis or as part of a registration or any other fee claimed on the ~~Expense Report~~ expense report.
- D. Required Information.** Each claim must clearly indicate the date, nature of expense and amount for which reimbursement is being claimed.
- E. Receipts.** Receipts or proof of payment must be submitted with the claim to substantiate expenditures for public carrier fares, rental cars, lodging (indicating the single rate), meals, conference or seminar registration fees, and for any unusual items or items not specifically related to travel. Claims must be recorded and certified on an ~~Expense Report~~ expense report. For any official business in-transit travel destination, Transportation Authority personnel must provide a receipt and narrative to substantiate claimed travel expenses for lodging and a receipt for any authorized expenses incurred costing over \$25-~~00~~. If a receipt cannot be obtained or has been lost for expenses greater than \$25-~~00~~, a statement to that effect shall be made on the ~~Expense Report~~ expense report and the reason given. In absence of a satisfactory explanation, the amount involved shall not be allowed.
- F. Commissioner Reports.** Transportation Authority Commissioners attending a meeting, conference, or training at the expense of the Transportation Authority shall provide a brief **written and oral** report of such at the next regular Board ~~meeting~~ session of the Transportation Authority. The report must include a statement of how the Commissioner’s attendance has an impact on, or was associated with, Transportation Authority business, **and include any materials distributed at the meeting, conference, or training that could be helpful to other Commissioners.**
- G. Expenses Not Covered by Transportation Authority Policy.** In the event where an expense does not qualify for reimbursement under this policy, to be reimbursable, the expense shall be approved by the Transportation Authority Board, in a public meeting before the expense is incurred, unless the expense is related to lodging in connection with a conference or organized educational activity conducted in compliance with California Government Code s. 54952.2(c-), including but not limited to ethics training required by Article 2.4 (commencing with ~~s~~§. 53234) of the Government Code. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of this policy.

V. PREPAYMENT OF CONFERENCE/SEMINAR/TRAINING FEES

All requests for prepayment of conference/seminar/training will be submitted for approval a minimum of ten workdays in advance of the conference/seminar/training. If the ten-day requirement cannot be met, Transportation Authority personnel may personally pay registration fees at their own risk and seek reimbursement on the ~~Expense Report~~ expense report.



VI. MEAL EXPENSE

- A. General.** Transportation Authority personnel may incur expenses for the purchase of meals for persons not employed by the Transportation Authority, with whom the Transportation Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meeting, must be included in the ~~Expense Report~~ expense report. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the per diem amount. Actual costs shall include reasonable and customary gratuities, but not the cost of alcoholic beverages. All such expenditures for ~~personnel~~ employees must be approved in advance by the Executive Director.
- B. Restrictions.** The purchase of non-travel-related meals is authorized only when Transportation Authority personnel are required, and where approved in advance by the Executive Director in the following circumstances:
1. to attend a breakfast, lunch or dinner meeting concerning Transportation Authority business affairs because of the official position or duties of the individual;
 2. to attend a meeting between ~~Commissioners~~ commissioners and staff when required to conduct Transportation Authority business outside of normal business hours;
 3. to attend consecutive or continuing morning and afternoon and night sessions of a Transportation Authority, Board of Supervisors, city council, ~~c~~Commission, district or other public agency meeting to cover an agenda;
 4. to act as host for official guests of the Transportation Authority, such as members of examining boards, official visitors, and speakers or honored guests at banquets or other official functions; and
 5. to attend off-site training events (training workshops, seminars, and retreats) and ready access to reasonably priced meals is not available. The Executive Director may elect to either provide meals to the attendees or authorize individuals to purchase their own meals and claim reimbursement in accordance with provisions of this document.
- C. Local Area Meals.** Reimbursement for employee meals in the local area must be associated with Transportation Authority business and must be approved in advance by the Executive Director. Meal expenses incurred prior to authorization will be at the risk of the employee. Meals should not exceed the per diem rates and allowances established by the GSA or USDOD as appropriate ~~the following costs: breakfast (\$7); lunch (\$10); and dinner (\$18)~~. Unusual costs must be justified in writing.
- D. Out-of-Area Meals.** Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the ~~Travel Authorization Form~~ travel authorization form. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25.00, and in accordance with the per diem of the federal standard meal allowance, as established by the GSA or USDOD as appropriate ~~published in Internal Revenue Service Publication 463 (or any successor publication)~~. Unusual costs must be justified in writing.
- E. Special Functions.** Reimbursement for meals at special functions, such as banquet meals at authorized conferences, professional meetings, or special events or functions, may be eligible for reimbursement at rates different than the per diem allowances. Eligibility for such



reimbursements is based on a pre-approval by the Executive Director, or the Transportation Authority Board in accordance with this policy.

VII. LODGING EXPENSES

Reimbursement is allowable for single-room lodging expenses associated with attendance at out-of-area conferences or meetings. The cost of a single room will be reimbursed when travel exceeds the day's duration. Where available, government and group rates must be requested. No reimbursement is authorized for overnight accommodations within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma ~~in the counties of Alameda, San Francisco, Contra Costa, San Mateo, Solano, Marin, or Santa Clara~~ unless prior authorization is granted.

Transportation Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. ~~The Authority will reimburse its personnel for lodging up to the rates published by the Internal Revenue Service Publication 463 (or any successor publication).~~ If lodging is required in connection with a conference, the lodging costs shall not exceed the maximum group rate published by the sponsor of the conference. If no group rate is available at the time of booking, the Transportation Authority will reimburse its personnel for lodging up to the rates established by the GSA or USDOD as appropriate ~~published in Internal Revenue Service Publication 463 (or any successor publication).~~

VIII. MEANS OF TRANSPORTATION

A. General. All travel must utilize the most efficient, direct and economical mode of available transportation. Transportation Authority personnel shall use government and group rates offered by providers of transport where available. If for personal convenience, Transportation Authority personnel travel an indirect route and travel is interrupted, any resulting extra expense will be borne by the individual except for reasons beyond the control of the individual. For employees, any resulting excess travel time, except where beyond the control of the employee, will not be considered work time, but will be charged the appropriate type of leave.

Charges or loss of refunds resulting from failure to cancel reservations in accordance with the carrier's rules and time limits ~~usually~~ will not be reimbursed, unless it can be shown that such failure resulted from circumstances beyond the control of Transportation Authority personnel.

Unused portions of transportation tickets are subject to refund and, when purchased by the Transportation Authority, the individual traveler is responsible to see that they are turned in promptly to secure such a refund.

B. Local Travel. Transportation Authority personnel are encouraged to make optimum use of available public transit services and carpooling for local area travel. The following modes of transportation are to be used in the following priority:



1. public transportation;
2. privately-owned motor vehicles; and
3. rental cars, after exhausting all other available options.

C. Air Travel. Air coach (or similar reduced fare accommodations) shall be used for air travel if it is available. All reasonable fare reductions or reduced fare flights as appropriate shall be utilized.

D. Automobiles

1. Privately-owned Automobile for Official Business

- a. In instances where Transportation Authority personnel use their private automobiles for transportation between their normal work location and other designated work locations (e.g., the site of a meeting), Transportation Authority personnel may be reimbursed for such mileage based upon the standard mileage rate as established by the GSA in Internal Revenue Service Publication 463. When actual mileage exceeds by 10% the reasonable distance between points, Transportation Authority personnel must justify such excess. Inability to do so will result in the reimbursement being based on mileage for the most direct route. Mileage rate of reimbursement will be adjusted as required. Mileage reimbursement for out-of-area trips shall not exceed the cost of the most efficient and economical direct air rate. Transportation Authority personnel who use their privately-owned motor vehicles for transportation while on official Transportation Authority business must carry at least the minimum automobile liability insurance for privately-owned motor passenger vehicles as required by the State of California. Reimbursement for this minimum automobile liability insurance coverage shall not be allowed. When using privately-owned motor vehicles, Transportation Authority personnel will not be reimbursed for any damages that may occur.
 - b. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.
 - c. Property damage to the automobile owned by Transportation Authority personnel incurred without fault or cause of the traveler shall be reimbursed in an amount up to \$250 or the amount of the deductible on the traveler's auto insurance policy, whichever is the lesser amount, for each accident. The Transportation Authority will assume an assignment of subrogation rights up to the amount expended, for recovery of such sums from third parties, known or unknown at the time of such payment.
 - d. In order to be paid mileage for travel which originates other than at the normal work location, the mileage must be in excess of that normally driven from the traveler's residence to and from the normal work location. The requesting traveler will attach an explanation to the Expense Report expense report. In the absence of a satisfactory explanation, the mileage expense shall not be allowed.
2. Rental Automobiles
- a. Rental automobiles may be used when such rental is considered to be more advantageous to the Transportation Authority than the use of other means of transportation. Advance reservations should be made whenever possible and Transportation Authority personnel are expected to be prudent in the selection of an automobile model.



- b. The traveler must obtain full collision coverage. Any additional charge for this coverage will be allowed for reimbursement.
- c. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.

E. Other Modes of Transportation. Limousine and taxi fares will be allowed for travel where public transportation is not practical or available. Examples may include, but are not limited to, travel between transportation terminal and hotel, between hotel and place of business, and between places of business.

F. Reimbursement. Unless otherwise provided above, the Transportation Authority will reimburse its personnel for transportation at the rates established by the GSA or USDOD as appropriate~~published by the Internal Revenue Service Publication 463 (or any successor publication).~~

IX. BAGGAGE

Charges incurred for excess baggage will be reimbursed if justified as necessary for the purpose of the trip. An explanation of the circumstances and payment receipts must accompany the claim for reimbursement. Charges for checking and handling of baggage, including reasonable and customary gratuities (\$2 per bag/package) will be allowed.



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RESOLUTION INCREASING THE AMOUNT OF THE PROFESSIONAL SERVICES CONTRACT WITH MARK THOMAS & COMPANY, INC. BY \$66,841, TO A TOTAL AMOUNT NOT TO EXCEED \$665,022, FOR PLANNING, ENVIRONMENTAL, AND ENGINEERING SERVICES; INCREASING THE AMOUNT OF THE PROFESSIONAL SERVICES CONTRACT WITH S&C ENGINEERS, INC. BY \$130,000, TO A TOTAL AMOUNT NOT TO EXCEED \$550,700, FOR CONSTRUCTION MANAGEMENT SERVICES; INCREASING THE AMOUNT OF THE CONSTRUCTION CONTRACT WITH O.C. JONES & SONS, INC. BY \$348,000, TO A TOTAL AMOUNT NOT TO EXCEED \$2,369,468; AUTHORIZING THE EXECUTIVE DIRECTOR TO MODIFY CONTRACT PAYMENT TERMS AND NON-MATERIAL CONTRACT TERMS AND CONDITIONS FOR ALL THREE CONTRACTS; AND AUTHORIZING AN ADDITIONAL CONSTRUCTION ALLOTMENT OF \$213,800, TO A TOTAL AMOUNT NOT TO EXCEED \$400,800, FOR THE FOLSOM AND FREMONT STREET OFF-RAMP REALIGNMENT PROJECT

WHEREAS, The San Francisco Office of Investment and Infrastructure (OCII) requested that the Transportation Authority, as Congestion Management Agency for San Francisco, be the lead agency in the implementation of the Folsom and Fremont Street Off-Ramp Realignment Project (project); and

WHEREAS, The Folsom Street off-ramp provides a San Francisco exit from the Bay Bridge, currently touching down at Folsom and Fremont Streets; and

WHEREAS, The OCII has an agreement with the California Department of Transportation (Caltrans) to realign the ramp to provide for a more functional intersection consistent with the area's redevelopment plan; and

WHEREAS, On November 19, 2013, the OCII Board approved a Memorandum of



Agreement (MOA) for \$2,883,900 to fully reimburse the Transportation Authority for all project management, administrative, construction management, and construction costs associated with the project; and

WHEREAS, In February 2008, under a previous agreement with OCII, the Transportation Authority awarded a professional services contract to Mark Thomas & Company, Inc. (MTCO) in an amount not to exceed \$300,000 for design services for the project; and

WHEREAS, That contract was subsequently amended five times to a total not to exceed amount of \$598,181 due to expanded scope of service, including construction-phase design support services; and

WHEREAS, In November 2013, the Transportation Authority awarded a professional services contract to S&C Engineers, Inc. (S&CE) for construction management support services for the project, in an amount not to exceed \$420,700; and

WHEREAS, In June 2014, the Transportation Authority awarded a construction contract to O.C. Jones & Sons, Inc. (OCJ) in an amount not to exceed \$1,984,468, with an additional construction allotment of \$187,000; and

WHEREAS, At the outset of the construction phase, the project budget provided in the MOA between OCII and the Transportation Authority was \$2,883,900; and

WHEREAS, During the constructability review, preparation of final construction contract documents, and construction contractor procurement, MTCO, S&CE, and Transportation Authority staff all spent more time than had been anticipated to complete these tasks; and

WHEREAS, The cost of these additional services was \$130,000 for S&CE and \$66,841 for MTCO; and

WHEREAS, The Transportation Authority has entered into agreements totaling \$23,658 with the California Highway Patrol and the San Francisco Public Utilities Commission for services

necessary to the project; and

WHEREAS, The Transportation Authority has also authorized two contract change orders for OCJ for a total of \$37,000 for additional traffic control and removal of man-made buried objects (remnants of concrete piers) discovered during excavation; and

WHEREAS, Several additional change orders are already in preparation for signal plan revisions due to San Francisco Municipal Transportation Agency (SFMTA) and developer comments, staging revisions due to unforeseen complications with SFMTA approval, and storm drain modifications due to field conditions differing from the plans, with the estimated cost of these change orders being \$55,000; and

WHEREAS, During this early stage of construction, excavated materials have been stockpiled on the project site and chemical and material tests were performed in anticipation of re-use of a portion of the material as fill material for the project; and

WHEREAS, Two stockpiles have been found to be contaminated and cannot be re-used; and

WHEREAS, The total cost associated with the testing, containing, and removing of these unforeseen contaminated soils is approximately \$293,000; and

WHEREAS, In order to construct the project, the Transportation Authority has entered into agreements with the California Highway Patrol, the San Francisco Public Utilities Commission, and other agencies; and

WHEREAS, To ensure continued work on the project without delays, the amended project budget includes an additional \$213,800 for additional construction activities cost; and

WHEREAS, Increases to these contracts are contingent on an amendment to the existing MOA with OCII to fully reimburse the Transportation Authority for project management, administrative, construction management, and construction services; and



WHEREAS, The MOA is anticipated to be amended by the Commission on OCII on February 3, 2015; and

WHEREAS, These contract amendments will be 100% reimbursed by OCII and will be included in the Transportation Authority's mid-year budget amendment for Fiscal Year 2014/15; and

WHEREAS, Sufficient funds will be included in future fiscal year budgets to cover the remaining cost of this contract if necessary; and

WHEREAS, At its January 13, 2015 meeting, the Finance Committee reviewed and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby increases the amount of the professional Services contract with MTCO by \$66,841, to a total amount not to exceed \$665,022, for planning, environmental, and engineering services; and be it further

RESOLVED, That the Transportation Authority hereby increases the amount of the professional services contract with S&CE by \$130,000, to a total amount not to exceed \$550,700, for construction management services; and be it further

RESOLVED, That the Transportation Authority hereby increases the amount of the construction contract with OCJ by \$348,000, to a total amount not to exceed \$2,369,468; and be it further

RESOLVED, That the Transportation Authority hereby authorizes an additional construction allotment of \$213,800 to a total amount not to exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project; and be it further

RESOLVED, That the Executive Director is hereby authorized to negotiate contract payment terms and non-material contract terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, "non-material" shall mean contract



terms and conditions other than provisions related to the overall contract amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.

Attachments (2):

1. Mark Thomas & Company, Inc. Contract Amendment Scope of Services
2. S&C Engineers, Inc. Contract Amendment Scope of Services



MARK THOMAS & COMPANY, INC.

Providing Engineering, Surveying and Planning Services

Prepared November 6, 2014

**San Francisco County Transportation Authority
County and City of San Francisco (Successor Agency to the SFRA)
FOLSOM-FREMONT OFF-RAMP MODIFICATION PROJECT
(at Westbound I-80 in San Francisco)**

SFCTA Contract No. 07/08-48

**REQUEST FOR ADDITIONAL DESIGN SERVICES
FOR CALTRANS APPROVAL OF PS&E AND
TO SECURE ENCROACHMENT PERMIT**

Contract Amendment C

The Scope of Work described in SFCTA Contract Amendment C executed in July 31, 2013 involved restarting the final design approval of Folsom-Fremont Off-Ramp Modification Project, which was put on hold less than two years ago in November 2011. The project milestones that were successfully completed before the project was stopped included Caltrans 95% PS&E submittal in May 2011 and Caltrans PID (Project Initiation Document) approval of Permit Engineering Evaluation Report (PEER) on October 2011.

This Scope of Work for Final PS&E Approval anticipated only two (2) milestone submittals to secure the Caltrans Encroachment Permit because the same key design and Caltrans' engineers were still involved with the project and had knowledge of project history. The proposed project milestones submittal to complete PS&E phase was identified as:

- 100% PS&E Package (incorporating Caltrans comments dated May 2011 of 95% PS&E Package)
- Final PS&E Package with Caltrans Encroachment Permit Application

However, Caltrans PS&E Approval as anticipated above took additional effort. Below describes the engineering effort and the project timeline to obtain Caltrans PS&E approval and to secure the Encroachment Permit for Construction.

100% PS&E Submittal on 11/12/13

The 100% PS&E Package was submitted on November 12, 2013, which the design team reviewed and incorporated over 100 minor comments from various typical Caltrans functional units (Highway Ops, Electrical Design, Geometric Design, Traffic Safety, Traffic Management, Materials, Structures, Toll Bridge, Maintenance & Toll, Water Quality, Hydraulics and Construction). We also incorporated MTA comments for the traffic signal design.

Final PS&E Submittal on 1/31/14

Through December 2013, we received Caltrans comments of this 100% PS&E package and received unexpectedly hundred (100) new roadway comments and thirty (30) new structures comments from same Caltrans functional units but different review engineers. These review comments were much more than anticipated. There were no major roadway comments but significant effort to incorporate, address and respond to. However, structures review comments required additional analysis than expected to satisfy Caltrans' reviewers. One of these new comments included addressing differential settlement of the

proposed MSE (Mechanically Stabilized Reinforced Earth) wall along the new alignment of off-ramp. Even though the existing Folsom-Fremont off-ramp embankments are currently retained with similar MSE walls on both sides, we could not prepare appropriate responses that would satisfy the Caltrans structures reviewer. We noted MSE walls are ideal retaining walls types where settlement is expected to occur. To satisfy this review comment, we proposed establishing a monitoring system to track settlement. This monitoring system included installing a nail/shiner within a few of the exterior MSE wall panels and then surveying the locations of these nail/shiners shortly after installation. Caltrans would then monitor any movement in the future. Caltrans also informed the design team that the existing geotechnical report had to update with the new Guidelines for preparing Geotechnical Design Reports for Earth Retaining Systems. Also, as part of this submittal, the design team was coordinating with Block 6&7 developer and incorporating MTA review comments on the traffic signal design.

Final#01 PS&E Submittal on 3/17/14 and Final#02 PS&E Package on 4/11/14

Through February 2014, we received about sixteen (16) comments from Caltrans on the roadway design and two (2) comments from structures design. The design team incorporated these comments in timely manner and resubmitted Final PS&E for approval on March 17, 2014. Unfortunately, Caltrans had a few additional comments and the design team needed to resubmit entire PS&E package one more time on April 11, 2014 along with SFCTA's signed Encroachment Permit application for construction. Caltrans issued SFCTA the Encroachment Permit for Construction on May 1, 2014.

ADDITIONAL SERVICES REQUEST

Compensation of the scope changes to respond to Caltrans additional PS&E review comments and for Final PS&E approval to secure the Encroachment Permit has been computed on an hourly (time and materials) basis, based on the Charge Rate Schedule (Old Effective April 2, 2007) attached hereto with a not-to-exceed total fee, as follows:

a) **Roadway Design Revisions**

Assistant Engineer	60.0 hrs @ \$ 109.00/hr	\$ 6,540
Associate Engineer	80.0 hrs @ \$ 133.00/hr	10,640
Project Engineer	40.0 hrs @ \$ 195.00/hr	7,800
Project Manager	20.0 hrs @ \$ 205.00/hr	4,100
Subtotal		\$ 29,080

b) **MSE Retaining Wall Design Revisions**

AGS		\$ 3,825
Assistant Engineer	80.0 hrs @ \$ 109.00/hr	8,720
Structural Engineer	110.0 hrs @ \$ 105.00/hr	11,550
Structural Manager	12.0 hrs @ \$ 243.00/hr	2,916
Subtotal		\$ 27,011

c) **Traffic Signal Design Revisions and Coordination**

CHS Consulting Group		\$ 8,600
Associate Engineer	10.0 hrs @ \$ 133.00/hr	1,330
Project Manager	4.0 hrs @ \$ 205.00/hr	820
Subtotal		\$ 10,750

TOTAL FOR ADDITIONAL SERVICES \$ 66,841

Additional Scope of Work

for

S&C Engineers, Inc.**Folsom and Fremont Street Off-Ramp Realignment Project**

Contract No. 13/14-23

November 26, 2014

PRE-CONSTRUCTION RELATED ACTIVITIES**PC-1 - Merging of Caltrans and SFDPW Specifications**

The Project consists of work within both the City of San Francisco and Caltrans right-of-way. The work on Fremont Street, although mostly within the Caltrans right-of-way, is required to comply with the standards of the San Francisco Department of Public Works (SFDPW) as well as Caltrans' standards. During the constructability review, S&C Engineers identified the SFDPW standards, which were incorporated into the project specifications by reference, were in conflict with the Caltrans standard specifications that formed the basis of the specifications. In order to avoid potential disputes and unnecessary changes and delays during the Project, S&C Engineers devoted significant effort reviewing SFDPW's specifications and working with SFDPW and Caltrans to reach agreement on mutually acceptable requirements. Based upon the agreed upon requirements, S&C Engineers developed project specifications to merge the requirements of SFDPW and Caltrans into a single specification.

During this effort, SFDPW provided updated specifications which required additional effort to review the updated requirements and perform further editing of the project specifications.

Estimated Additional Cost: 56 hours @ \$189/hr = \$10,584

PC- 2 - Incorporation of Additional City, SFMTA and SFPUC Requirements

During the constructability review, S&C Engineers identified numerous requirements of the City, SFMTA and SFPUC that were not incorporated into the specifications. These requirements primarily included permits such as the City's Street Space Permit, Excavation Permit and Nighttime Noise Permit; SFMTA's Special Traffic Permit; and SFPUC's Construction Site Runoff Control Permit. S&C Engineers investigated the specific permit requirements and prepared specifications to incorporate these into the project specifications.

Estimated Additional Cost: 56 hours @ \$189/hr = \$10,584

PC-3 - Incorporation of Transbay Transit Center Mitigation Monitoring and Reporting Program Requirements

As part of the Transbay Redevelopment, the Project is required to comply with the Federal Environmental Impact Report (FEIR) and the Mitigation, Monitoring and Reporting Program (MMRP) requirements in the TJPA CEQA document. The FEIR and MMRP requirements were incorporated into the contract documents by reference. However, it was determined that the FEIR and MMRP requirements, as written, were non-enforceable as many of the requirements were not pertinent to the Project and were written as guidelines as opposed to specific enforceable requirements. At the request of the SFCTA, S&C Engineers drafted language to incorporate the applicable requirements into the project as contract specifications.

Estimated Additional Cost: 16 hours @ \$189/hr = \$3,024

PC-4 - Editing of the Division I and II Specifications

The contract specifications are based upon the Caltrans 2010 Standard Specifications. The Division I and II specifications in the Caltrans Standard Specifications address the administrative and legal requirements of the Contract, but are based upon processes and requirements unique to Caltrans. S&C Engineers was requested by the SFCTA to prepare the “boilerplate” language to modify the requirements in the Caltrans Division I and II specifications to incorporate SFCTA’s and OCII’s administrative and legal requirements.

Estimated Additional Cost: 48 hours @ \$189/hr = \$9,072

PC- 5 - Bid book

S&C Engineers’ original cost proposal included only a constructability review of the contract documents. However, S&C Engineers was requested by SFCTA to assist with the preparation of the Bid Book.

Estimated Additional Cost: 24 hours @ \$189/hr = \$4,536

PC-6 - Development of SBE Requirements

OCII imposed an SBE goal for the project, based upon OCII's SBE policy. OCII proposed that their policy be incorporated into the Contract by reference. However, upon reviewing the policy, S&C determined that the policy, as written, contained non-enforceable language which was not suitable for incorporation into the Contract. Therefore, S&C Engineers re-drafted OCII's SBE policy in the form of an enforceable specification. This effort required a thorough review of OCII's SBE policies, meetings with SFCTA and OCII to clarify the essential elements of the SBE policy, and drafting appropriate specification language.

Estimated Additional Cost: 24 hours @ \$189/hr = \$4,536

PC-7 - Review of the Contractor's SBE good faith efforts

The lowest bidder did not achieve the 50% SBE goal. However, the bidder submitted extensive documentation to demonstrate they performed a good faith effort to achieve the established goal. Therefore, prior to awarding the Contract to the low bidder, it was necessary to determine the criteria for evaluating the Contractor's good faith effort and review the submitted documentation to verify that the Contractor's documented efforts demonstrated a good faith effort based upon this criteria. A review of the good faith efforts of the non-successful bidders was also performed for comparison purposes. A report of the findings was also prepared for consideration by SFCTA and OCII.

Estimated Additional Cost:

S&C Engineers: 20 hours @ \$189.00/hr = \$3,780

Paul Pendergast: 5 hours @ \$193.80/hr = \$ 969

Total: \$4,749

CONSTRUCTION RELATED ACTIVITIES

C-1 - Additional Public Outreach Efforts

Due to the SFCTA's concerns regarding potential impacts to traffic during the implementation of the initial closure of the Folsom Off-Ramp, additional efforts beyond those originally contemplated were devoted to public outreach to ensure the public was properly notified of the upcoming work and the resulting impacts to traffic. Additional efforts included preparation and distribution of flyers to drivers at the Folsom Off-Ramp, outreach to local businesses and agencies not contemplated in the original outreach plan, and coordination for posting advance

notification to drivers. S&C Engineers also provided staff to distribute flyers to MUNI riders due to the required relocation of a MUNI stop necessitated by the temporary closure of the Folsom Off-Ramp during construction.

Estimated Additional Cost:

Inspectors:	16 hours @ \$123.59/hr = \$1,977.44
Resident Engineer:	12 hours @ \$189.00/hr = <u>\$2,268.00</u>
	Total: \$4,245.44

C-2 - Signal Changes

Upon meeting with the Block 6 developer to coordinate the work between the projects, it was identified that the planned location of Signal Pole B and the controller and battery back-up cabinet conflicted with the planned Block 6 improvements. Additional changes were made to the signal system to address Caltrans and SFMTA requirements. Additional time was expended for attending meetings, reviewing the Block 6 plans, preparing correspondence related to addressing these conflicts, preparing exhibits showing the conflict and possible alternatives, reviewing the revised plans for addressing the conflicts and obtaining Caltrans and SFMTA concurrence for the changes. Additional time will be required for developing a cost estimate for the work, reviewing the Contractor's cost proposal, negotiating a cost for the changes, preparing a change order and administering the changed work.

Estimated Additional Cost: 56 hours @ \$189/hr = \$10,584

C-3 - Coordination with Block 6 Developer and TJPA

It was originally contemplated that the work would be completed prior to any significant work associated with the Block 6 development and that access by the Block 6 developers would not impact the Project. However, construction work for Block 6 began prior to the beginning of work on the Project. The Block 6 contractor also established an access point for their project and occupied the sidewalk within the work limits on Fremont Street. This required additional time to meet with and coordinate the work of the Project with the Block 6 developer. Additionally, coordination with TJPA was required to arrange for their extended use of Block 8 to perform geotechnical site investigation. The need to coordinate with the Block 6 developer will be ongoing throughout the Project in order to prevent impacts to both projects.

Estimated Additional Cost: 24 hours @ \$189/hr - \$4,536

C-4 - Attendance at Additional Meetings

Due to the proximity of the work to the Transbay Transit Center Project, S&C Engineers attends the bi-weekly Transbay bi-weekly traffic coordination meetings, as needed, to keep the Transbay Transit Center Project and the Block 6 development project informed of potential impacts resulting from this project and to coordinate the work between the various projects. Additionally, S&C Engineers has been requested by Caltrans to attend the weekly Caltrans Bay Bridge Traffic Coordination Meetings, as needed, to coordinate the traffic control for the Project with the various other ongoing Bay Bridge construction projects.

Estimated Additional Cost: 12 meetings @ 2 hrs each = 24 hrs
24 hours @ \$189/hr = \$4,536.00

C-5 - Additional coordination with Golden Gate Transit and SFMTA

During the work it was determined that there is an active Golden Gate Transit (GGT) bus stop on Fremont Street within the limits of the Project. Due to the location of the bus stop, the SFMTA would not permit the Transportation Authority to fully implement the portion of the Stage 1 traffic handling shown on the Plans which will eliminate the dedicated bus/taxi lane on Fremont Street where the existing bus stop is located. Additional effort was expended to develop alternatives to address SFMTA's concerns regarding the Stage 1 traffic handling. The preferred alternative is to relocate the existing GGT bus stop another location on Fremont Street currently occupied by parking meters. This alternative is moving forward. However, additional effort remains to coordinate the bus stop relocation with GGT and the SFMTA.

Estimated Additional Cost: 32 hours @ \$189/hr = \$6,048.00

C-6 - Multiple Reviews of Submittals

Numerous submittals have required multiple reviews due to incorrect information. In order to avoid delays to the beginning of the work and enable as much work as possible to proceed before the onset of rain, S&C Engineers also expended effort to assist the Contractor in finalizing critical submittals, such the Erosion Control Plan which was required to be approved by SFPUC prior to the start of work.

Estimated Additional Cost: 32 hours @ \$189/hr = \$6,048.00

C-7 - Preparation of Structure Inspection Quality Management Plan (SIQMP)

When preparing the budget for the construction management costs, it was S&C Engineers' understanding that Caltrans was not going to require a SIQMP for the Project. However, we were informed by Caltrans in October that an SIQMP is required. In addition to additional costs incurred to prepare the SIQMP, monthly reports are required to be submitted to Caltrans in conjunction with the SIQMP.

Estimated Additional Cost: 44 hours @ \$189/hr = \$8,316

C-8 – Subcontractor Substitutions and Subletting

Additional effort has been expended to resolve the unauthorized substitution of the temporary fencing subcontractor and subletting of work by an SBE subcontractor to non-SBE second tier subcontractors.

Estimated Additional Cost: 12 hours @ \$189/hr = \$2,268

C-9 – Contaminated Soil

The presence of contamination in the stockpiled soil excavated within the project has been identified. It is unknown at this time what additional effort will be required to address this. However, it is recommended at this time that an amount of \$5,000 be allocated to address this.

Estimated Additional Cost: \$5,000

C-10 – Allocation for Miscellaneous Additional Work

Due to the nature of construction, unanticipated additional work of a minor nature is unavoidable. Therefore, for budgetary purposes, it is recommended that an additional \$5,000 be allocated to cover minor additional costs as the need arises.

WEATHER-RELATED IMPACTS

W-1 – Extended Performance Period and Additional Costs due to Weather Impacts

S&C Engineers' original cost proposal contemplated construction on the Project beginning in mid-April 2014 and completion of the Project by December 15, 2014. Based upon the preliminary project schedule prepared by S&C Engineers, it was anticipated that the majority of the earthwork activities that would be impacted by rain would have been completed prior to the beginning of the wet season.

Due to various issues beyond the control of SFCTA and S&C Engineers, the advertisement of the Project was delayed by several months. This has resulted in the work being performed during the wet season, which will subject the work to delays due to rain. The extent of weather-related impacts to the project cannot be ascertained in advance. However, a reasonable estimate of weather-related delays for budgetary purposes can be assumed to be five days per month.

Based upon the above, it is anticipated that work on the Project may be extended by a period of approximately 20 working days due to weather impacts. This will extend the performance period of S&C Engineers accordingly and will require additional work to address weather-related issues, review the site for compliance with stormwater pollution prevention requirements, and address potential non-compliance issues.

Estimated Additional Cost:

Resident Engineer:	20 days x 4 hrs = 80 hours		
	80 hours @ \$189/day	=	\$15,120
Inspector:	20 days x 8 hrs = 160 hours		
	160 hours @ \$123.59	=	<u>\$19,774</u>
		Total:	\$34,894

See attached summary of costs on next page



Additional Scope of Work for S&C Engineers, Inc.

November 26 ,2014

Pre-Construction Phase	Estimated Cost	Totals
PC 1 Merging of the Caltrans and SFDPW specifications into the special provisions	\$ 10,584.00	
PC 2 Incorporation of City, SFMTA and SFPUC Requirements	\$ 10,584.00	
PC 3 Mitigation requirements	\$ 3,024.00	
PC 4 Preparation of the Division I specifications	\$ 9,072.00	
PC 5 Bid book	\$ 4,536.00	
Total Additional Pre-Construction Costs:		\$ 37,800.00

Construction Phase	Estimated Cost	Totals
C1 Additional public outreach efforts	\$ 4,245.44	
C2 Signal Changes	\$ 10,584.00	
C3 Additional coordination with Block 6 and TJPA	\$ 4,563.00	
C4 Additional Meetings	\$ 4,536.00	
C5 Additional coordination with GGT, SFMTA.	\$ 6,048.00	
C6 Multiple re-reviews of submittals	\$ 6,048.00	
C7 Prepare Caltrans Structure Inspection Quality Management Plan (SIQMP)	\$ 8,316.00	
C8 Subcontractor Substitutions and Subletting	\$ 2,268.00	
C9 Contaminated Soil	\$ 5,000.00	
C10 Miscellaneous Costs	\$ 5,000.00	
Total Additional Construction-Related Costs:		\$ 56,608.44

Weather Related	Estimated Cost	Totals
W-1 Extended Performance Period and Additional Costs due to Weather Impacts	\$ 34,894.00	

Total Estimated Additional Costs: \$ 129,302.44



Memorandum

Date: 01.08.15 **RE:** Finance Committee
January 13, 2015

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Christensen, Farrell, Tang and Avalos (Ex Officio)

From: Lee Saage – Deputy Director for Capital Projects *LS*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Increasing the Amount of the Professional Services Contract with Mark Thomas & Company, Inc. by \$66,841 to a Total Amount Not to Exceed \$665,022 for Planning, Environmental, and Engineering Services; Increasing the Amount of the Professional Services Contract with S&C Engineers, Inc. by \$130,000, to a Total Amount Not to Exceed \$550,700, for Construction Management Services; Increasing the Amount of the Construction Contract with O.C. Jones & Sons, Inc. by \$348,000 to a Total Amount Not to Exceed \$2,369,468; Authorizing the Executive Director to Modify Payment Terms and Non-Material Contract Terms and Conditions for All Three Contracts; and Authorizing an Additional Construction Allotment of \$213,800 to a Total Amount Not to Exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project

Summary

As the Congestion Management Agency for San Francisco, the Transportation Authority is the lead agency in the implementation of the Folsom and Fremont Street Off-Ramp Realignment Project (project), implementing the project on behalf of the San Francisco Office of Investment and Infrastructure (OCII), Successor Agency to the Redevelopment Agency. Under agreements with OCII, we have entered into contracts with Mark Thomas & Company, Inc. (MTCO) for engineering design services, S&C Engineers, Inc. (S&CE) for construction management support services, and O.C. Jones & Sons, Inc. (OCJ) for construction services. Additional effort by both MTCO and S&CE was needed to complete the design phase, and constructability review, secure the Encroachment Permit from the California Department of Transportation, contractor procurement, and construction oversight. Further, the unforeseen discovery of contaminated soil on the project site necessitates a substantial increase to the construction contract budget that exceeds the original project reserve amount. We recommend that all three contracts be amended to account for the additional efforts required. Increases to these contracts are contingent on an amendment to our existing Memorandum of Agreement with OCII to fully reimburse the Transportation Authority for project management, administrative, construction management, and construction services. This agreement is anticipated to be amended by the Commission on OCII on January 20, 2015. **We are seeking a recommendation to increase the amount of the professional services contract with Mark Thomas & Company, Inc. by \$66,841 to a total amount not to exceed \$665,022, for planning, environmental, and engineering services; increase the amount of the professional services contract with S&C Engineers, Inc. by \$130,000 to a total amount not to exceed \$550,700, for construction management services; increase the amount of the construction contract with O.C. Jones & Sons, Inc. by \$348,000 to a total amount not to exceed \$2,369,468; authorize the Executive Director to modify contract payment terms and non-material contract terms and conditions for all three contracts; and authorize an additional construction allotment of \$213,800 to a total amount not to exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project.**

BACKGROUND

The San Francisco Office of Investment and Infrastructure (OCII), Successor Agency to the Redevelopment Agency, requested that the Transportation Authority, as Congestion Management Agency for San Francisco, be the lead agency in the implementation of the Folsom and Fremont Street Off-Ramp Realignment Project (project). This project is a major component of the Streetscape and Open Space Plan for the Transbay Redevelopment Project Area. The Folsom Street off-ramp provides a San Francisco exit from the Bay Bridge, currently touching down at Folsom and Fremont Streets. The OCII has an agreement with the California Department of Transportation (Caltrans) to realign the ramp to provide for a more functional intersection consistent with the area's redevelopment plan. The reconfigured ramp will be parallel to the Fremont Street exit while remaining within the existing right-of-way.

On November 19, 2013, the OCII Board approved a Memorandum of Agreement (MOA) for \$2,883,900 to fully reimburse the Transportation Authority for all project management, administrative, construction management, and construction costs associated with the project. In February 2008, under a previous agreement with OCII, we awarded a professional services contract to Mark Thomas & Company, Inc. (MTCO) in an amount not to exceed \$300,000 for design services for the project. That contract was subsequently amended five times to a total not to exceed amount of \$598,181 due to expanded scope of service, including construction-phase design support services. In November 2013, we awarded a professional services contract to S&C Engineers, Inc. (S&CE) for construction management support services for the project, in an amount not to exceed \$420,700. In June 2014, we awarded a construction contract to O.C. Jones & Sons, Inc. (OCJ) in an amount not to exceed \$1,984,468, with an additional construction allotment of \$187,000.

DISCUSSION

At the outset of the construction phase, the project budget provided in the MOA between OCII and the Transportation Authority was \$2,883,900. We authorized \$2,590,454 in contracts and agreements and set aside \$106,565 for Transportation Authority costs for staff time, legal consultation, and other project-related costs, with the remaining \$186,881 to be used for agreements that had not yet been negotiated with the California Highway Patrol, the San Francisco Public Utilities Commission, and other agencies, as well as for potential change orders to the construction contract. The construction phase was initiated in August 2013 with procurement of the construction management consultant, who performed the constructability review and assisted us with preparation of the final construction contract documents. The construction contract was awarded in June 2014. On-site work was initiated in September 2014 with the closure of the Folsom leg of the off-ramp, which was accomplished with minimal impact to traffic. Construction of the project is generally on schedule. However, due to weather delays, construction is anticipated to be completed by May 2015.

During the constructability review, preparation of final construction contract documents, and construction contractor procurement, MTCO, S&CE, and Transportation Authority staff all spent more time than had been anticipated to complete these tasks. The additional constructability review was due to the significant differences between the Caltrans 2006 standards, upon which the pre-2013 plans and specifications were based, and the 2010 standards with which the project was required by Caltrans to conform. This necessitated that we completely revise the boiler plate language for the contracting portion of the Special Provisions. Extensive coordination with San Francisco Public Works was also required regarding its construction specifications, which also differ significantly from the Caltrans specifications. Both of these required the assistance of S&CE staff. Upon reviewing the submittals from the contractor, additional effort by S&CE has been needed to ensure submittals meet the 2010 Caltrans Standards. Further, MTCO performed additional work to secure project approval from Caltrans,

including responding to unexpected comments from new Caltrans reviewers, an additional full submittal to all Caltrans functional groups, extensive coordination with Caltrans structural reviewers, a full update of the Geotechnical Design Reports, and coordination with area developers as requested by OCII. The costs of these additional services are \$130,000 for S&CE and \$66,841 for MTCO.

During the last few months we have entered into agreements totaling \$23,658 with the California Highway Patrol and the San Francisco Public Utilities Commission for services necessary to the project. We have also authorized two contract change orders for OCJ for a total of \$37,000 for additional traffic control and removal of man-made buried objects (remnants of concrete piers) discovered during excavation. Several additional change orders are already in preparation for signal plan revisions due to San Francisco Municipal Transportation Agency (SFMTA) and developer comments, staging revisions due to unforeseen complications with SFMTA approval, and storm drain modifications due to field conditions differing from the plans. The estimated cost of these change orders is \$55,000.

During this early stage of construction, excavated materials have been stockpiled on the project site and chemical and material tests were performed in anticipation of re-use of a portion of the material as fill material for the project. However, two stockpiles have been found to be contaminated and cannot be re-used. One stockpile has been classified as non-hazardous contaminated material due to oil contamination. This material must be off-hauled to an appropriate disposal site. A second stockpile has been classified as California Hazardous Material due to lead contamination. We presume this contamination is due to aerially deposited lead. A third area has not yet been excavated but preliminary testing suggests it also may be lead-contaminated. Working with Caltrans staff, the lead-contaminated material is likely going to be off-hauled to a Caltrans project site where it can be appropriately encapsulated within the fill embankment of that project. The total cost associated with the testing, containing, and removing of these unforeseen contaminated soils is approximately \$293,000.

Change Orders Budget: In order to construct the project, the Transportation Authority has entered into agreements with the California Highway Patrol, the San Francisco Public Utilities Commission, and other agencies. In addition, construction projects are constantly dealing with unforeseen circumstances, thus project sponsors must always prepare for the unexpected. In addition to the change orders already issued or impending, there may be other change orders needed as the project progressed. To ensure continued work on the project without delays, the amended project budget includes an additional \$213,800 for additional construction activities cost. This estimate is over and above the construction allotment of \$187,000 previously approved through Resolution 14-84.

Funding: All project expenditures will be 100% reimbursed by OCII per the MOA with OCII for the project. The recommended amendment of the aforementioned contracts is contingent on an amendment to the MOA, which is anticipated to be approved by the OCII Commission on January 20, 2015.

Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Participation: For the Design Services Contract, we established a DBE goal of 25%. The MTCO team met that goal for design services, however with the extension of the contract to include construction-phase engineering services the expected DBE participation has dropped to 24%.

For the Construction Management Services contract, we established a SBE/DBE goal of 100%. The S&CE team has met that goal and anticipates meeting that goal with the requested contract amendment.

For the Construction Contract, at the direction of OCII, we established a SBE goal of 50%. The bid submitted by OCJ was approved by both the Transportation Authority and OCII with a SBE commitment 38.34%. It is expected that, since most of the additional services will be performed by SBE subcontractors, OCJ will exceed this commitment.

ALTERNATIVES

1. Recommend increasing the amount of the professional Services contract with Mark Thomas & Company, Inc. by \$66,841 to a total amount not to exceed \$665,022 for planning, environmental, and engineering services; increasing the amount of the professional services contract with S&C Engineers, Inc. by \$130,000, to a total amount not to exceed \$550,700, for construction management services; increasing the amount of the construction contract with O.C. Jones & Sons, Inc. by \$348,000 to a total amount not to exceed \$2,369,468; authorizing the Executive Director to modify payment terms and non-material contract terms and conditions for all three contracts; and authorizing an additional construction allotment of \$213,800 to a total amount not to exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project, as requested.
2. Recommend increasing the amount of the professional Services contract with Mark Thomas & Company, Inc. by \$66,841 to a total amount not to exceed \$665,022 for planning, environmental, and engineering services; increasing the amount of the professional services contract with S&C Engineers, Inc. by \$130,000, to a total amount not to exceed \$550,700, for construction management services; increasing the amount of the construction contract with O.C. Jones & Sons, Inc. by \$348,000 to a total amount not to exceed \$2,369,468; authorizing the Executive Director to modify payment terms and non-material contract terms and conditions for all three contracts; and authorizing an additional construction allotment of \$213,800 to a total amount not to exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC last met on December 3 for its combined November/December meeting. The subject request was not presented to the CAC for consideration at its December meeting since costs and impacts of the contaminated materials discovery were still underway.

FINANCIAL IMPACTS

These contract amendments will be 100% reimbursed by OCII and will be included in the Transportation Authority's mid-year budget amendment for Fiscal Year 2014/15. The project is expected to be completed within Fiscal Year 2014/15. Sufficient funds will be included in future fiscal year budgets to cover the remaining cost of this contract if necessary.

RECOMMENDATION

Recommend increasing the amount of the professional Services contract with Mark Thomas & Company, Inc. by \$66,841 to a total amount not to exceed \$665,022 for planning, environmental, and engineering services; increasing the amount of the professional services contract with S&C Engineers, Inc. by \$130,000, to a total amount not to exceed \$550,700, for construction management services; increasing the amount of the construction contract with O.C. Jones & Sons, Inc. by \$348,000 to a total amount not to exceed \$2,369,468; authorizing the Executive Director to modify payment terms and non-material contract terms and conditions for all three contracts; and authorizing an additional construction allotment of \$213,800 to a total amount not to exceed \$400,800 for the Folsom and Fremont Street Off-Ramp Realignment Project.

Attachments (2):

1. Mark Thomas & Company, Inc. Contract Amendment Scope of Services
2. S&C Engineers, Inc. Contract Amendment Scope of Services

RESOLUTION APPROVING THE SCOPE OF WORK FOR THE IMPROVING WEST SIDE
TRANSIT ACCESS STRATEGIC ANALYSIS REPORT

WHEREAS, Strategic analysis reports (SARs) are prepared periodically by the Transportation Authority to shed light on key issues and to assist the Board in the development of policy with regard to specific transportation topics in San Francisco that do not appear to be adequately addressed by existing regulations or activities; and

WHEREAS, At the November 18 Finance Committee, Commissioner Katy Tang requested that staff initiate a SAR to investigate options for improving access to alternative modes, especially transit, on the west side of San Francisco; and

WHEREAS, Equity analysis conducted for the San Francisco Transportation Plan (SFTP) identified that transit access in the city's west side is poorer than in other parts of the city; and

WHEREAS, The Sunset District Blueprint, completed in 2014, identified concerns with unreliable or infrequent transit service as a top community concern; and

WHEREAS, As called for in the Transportation Authority's procedures governing the development of SARs, the scope of work must be presented to the committee on which the requester sits (in this case, the Finance Committee) and the Transportation Authority Board for approval; and

WHEREAS, The committee and Board will review and provide guidance on the scope of work and schedule before staff proceeds further with SAR development; and

WHEREAS, As outlined in the attached draft scope of work, the SAR will identify the top priority travel market(s) of interest; explore the current travel patterns of those in the target market; identify the transportation options already available to them and those planned for the future; identify strategic issues and opportunities for each of the selected travel markets; and make



recommendations for follow-on work to advance one or more specific project concepts; and

WHEREAS, Staff estimates that the SAR could be completed in approximately six months for a total expected cost of \$30,000; and

WHEREAS, The adopted FY 2014/15 agency budget and work program assumed preparation of two SARs, neither of which has been initiated by the Board to date; and

WHEREAS, The subject SAR would be funded through Prop K and/or federal Congestion Management Agency planning funds; and

WHEREAS, If approved at the estimated cost of \$30,000, there would be no impact on the adopted budget; now, therefore, be it

WHEREAS, At its January 13, 2015 meeting, the Finance Committee reviewed the draft scope of work for the subject SAR and unanimously recommended approval of the scope of work as requested; and be it further

RESOLVED, That the Transportation Authority hereby approves the attached scope of work for the Improving West Side Transit Access Strategic Analysis Report.

Attachment:

1. Improving West Side Transit Access SAR Scope of Work

Attachment 1.

**Improving West Side Transit Access
Strategic Analysis Report (SAR)**

**Draft
Scope of Work
January 8, 2015**

I. Background

- A. About SARs:** This is a standard section included in all Strategic Analysis Reports (SARs). It describes the SAR development and review process and the role of the document in facilitating policy-level decision-making.
- B. History/Context:** Equity Analysis conducted for the San Francisco Transportation Plan (SFTP) identified geographic disparities in transit access in the city's outlying neighborhoods including the west side. As a result of this and other factors, a disproportionate share of west side residents drive alone to work and for shopping and errands. The Sunset District Blueprint, completed in 2014, identified concerns with unreliable or infrequent transit service as a top community concern.

Major strides are being made to improve the quality of transit services serving the west side through the Muni Forward project. Muni Forward will result in frequency, speed and/or reliability improvements to eight transit lines (L-Taraval; N-Judah; 16X-Noriega Express; 18-46th Avenue; 28/28L-19th Avenue; 29-Sunset; 48-Quintara; and the 71L-Haight Noriega). Other studies such as the Metropolitan Transportation Commission's (MTC's) upcoming Bay Area Core Capacity Transit Study offers an opportunity to study M-Oceanview improvements and regional express bus services for the west side, to destinations within San Francisco or across the bay to Oakland. Finally, the successful piloting of bike-sharing, citywide focus on improving bicycle and pedestrian facilities, and proliferation of new shared-use and privately provided mobility options on the west side present opportunities for improving transit access.

To inform these ongoing studies and trends, the West Side needs a vision for what it would take, beyond what is already planned, to create the kind of high-quality transportation offerings that would reduce reliance on private vehicles and shift additional trips to transit.

C. Purpose of the SAR:

This SAR will build on work prepared for the Sunset Blueprint, Muni Forward, SFTP and other efforts, to examine high-level options for improving transit access to the west side, focusing on one or more specific travel markets and groups of travelers, which will be identified through analysis.

D. Review of Other Studies and Documents: Several relevant documents will be reviewed as part of this SAR. They include:

- The **Sunset District Blueprint**, which identified key transit hubs within the district that need improvement. These include stops on the N Judah

Attachment 1.

(where Judah intersects La Playa and 46th); the L Taraval (at Wawona and 46th, Taraval and 22nd, and Taraval and 46th), and several others along the 28L, 29 Sunset, and 71 Haight. The Blueprint also notes several pedestrian and bicycle safety concerns that may present barriers to transit access.

- The **Muni Forward project**, which includes conceptual plans for transit upgrades on key transit lines throughout the city, including the N Judah, L Taraval, and others in the district. Any specific improvements already planned for major transit hubs will be inventoried. Boardings by west side transit stops will also be reviewed to ensure focus on the most used stops.
- The **San Francisco Transportation Plan (SFTP)**, which identified a geographic disparity around transit reliability and access to regional services for neighborhoods like the west side of the city. Since the study was published, issues around turnbacks have abated and the SFMTA successfully introduced popular new services like the NX express bus.
- **SPUR's Ocean Beach Master Plan**, a comprehensive vision to address sea level rise, protect infrastructure, restore coastal ecosystems and improve public access, will be reviewed, along with any relevant follow-on studies.
- Professor Susan Shaheen's **Shared Use Mobility Summit White Paper**, which documented the policy issues and opportunities for shared use mobility discussed at a summit held in San Francisco in October 2013.

II. Strategic Analysis

A. Existing Conditions: This section will summarize existing travel data and collect new data, e.g. through focus groups and interviews, to better understand west side travel markets, particularly automobile trips, in an effort to improve the competitiveness of transit and alternative modes. It will examine the following questions:

- a. What are the top travel markets to and from the west side? This analysis will examine the major origins of destinations of west side residents and identify top destinations for different types of trips. For example, the analysis could identify downtown and the south bay as top destinations for commuters. The analysis will also identify the current mode choices of travelers in these markets (e.g. what share of travelers are using transit versus driving alone, walking, or bicycling). One or more top travel markets will be identified as a focus for the remainder of the SAR. For example, options for focused travel markets could include student trips to major educational institutions; commuter trips downtown; or commuter trips to south bay.
- b. What options do travelers in the selected markets currently have for completing their trip, and how competitive are these options with the private automobile? The SAR will also take a special look at the rise of shared mobility services and how these are changing travel habits.
- c. What plans are already in place to improve the quality of alternatives to the automobile in the selected market(s), through projects such as Muni Forward, regional transit improvements, major bicycle network improvements, high-occupancy vehicle (HOV) lanes and other freeway

Attachment 1.

management treatments, fare policies, or other relevant options? Are these improvements expected to be sufficient to result in a significant reduction of reliance on private automobiles for this trip?

C. Strategic Issues and Opportunities: This section would identify new opportunities for improving alternative mode access for one or more specific travel markets and groups of travelers in the short and medium-terms. It will examine:

- a. What additional specific strategies could the city pursue to raise the attractiveness of transit in the selected markets, beyond those that are already planned?
- b. What types of projects would best achieve this, by addressing the gaps or enhancing existing offerings, in the short- and medium terms?
- c. What are potential new policies or roles should be considered along with these projects, for the public and/or private sectors?

III. Next Steps/Recommendations

The SAR will develop a set of recommendations for follow-on work to advance one or more specific project concepts, including likely order-of-magnitude cost and level of effort, responsible agencies, and possible funding sources for implementation.

IV. Bibliography

This section will identify the bibliography as well as individuals and organizations consulted in the process of developing the SAR.



Memorandum

Date: 01.08.15 **RE:** Finance Committee
January 13, 2015

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Christensen, Farrell, Tang and Avalos (Ex Officio)

From: David Uniman – Deputy Director for Planning *DUE*

Through: Tilly Chang – Executive Director *TAC*

Subject: **ACTION** – Recommend Approval of the Scope of Work for the Improving West Side Transit Access Strategic Analysis Report

Summary

At the November 18 meeting of the Finance Committee, Commissioner Tang requested that staff conduct a Strategic Analysis Report (SAR) to investigate options for improving access to alternative modes, especially transit, on the West Side of San Francisco. She cited the 2014 Sunset District Blueprint that identified the need to improve transit service quality in the west side, which is less convenient and reliable than in the eastern core of the city. As a result, a disproportionate share of west side residents and employees choose to drive. Equity analysis conducted for the San Francisco Transportation Plan identified that transit access in the city's west side is poorer than in other parts of the city. As part of the SAR scoping process, we have consulted further with Commissioner Tang and with the San Francisco Municipal Transportation Agency on relevant issues that should be addressed in the SAR. The proposed SAR will identify recommendations for improving the alternative transportation options available in the west side, focusing on one or more specific travel markets (e.g. west side to downtown or west side to south bay) as well as one or more target groups of travelers (e.g. students, commuters, or other). The SAR will identify the current travel patterns of those in the target market; identify the transportation options already available to them and those planned for the future, and make strategic recommendations regarding possible additional improvements that would serve their travel needs and encourage use of sustainable modes of travel. The effort is intended to be completed in approximately six months for an expected cost of \$30,000. We budgeted for two SARs in Fiscal Year 2014/15. If approved, this would be the first SAR authorized this fiscal year. **We are seeking approval of the scope of work for the Improving West Side Transit Access SAR.**

BACKGROUND

Strategic analysis reports (SARs) are prepared periodically by the San Francisco County Transportation Authority (Transportation Authority) to shed light on key issues and to assist the Board in the development of policy with regard to specific transportation topics in San Francisco that do not appear to be adequately addressed by existing regulations or activities.

At the November 18th Plans and Programs Committee, Commissioner Katy Tang requested that we initiate a SAR to investigate options for improving access to alternative modes, especially transit, on the West Side of San Francisco. Equity analysis conducted for the San Francisco Transportation Plan (SFTP) identified that transit access in the city's west side is poorer than in other parts of the city. As a result of this and other factors, a disproportionate share of west side residents drive alone to work and for shopping and errands. The Sunset District Blueprint, completed in 2014, identified concerns with unreliable or infrequent transit service as a top community concern.

Work is underway to improve the quality of access options from the west side, including the Muni Forward project, development of the bicycle network and many other initiatives. To inform these

ongoing studies and trends, the West Side needs a vision for what it would take to create the kind of high-quality transportation offerings that would reduce reliance on private vehicles and shift additional trips to transit, focusing on one or more specific travel markets.

DISCUSSION

As called for in the Transportation Authority's procedures governing the development of SARs, the scope of work must be presented to the committee on which the requester sits (in this case, the Finance Committee) and the Transportation Authority Board for approval. The committee and Board will review and provide guidance on the scope of work and schedule before staff proceeds further with SAR development.

The SAR will identify the top priority travel market(s) of interest; explore the current travel patterns of those in the target market; identify the transportation options already available to them and those planned for the future; identify strategic issues and opportunities for each of the selected travel markets; and make recommendations for follow-on work to advance one or more specific project concepts.

The identification of new opportunities for improving alternative mode access for one or more specific travel markets and groups of travelers in the short and medium-terms will be a core part of the SARs analysis. The SAR will examine:

- What additional specific strategies could the city pursue to raise the attractiveness of transit in the selected markets, beyond those that are already planned?
- What types of projects would best achieve this, by addressing the gaps or enhancing existing offerings, in the short- and medium terms?
- What are potential new policies or roles should be considered along with these projects, for the public and/or private sectors?

Possible travel markets of focus could include: improving options for students seeking to access San Francisco State University or other major educational institutions in the west side; improving options for commuters bound for the south bay; or improving options for commuters bound for downtown. The final area(s) of focus will be confirmed through analysis.

We estimate that the SAR could be completed in approximately six months for a total expected cost of \$30,000. We anticipate performing most of the work in-house, with some consultant assistance (about \$10,000) from our on-call planning contracts, which is the subject of a separate agenda item for the January 13 Finance Committee meeting.

We budgeted for two SARs in Fiscal Year 2014/15. If approved, this would be the first SAR authorized this fiscal year.

ALTERNATIVES

1. Recommend approving the scope of work for the Improving West Side Transit Access SAR, as requested.
2. Recommend approving the scope of work for the Improving West Side Transit Access SAR, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

Due to the year-end holidays, the Citizens Advisory Committee (CAC) does not meet in late December and therefore, did not take a position on this item. If the Board approves the scope of work, we will present it to the CAC on January 28 as an information item and seek the CAC's input.

FINANCIAL IMPACTS

The adopted FY 2014/15 agency budget and work program assumed preparation of two SARs. If approved at the estimated cost of \$30,000, there would be no impact on the adopted budget. SARs are funded through Prop K and/or federal Congestion Management Agency planning funds.

RECOMMENDATION

Recommend approving the scope of work for the Improving West Side Transit Access SAR.

Attachment:

1. Improving West Side Transit Access SAR Scope of Work

RESOLUTION ALLOCATING \$3,815,332 IN PROP K FUNDS, WITH CONDITIONS, AND ALLOCATING \$1,201,000 IN PROP AA FUNDS, WITH CONDITIONS, FOR SEVEN REQUESTS, SUBJECT TO THE ATTACHED FISCAL YEAR CASH FLOW DISTRIBUTION SCHEDULES

WHEREAS, The Transportation Authority received seven requests for a total of \$3,815,332 in Prop K local transportation sales tax funds and \$1,201,000 in Prop AA vehicle registration fee funds, as summarized in Attachments 1 and 2 and detailed in the enclosed allocation request forms; and

WHEREAS, The requests are for allocation of Fiscal Year 2014/15 funds from the Rehabilitate/Upgrade Existing Facilities; New Signals and Signs; Bicycle Circulation/Safety; Curb Ramps; and Transportation Demand Management/Parking Management categories of the Prop K Expenditure Plan; and from the Pedestrian Safety and Transit categories of the Prop AA Expenditure Plan; and

WHEREAS, As a prerequisite for allocation of funds, the voter-approved Prop K and Prop AA Expenditure Plans require that the Transportation Authority Board adopt a 5-Year Prioritization Program (5YPP) for each programmatic category; and

WHEREAS, All of the requests are consistent with their relevant adopted 5YPPs except for the San Francisco Municipal Transportation Agency's (SFMTA's) request for Prop K funds for the 2nd Street Improvements project, which requires a 5YPP amendment to grant a policy waiver linked to the request funds as summarized in Attachment 3 and detailed in the enclosed allocation request forms; and

WHEREAS, After reviewing the requests, staff recommended allocating \$3,815,332 in Prop K funds, with conditions, and allocating \$1,201,000 in Prop AA funds, with conditions, for seven



projects, as described in Attachment 3 and detailed in the enclosed allocation request forms, which include scope, schedule, cost, budget, required deliverables, timely use of funds requirements, special conditions, and Fiscal Year Cash Flow Distribution Schedules; and

WHEREAS, There are sufficient funds in the Capital Expenditures line item of the Transportation Authority's approved Fiscal Year 2014/15 budget to cover the proposed actions; and

WHEREAS, On January 13, 2015, the Plans and Programs Committee reviewed the subject requests and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby allocates \$3,815,332 in Prop K funds, with conditions, and allocates \$1,201,000 in Prop AA funds, with conditions, for seven requests, as summarized in Attachment 3 and detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Transportation Authority finds the allocation of these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop K and Prop AA Expenditure Plans, the Prop K Strategic Plan, the Prop AA Strategic Plan, and the relevant 5YPPs; and be it further

RESOLVED, That the Transportation Authority hereby authorizes the actual expenditure (cash reimbursement) of funds for these activities to take place subject to the Fiscal Year Cash Flow Distribution Schedules detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Capital Expenditures line item for subsequent fiscal year annual budgets shall reflect the maximum reimbursement schedule amounts adopted and the Transportation Authority does not guarantee reimbursement levels higher than those adopted; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the Executive

Director shall impose such terms and conditions as are necessary for the project sponsors to comply with applicable law and adopted Transportation Authority policies and execute Standard Grant Agreements to that effect; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the project sponsors shall provide the Transportation Authority with any other information it may request regarding the use of the funds hereby authorized; and be it further

RESOLVED, That the Capital Improvement Program of the Congestion Management Program, the 2014 Prop K Strategic Plan, the Prop AA Strategic Plan and the relevant 5YPPs are hereby amended, as appropriate.

Attachments (7):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Capital Budget 2014/15
5. Prop K 2014/15 Fiscal Year Cash Flow Distribution – Summary Table
6. Prop AA Capital Budget 2014/15
7. Prop AA 2014/15 Fiscal Year Cash Flow Distribution – Summary Table

Enclosure:

1. Prop K/Prop AA Allocation Request Forms (7)

Attachment 1: Summary of Applications Received

Source	EP Line No./Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Current Prop AA Request	Total Cost for Requested Phase(s)	Prop K Leveraging		Phase(s) Requested	District	
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴			
Prop K	20M	SFMTA	Muni Metro East (MIME) Phase 2	\$ 2,598,500	\$ -	\$ 2,598,500	90%	0%	Environmental Studies	10	
Prop K, Prop AA	31, Ped Safety	SFMTA	New Signal Contract 62	\$ 150,000	\$ 310,000	\$ 1,995,000	16%	92%	Construction	1,3,4,5,6	
Prop K	39	SFMTA	2nd Street Improvements [Vision Zero]	\$ 158,500	\$ -	\$ 158,500	28%	0%	Construction	6	
Prop K	39	SFMTA	5th Street Green Shared Roadway Markings (Sharrows) [Vision Zero]	\$ 82,700	\$ -	\$ 86,200	28%	4%	Construction	6	
Prop K	41	SFPW	Curb Ramps	\$ 725,632	\$ -	\$ 725,632	45%	0% current phase; 15% for all phases	Construction	9, 10	
Prop K	43	SFMTA	Comprehensive TDM Program	\$ 100,000	\$ -	\$ 600,000	54%	83%	Construction	Citywide	
Prop AA	Transit	SFMTA	City College Pedestrian Connector	\$ -	\$ 891,000	\$ 891,000	NA	NA	Construction	7	
TOTAL							\$ 3,815,332	\$ 1,201,000	\$ 7,054,832	43%	33%

Footnotes

¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2014 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronyms include SFMTA (San Francisco Municipal Transportation Agency) and SFPW (San Francisco Public Works).

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
20M	SFMTA	Muni Metro East (MME) Phase 2	\$ 2,598,500	\$ -	Prop K funds will be used for environmental review and preliminary engineering required for the construction of two major improvements to the Muni Metro East (MME) maintenance facility: a new 75,000 square foot building (minimum) to be constructed east of the existing MME site for maintenance and mid-life overhaul of the entire range of vehicles in SFMTA's fleet; and a storage canopy and storage tracks to accommodate SFMTA's fleet of historic vehicles (including projected growth). Total estimated cost at the conceptual planning level to complete both projects is about \$200 million. The SFMTA will begin work this spring, with completion of the Environmental phase expected by spring 2016. The project could be open for use by summer 2019, subject to funding availability.
31	SFMTA	New Signal Contract 62	\$ 150,000	\$ 310,000	Funds will be used for the construction of 7 new traffic signals, 1 flashing beacon system and related pedestrian improvements. Prop AA funds will be used to construct the new signal and pedestrian improvements at 8th and Natoma Streets, as recommended in the Western SoMa Neighborhood Transportation Plan, and Prop K funds will be used for improvements at the other locations (see page 13 of the Allocation Request Form for locations). All new traffic signals will have new pedestrian countdown signals, controllers, conduit, wiring, poles, curb ramps, and mast-arm mounted signals. Design was funded by Prop K and Prop AA. SFMTA will begin construction in August 2015 and expects to finish in August 2016.
39	SFMTA	2nd Street Improvements [Vision Zero]	\$ 158,500	\$ -	Prop K funds will be used to implement bicycle and pedestrian improvements on Second Street between Market and Townsend Streets, including: 1) a bike box at Market Street, 2) bike lanes north of Howard Street through a one- to two-block travel lane reduction, 3) sharrow south of Howard Street to King Street, 4) continental crosswalks at eight intersections, and 5) painted safety zones at the uncontrolled South Park crosswalk. As one of the 24 Vision Zero Near-Term Capital Projects, this project will bring immediate benefits in 2015, in advance of the OneBayArea Grant (OBAG)-funded streetscape project scheduled for construction in 2016. The OBAG project will replace the currently proposed improvements with in-kind or enhanced versions.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
39	SFMTA	5th Street Green Shared Roadway Markings (Sharrows) [Vision Zero]	\$ 82,700	\$ -	SFMTA will use Prop K funds to upgrade the existing sharrows on 5th Street between Market and Townsend Streets to 90 new green colored sharrows. This is one of the 24 Near-Term Vision Zero capital projects . All work will be completed by the SFMTA, which anticipates starting installation in spring 2015 and finishing by September 2015.
41	DPW	Curb Ramps	\$ 725,632	\$ -	Prop K funds will be used for the construction and reconstruction of approximately 68 accessible curb ramps and related sidewalk, curb, gutter, and roadway work in Districts 9 and 10. See preliminary list of locations in the attached allocation request form.
43	SFMTA	Comprehensive TDM Program	\$ 100,000	\$ -	Prop K funds will be used to pilot a residential/employee TDM program that targets 15,000 housing units (representing 33,000 people) and 15,000 employees (likely representing 290 employers), likely in the northeastern Mission District and Ingleside neighborhoods. Locations were based on single-occupancy vehicle mode share; transit availability; bicycle and walking infrastructure; and a minimum of 20% of area located in a community of concern. This project was included as a project priority in the recently completed integrated TDM strategy for San Francisco, which included staff from the SFMTA, SFCTA, San Francisco Environment, and Planning Department. The project is anticipated for completion in January 2016, and includes an evaluation component to determine the program's effectiveness. Prop K funds for this project will leverage \$500,000 in Transportation Fund for Clean Air funds, programmed by the SFCTA to this project in May 2014. SFMTA staff will provide program management and oversight for the project, including outreach approach and evaluation. SFE staff will perform day-to-day operations of the program, including outreach and communications.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
Transit	SFMTA	City College Pedestrian Connector	\$ -	\$ 891,000	Prop AA funds will be used to construct a safer, more direct pedestrian corridor between the City College Ocean Avenue Campus and Muni bus stops at the City College Terminal and K-Ingleside stops on Ocean Avenue. The pedestrian connector includes a 15-foot wide by 50-foot long cemented diagonal pathway with 10 steps about mid-way, handrails at the steps, pedestrian-type lights, and landscaping. The steps will include public art consisting of a collage of historic photographs of the area. The Arts Commission will manage the art component and will be responsible for replacement in the future, if needed. Construction of the pedestrian connector will be performed by a contractor and managed by the SFMTA, with assistance from SFPW. SFMTA anticipates starting construction in summer 2015 with the connector open for use by summer 2016.
TOTAL			\$ 3,815,332	\$ 1,201,000	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
20M	SFMTA	Muni Metro East (MME) Phase 2	\$ 2,598,500	\$ -	
31	SFMTA	New Signal Contract 62	\$ 150,000	\$ 310,000	Our recommendation is contingent on the deobligation of \$150,000 in design funds (resulting from cost savings) to reprogram for construction. It also includes a commitment to allocate \$1,535,000 in Fiscal Year 2015/16 funds, consistent with the Prop K Strategic Plan. On January 9, at SFMTA's request, Transportation Authority staff granted a waiver to Prop K Strategic Plan policies allowing SFMTA to advertise the project in advance of the Transportation Authority Board allocation of the Fiscal Year 2015/16 funds to the project. The project advanced faster than anticipated and as an agency priority, SFMTA is committed to accelerating projects which include Walkfirst components (this applies to 5 of the 7 new signalized intersections included in the request).
39	SFMTA	2nd Street Improvements [Vision Zero]	\$ 158,500	\$ -	5YPP Amendment: The Bicycle Circulation/Safety 5YPP contains a placeholder for more than \$2.3 million for Bicycle Network and Expansion design and construction funds. The 5YPP conditions allocation of funds from this placeholder on a 5YPP amendment to incorporate a prioritized list of projects from SFMTA for at least FY 2014/15, and ideally through FY 2018/19 (the end of the 5YPP period). SFCTA staff recommendations approval of a policy waiver for the subject request because it is one of the 24 Vision Zero Capital Projects.
39	SFMTA	5th Street Green Shared Roadway Markings (Sharrows) [Vision Zero]	\$ 82,700	\$ -	
41	DPW	Curb Ramps	\$ 725,632	\$ -	
43	SFMTA	Comprehensive TDM Program	\$ 100,000	\$ -	
Transit	SFMTA	City College Pedestrian Connector	\$ -	\$ 891,000	Reimbursement is conditioned upon execution of a Memorandum of Understanding, or equivalent document, between City College and SFMTA, which includes maintenance responsibilities. See Implementation section of scope in allocation request form for additional details.
TOTAL			\$ 3,815,332	\$ 1,201,000	

¹ See Attachment 1 for footnotes.

Attachment 4.
Prop K FY 2014/15 Capital Budget¹

EP #	Sponsor	Project Name	Total	Cash Flow Distribution					FYs 2019/20 - 2027/2028 ²
				FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	
TRANSIT									
1	SFMTA	Van Ness Bus Rapid Transit	\$ 1,594,280	\$ 1,275,424	\$ 318,856				
1	SFMTA	Geary Bus Rapid Transit	\$ 872,859	\$ 872,859					
5	TJPA	Transbay Transit Center and Downtown Extension	\$ 43,046,950	\$ 34,128,950	\$ 4,693,000	\$ 4,225,000			
5	TJPA	Downtown Extension	\$ 1,219,000	\$ 632,400	\$ 586,600				
6	PCJPB	Caltrain Early Investment Program	\$ 7,470,000	\$ 7,470,000					
7	PCJPB	Railroad Bridge Load Rating	\$ 382,347	\$ 191,174	\$ 191,173				
7	PCJPB	Rail Grinding	\$ 620,400	\$ 310,200	\$ 310,200				
8	BART	Balboa Park Station Eastside Connections	\$ 2,030,000			\$ 2,030,000			
14	SFCTA	Quint-Jerrold Connector Road Contracting and Workforce Development Strategy	\$ 89,000	\$ 89,000					
15	SFMTA	Light Rail Vehicle Procurement	\$ 4,592,490			\$ 3,092,490	\$ 1,500,000		
17M	SFMTA	Light Rail Vehicle Procurement	\$ 60,116,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,116,310
17M	SFMTA	Replace 60 New Flyer 60-Foot Trolley Coaches	\$ 20,831,776	\$ 2,100,000	\$ 12,800,000	\$ 5,931,776			
17P	PCJPB	F40 Locomotive Mid-Life Overhaul	\$ 1,042,857	\$ 521,429	\$ 521,428				
17U	SFMTA	Light Rail Vehicle Procurement	\$ 66,444,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,444,342
20M	SFMTA	Muni Metro East (MME) Phase 2	\$2,598,500	\$ 998,500	\$ 1,600,000				
20P	PCJPB	Systemwide Station Improvements	\$ 210,989	\$ 105,495	\$ 105,494				
22B	BART	Transbay Tube Cross-Passage Doors Replacement	\$ 250,000	\$ 250,000					
22P	PCJPB	Quint Street Bridge Replacement	\$ 303,066	\$ 303,066					
22P	PCJPB	Systemwide Track Rehabilitation	\$ 1,243,407	\$ 621,704	\$ 621,703				
Transit Subtotal			\$ 214,958,573	\$ 49,870,201	\$ 21,748,454	\$ 15,279,266	\$ 1,500,000	\$ -	\$ 126,560,652
PARATRANSIT									
23	SFMTA	Paratransit	\$ 9,670,000	\$ 9,670,000					
Paratransit Subtotal			\$ 9,670,000	\$ 9,670,000	\$ -	\$ -	\$ -	\$ -	\$ -
VISITACION VALLEY WATERSHED									
27	SFMTA	Bayshore Multimodal Station Location Study	\$ 14,415	\$ 9,665	\$ 4,750				
27	SFCTA	Bayshore Multimodal Station Location Study	\$ 14,415	\$ 9,665	\$ 4,750				
27	SFMTA	Geneva-Harney BRT Feasibility/Pre-Environmental Study	\$ 200,000	\$ 112,866	\$ 87,134				
Visitacion Valley Watershed Subtotal			\$ 228,830	\$ 132,196	\$ 96,634	\$ -	\$ -	\$ -	\$ -
STREET AND TRAFFIC SAFETY									
31	SFMTA	Contract 62	\$ 150,000	\$ 50,000	\$ 100,000				
34	SFPW	West Portal Ave and Quintara St. Pavement Renovation	\$ 3,002,785	\$ 2,402,228	\$ 600,557				
35	SFPW	Street Repair and Cleaning Equipment	\$ 701,034	\$ 350,517	\$ 350,517				
37	SFPW	Public Sidewalk Repair	\$ 492,200	\$ 492,200					
38	SFMTA	John Yehall Chin Safe Routes to School	\$ 40,433	\$ 40,433					
39	SFMTA	Twin Peaks Connectivity	\$ 23,000	\$ 19,866	\$ 3,134				

Attachment 4.
Prop K FY 2014/15 Capital Budget¹

EP #	Sponsor	Project Name	Total	Cash Flow Distribution					FYs 2019/20 - 2027/2028 ²
				FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	
39	SFMTA	Shared Roadway Bicycle Markings (Sharrows)	\$ 256,100	\$ 151,000	\$ 105,100				
39	PCJPB	San Francisco Bicycle Parking Facility Improvements - Supplemental Funds	\$ 20,000	\$ 20,000					
39	SFMTA	Market Street Green Bike Lanes and Raised Cycletrack	\$ 758,400	\$ 500,544	\$ 257,856				
39	SFMTA	2nd Street Vision Zero Improvements	\$ 158,500	\$ 79,250	\$ 79,250				
39	SFMTA	5th Street Green Shared Roadway Markings (Sharrows)	\$ 82,700	\$ 41,350	\$ 41,350				
40	SFMTA	WalkFirst Continental Crosswalks	\$ 423,000	\$ 211,500	\$ 211,500				
40	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 6,575	\$ 6,575					
40	Public Works	Longfellow Elementary School Safe Routes to School	\$ 64,578	\$ 12,663	\$ 51,915				
41	Public Works	Curb Ramps	\$ 725,632	\$ 21,769	\$ 633,863	\$ 70,000			
42	SFPW	Tree Planting and Maintenance	\$ 1,000,000	\$ 1,000,000					
Streets and Traffic Safety Subtotal			\$ 7,904,937	\$ 5,399,895	\$ 2,435,042	\$ 70,000	\$ -	\$ -	\$ -
TSM/STRATEGIC INITIATIVES									
43	SFE	Commuter Benefits Ordinance Employer Outreach	\$ 77,546	\$ 77,546					
43	SFCTA	Bay Area Transit Core Capacity Study	\$ 450,000	\$ 315,000	\$ 135,000				
43	SFCTA	San Francisco Corridor Management Study	\$ 300,000	\$ 75,000	\$ 125,000	\$ 100,000			
43	SFCTA	Treasure Island Mobility Management Program	\$ 150,000	\$ 150,000					
43	SFMTA	Comprehensive TDM Program	\$ 100,000		\$ 100,000				
44	SFMTA	Persia Triangle	\$ 200,685	\$ 100,343	\$ 100,342				
44	SFCTA	NTIP Predevelopment/Program Support	\$ 75,000	\$ 75,000					
44	SFMTA	NTIP Predevelopment/Program Support	\$ 75,000	\$ 75,000					
44	SFMTA	Western Addition Community-Based Transportation Plan [NTIP]	\$ 240,000	\$ 96,000	\$ 96,000	\$ 48,000			
44	SF Public Works	Chinatown Broadway Phase IV	\$ 701,886	\$ 175,471	\$ 526,415				
44	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 47,140	\$ -	\$ 47,140				
44	Public Works	Longfellow Elementary School Safe Routes to School	\$ 61,865	\$ -	\$ 61,865				
44	SFMTA	Mansell Corridor Improvement	\$ 572,754	\$ -	\$ 472,754	\$ 100,000			
TSM/Strategic Initiatives Subtotal			\$ 3,051,876	\$ 1,139,360	\$ 1,664,516	\$ 248,000	\$ -	\$ -	\$ -
TOTAL			\$ 235,814,216	\$ 66,211,652	\$ 25,944,646	\$ 15,597,266	\$ 1,500,000	\$ -	\$ 126,560,652

¹ This table shows Cash Flow Distribution Schedules for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).

² Light Rail Vehicle Procurement. See Resolution 15-12 for cash flow details.

Shaded lines indicate allocations/appropriations that are part of the current action.

**Attachment 5.
Prop K FY 2014/15 Capital Budget¹**

	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FYs 2019/20 - 2027/28²
Prior Allocations	\$ 231,998,884	\$ 65,020,783	\$ 23,390,183	\$ 15,527,266	\$ 1,500,000	\$ -	\$ 126,560,652
Current Request(s)	\$ 3,815,332	\$ 1,190,869	\$ 2,554,463	\$ 70,000	\$ -	\$ -	\$ -
New Total Allocations	\$ 235,814,216	\$ 66,211,652	\$ 25,944,646	\$ 15,597,266	\$ 1,500,000	\$ -	\$ 126,560,652

¹ This table shows total cash flow for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).

² Light Rail Vehicle Procurement. See Resolution 15-12 for cash flow details.

Attachment 6.
Prop AA FY 2014/15 Capital Budget¹

			Cash Flow Distribution			
Sponsor	Project Name	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
STREET REPAIR AND RECONSTRUCTION						
DPW	Dolores St Pavement Renovation	\$ 2,210,000	\$ 707,199	\$ 1,502,801		
SFMTA	Mansell Corridor Improvement Project	\$ 2,325,624	\$ 50,000	\$ 2,275,624		
Street Repair and Reconstruction Subtotal		\$ 4,535,624	\$ 757,199	\$ 3,778,425	\$ -	\$ -
PEDESTRIAN SAFETY						
UC Hastings	McAllister St Campus Streetscape	\$ 1,762,206	\$ 1,762,206			
SFMTA	Webster Street Pedestrian Countdown Signals	\$ 260,000	\$ 100,000	\$ 160,000		
SFMTA	New Signals Contract 62	\$ 310,000	\$ -	\$ 310,000		
Pedestrian Safety Subtotal		\$ 2,332,206	\$ 1,862,206	\$ 470,000	\$ -	\$ -
TRANSIT RELIABILITY AND MOBILITY IMPROVEMENTS						
SFMTA	City College Pedestrian Connector	\$ 42,000	\$ 42,000			
SFMTA	City College Pedestrian Connector	\$ 891,000		\$ 891,000		
Transit Reliability and Mobility Improvements Subtotal		\$ 933,000	\$ 42,000	\$ 891,000		\$ -
TOTAL		\$ 7,800,830	\$ 2,661,405	\$ 5,139,425	\$ -	\$ -

¹ This table shows Cash Flow Distribution Schedules for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s). Shaded lines indicate allocations/appropriations that are part of the current action.

Attachment 7.
Prop AA FY 2014/15 Capital Budget Summary¹

	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Prior Allocations	\$ 6,599,830	\$ 2,661,405	\$ 3,938,425	\$ -	\$ -
Current Request(s)	\$ 1,201,000	\$ -	\$ 1,201,000	\$ -	\$ -
New Total Allocations	\$ 7,800,830	\$ 2,661,405	\$ 5,139,425	\$ -	\$ -

¹ This table shows total cash flow for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).



Memorandum

Date: 01.08.2015 **RE:** Plans and Programs Committee
January 13, 2015

To: Plans and Programs Committee: Commissioners Mar (Chair), Kim (Vice Chair), Breed, Campos, Yee and Avalos (Ex Officio)

From: Anna LaForte – Deputy Director for Policy and Programming *AKL*

Through: Tilly Chang – Executive Director *TChang*

Subject: **ACTION** – Recommend Allocation of \$3,815,332 in Prop K Funds, with Conditions, and Allocation of \$1,201,000 in Prop AA Funds, with Conditions, for Seven Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules

Summary

As summarized in Attachments 1 and 2, we have seven requests totaling \$5,016,331 in Prop K and AA funds to present to the Plans and Programs Committee for approval. Attachment 3 summarizes our recommendations. San Francisco Public Works has requested \$725,632 in Prop K funds to construct an estimated 68 curb ramps in Districts 9 and 10. The San Francisco Municipal Transportation Agency (SFMTA) has requested Prop K funds for six projects. They include the environmental studies phase of Muni Metro East (MME) Phase II (\$2,598,500), which would construct a new vehicle maintenance and mid-life overhaul facility and historic streetcar canopy and storage tracks at MME; New Signal Contract 62 construction (\$150,000 in Prop K, \$310,000 in Prop AA), Comprehensive Transportation Demand Management Program (\$100,000), and construction of two of the 24 Near-Term Vision Zero Capital projects: 2nd Street Improvements (\$158,500) and 5th Street Green Shared Roadway Markings (Sharrows) (\$82,700). New Signal Contract 62 funds signals in Districts 1, 3, 4, 5, and 6 and includes the mid-block crossing improvements at 8th and Natoma Streets as recommended in the Western SoMa Neighborhood Transportation Plan. Lastly, the SFMTA has requested \$891,000 in Prop AA funds for construction of the City College Pedestrian Connector. **We are seeking a recommendation to allocate \$3,815,332 in Prop K funds, with conditions, and to allocate \$1,201,000 in Prop AA funds, with conditions, for seven requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules.**

BACKGROUND

We have received seven requests for a combined total of \$5,016,331 in Prop K and Prop AA funds to present to the Plans and Programs Committee at its January 13, 2015 meeting, for potential Board approval on January 27, 2015. As shown in Attachment 1, the requests come from the following Prop K and Prop AA categories:

- Prop K Rehabilitate/Upgrade Existing Facilities – Muni
- Prop K New Signals and Signs
- Prop K Bicycle Circulation/Safety
- Prop K Curb Ramps
- Prop K Transportation Demand Management/ Parking Management
- Prop AA Pedestrian Safety
- Prop AA Transit

Transportation Authority Board adoption of a 5-Year Prioritization Program (5YPP) for Prop K and Prop AA programmatic categories is a prerequisite for allocation funds from these categories.

DISCUSSION

The purpose of this memorandum is to present seven Prop K (\$3,815,332) and Prop AA (\$1,201,000) requests to the Plans and Programs Committee, and to seek a recommendation to allocate these funds, with conditions. Attachment 1 summarizes the seven requests, including information on proposed leveraging (i.e. stretching Prop K dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project are included in the attached Allocation Request Forms.

Staff Recommendation: Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions, 5YPP amendments and other items of interest. Transportation Authority staff and project sponsors will attend the Plans and Programs Committee meeting to provide brief presentations on some of the specific requests and to respond to any questions that the Committee may have.

ALTERNATIVES

1. Recommend allocation of \$3,815,332 in Prop K funds, with conditions, and allocation of \$1,201,000 in Prop AA funds, for seven requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as presented.
2. Recommend allocation of \$3,815,332 in Prop K funds, with conditions, and allocation of \$1,201,000 in Prop AA funds, for seven requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

Due to the year-end holidays, the Citizens Advisory Committee (CAC) does not meet in late December. Thus, this item will be included as an information item on the agenda for the January 28, 2015 meeting of the CAC.

FINANCIAL IMPACTS

As detailed in Attachment 2 and the attached Allocation Request Forms, this action would allocate \$3,815,332 in Fiscal Year 2014/15 Prop K funds, with conditions and allocate \$1,201,000 in Prop AA funds, with conditions. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

The Prop K Capital Budget (Attachment 4) shows the recommended cash flow distribution schedules for the subject requests. Attachment 5 contains a cash-flow-based summary table including the Prop K Fiscal Year 2014/15 allocations to date and the subject Prop K requests.

The Prop AA Fiscal Year 2014/15 Capital Budget (Attachment 6) shows the recommended cash flow distribution schedules for the subject Prop AA allocation requests, and Attachment 7 contains a cash-flow-based summary table of the Fiscal Year 2014/15 allocations to date, including the subject Prop AA requests.

Sufficient funds are included in the adopted Fiscal Year 2014/15 budget to accommodate the recommendation actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

RECOMMENDATION

Recommend allocation of \$3,815,332 in Prop K funds, with conditions, and allocate \$1,201,000 in Prop AA funds, with conditions, for seven requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules.

Attachments (8):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Capital Budget 2014/15
5. Prop K 2014/15 Fiscal Year Cash Flow Distribution – Summary Table
6. Prop AA Capital Budget 2014/15
7. Prop AA 2014/15 Fiscal Year Cash Flow Distribution – Summary Table
8. Prop K/Prop AA Allocation Request Forms (7)

RESOLUTION RATING THE PERFORMANCE OF THE EXECUTIVE DIRECTOR FOR 2014 AND ADOPTING THE EXECUTIVE DIRECTOR'S PERFORMANCE OBJECTIVES FOR 2015

WHEREAS, On September 24, 2013, through Resolution 14-24, the Board appointed Tilly Chang as Executive Director effective October 1, 2013; and

WHEREAS, The Transportation Authority's Administrative Code establishes that that the Personnel Committee (Committee) shall conduct an employee performance evaluation of the Executive Director by December 31 of each year for the Executive Director's work performance for the current year; and

WHEREAS, Board-adopted procedures require that the record of accomplishments be tracked against Board-established objectives for the Executive Director, for the annual period being evaluated; and

WHEREAS, The Committee shall evaluate the Executive Director's performance annually based on mutually agreed upon objectives; and

WHEREAS, On December 2, 2014, the Personnel Committee conducted the performance evaluation according to the adopted format and procedures; and

WHEREAS, The Board-adopted evaluation worksheet allows for ratings of Outstanding, Exceptionally Good, Very Good, Satisfactory and Needs Improvement; and

WHEREAS, The Personnel Committee considered the key accomplishments and issues relative to the Executive Director's performance during 2014 and recommended a rating of Exceptionally Good, reflecting its perception of the performance of the Executive Director against Board-established objectives for 2014; and

WHEREAS, The proposed Executive Director objectives for 2015, contained in



Attachment 1, are consistent with the annual Work Program adopted by Transportation Authority Board on May 20, 2014 through Resolution 14-74 as part of the budget; and

WHEREAS, On December 2, 2014, the Committee reviewed and unanimously recommended approval of the proposed Executive Director objectives for 2015 (Attachment 1); now, therefore, be it

RESOLVED, That the Transportation Authority hereby rates the performance of the Executive Director during 2014 as Exceptionally Good; and be it further

RESOLVED, That the Transportation Authority hereby adopts the attached objectives for the Executive Director for 2015 (Attachment 1).

Attachment:

1. Executive Director Objectives 2015



Proposed Objectives for 2015 for Tilly Chang, Executive Director

The purpose of this section is to establish tangible parameters against which the Board may be able to assess the Executive Director's performance during 2015.

I. Advance Key Work Program Activities
<p><i>Planning Activities</i></p> <ol style="list-style-type: none"> 1. Conduct planning coordination work for San Francisco Transportation Plan (SFTP) Update and submit prioritized consensus list of projects to Metropolitan Transportation Commission (MTC)/Association of Bay Area Governments (ABAG) for 2017 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) call for projects 2. Certify Geary Corridor Bus Rapid Transit (BRT) Environmental Impact Report/Statement (EIR/EIS) 3. Establish Treasure Island Mobility Management Agency governance and adopt Treasure Island Mobility Planning/Policy Study; address equity concerns 4. Adopt Freeway Corridor Management Study (FCMS) Vision and advance FCMS planning study 5. Conduct proposed Bay Area Rapid Transit (BART) Station Mobile Incentives Pilot 6. Prepare SFTP background papers on San Francisco travel trends and characteristics, and new revenue measures 7. Conduct modeling for Transportation Authority and external partners
<p><i>Fund Programming and Administrative Activities</i></p> <ol style="list-style-type: none"> 1. Administer Prop K sales tax and other fund programs 2. Support San Francisco Municipal Transportation Agency (SFMTA) in delivering near term Geary Corridor improvements, oversee design of BRT project 3. Develop full funding plan for Caltrain Electrification (revised memorandum of understanding) 4. Administer Lifeline Transportation Program, coordinate and support San Francisco's response to other calls for projects 5. Revise Prop K Strategic Plan financial model to better support debt management 6. Continue to closely manage debt program (Commercial Paper) 7. Secure continued clean audit(s)
<p><i>Capital Project Delivery and Oversight Activities</i></p> <ol style="list-style-type: none"> 1. Oversee Presidio Parkway substantial completion 2. Complete Folsom Street Off-ramp Realignment Project 3. Prepare Yerba Buena Island West-Side Ramps Bridges Retrofit Project for bid 4. Oversee Transbay Transit Center project and confirm Caltrain Downtown Extension project and delivery strategy; strengthen funding plan 5. Support Van Ness BRT project final design and procurement

Attachment 1

<p>II. Board Support, Project Reporting and Consultation</p> <ol style="list-style-type: none"> 1. Check in regularly with Chair and Board members to seek guidance and input 2. Help staff regional roles MTC, ABAG, Air District, BART, TJPA, Caltrain and other bodies as needed 3. Staff ongoing Vision Zero Committee meetings 4. Serve (Executive Director) on Association of Bay Area Governments Regional Planning Committee 5. Complete proposed Strategic Analysis Report on Improved Access to West Side Transit Hubs (pending Authority Board scope approval)
<p>III. Promote Efficiency and Customer Service</p> <ol style="list-style-type: none"> 1. Enhance Prop K Portal to increase functionality for sponsors and staff 2. Continue to work with sponsors to further streamline grant allocation and administration, e.g. more user-friendly allocation request form, quarterly progress reports, reduced invoicing frequencies and bundling funding requests for smaller projects. 3. Hire Planner in Technology, Data and Analysis Division; consider additional staff hires to support model service bureau. 4. Improve MyStreetSF.com with enhanced feedback features
<p>IV. Collaborate and Coordinate with Partner Agencies</p> <ol style="list-style-type: none"> 1. Continue to partner and coordinate on revenue, legislative and policy advocacy 2. Confirm and support Caltrain/High-Speed Rail (HSR) compatibility 3. Advocate for efficient and performance-based state fund program guidelines 4. Collaborate with city and regional agencies on SFTP update and input to RTP/SCS update 5. Continue to deliver Waterfront Assessment, Geneva-Harney BRT, Transit Core Capacity 6. Continue to provide technical assistance on Transit Sustainability Project, Better Market Street, Railyard/Boulevard Study and 19th Avenue / M-Line Transit Corridor Project. 7. Continue to participate in city legislative coordination and capital funding working groups
<p>V. Provide Leadership at Regional/State Levels</p> <ol style="list-style-type: none"> 1. Actively participate in regional policy discussions at MTC and ABAG to shape the 2017 Plan Bay Area Update, working effectively on cross-county initiatives, build alliances between Big 3 cities 2. Provide technical support to Caltrans Road User Charge pilot effort 3. Coordinate legislation with SHCC, MTC; co-lead with CMAs 4. Seek authority for alternative project delivery, e.g. CM/GC as warranted 5. Track and help shape statewide and regional managed lanes policies

Attachment 1

VI. Build Awareness of Transportation Authority Programs and Opportunities

1. Continue neighborhood ad/communications campaign
2. Complete agency-wide communications assessment and branding strategy
3. Update website
4. Launch 25th anniversary activities
5. Continue to regularly meet with civic groups, media, community-based organizations, neighborhood groups
6. Continue Disadvantaged Business Enterprise (DBE) outreach efforts and workforce supportive programs (CityBuild)
7. Consider new policies per SFMTA DBE market size study (pending)
8. Implement workforce trainings, DBE contracting for Quint Bridge project/Quint Connector Road, assess lessons learned to inform future agency policies and procedures

VII. Agency/Staff Development

1. Continue filling new positions as funds become available
2. Continue to coach and mentor staff
3. Conduct project management trainings, potentially jointly with SFMTA
4. Continue updating policies and procedures, including integration with enterprise resource planning



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RESOLUTION FIXING ANNUAL COMPENSATION FOR THE EXECUTIVE DIRECTOR
FOR THE PERIOD OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015

WHEREAS, The Transportation Authority's Administrative Code establishes that the Board fixes the compensation level for the Executive Director; and

WHEREAS, Per the Personnel Manual, salary adjustments are not automatic based on cost of living or other indexes, but focuses instead on rewarding performance; and

WHEREAS, In 2006, the Transportation Authority performed a survey of remuneration levels for Executive Director positions at comparable Bay Area authorities and agencies; and

WHEREAS, Pursuant to the survey, the Transportation Authority adopted the current six-step compensation scale for the Executive Director; and

WHEREAS, On September 24, 2013, through Resolution 14-24, the Board appointed Tilly Chang as Executive Director effective October 1, 2013 and fixed the compensation at Step 5; and

WHEREAS, The adopted Fiscal Year 2014/15 budget has sufficient funds to address the proposed action; and

WHEREAS, On December 2, 2014, the Personnel Committee met, and after extensive consideration of the Executive Director's performance and other factors, recommended approval of the proposed Executive Director objectives for 2015 and that the Executive Director's compensation remain at Step 5; now, therefore, be it

RESOLVED, That the Transportation Authority hereby maintains at Step 5 the Executive Director's compensation for the period October 1, 2014 through September 30, 2015.



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MOTION ADOPTING THE SAN FRANCISCO COUNTY TRANSPORTATION
AUTHORITY 2014 ANNUAL REPORT

Pursuant to Section 131303 of the Public Utilities Code, the Transportation Authority hereby adopts the San Francisco County Transportation Authority 2014 Annual Report.

Enclosure:

1. 2014 Annual Report – Draft