

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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Pam O'Connor, Santa Monica

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Human Development
Paula Lantz, Pomona

Energy & Environment
Cheryl Viegas-Walker, El Centro

Transportation
Keith Millhouse, Ventura County
Transportation Commission

MEETING OF THE

EXECUTIVE/ADMINISTRATION COMMITTEE

PLEASE NOTE TIME

Thursday, September 6, 2012

9:15 a.m. – 10:00 a.m.

**SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at (213) 236-1993 or via email salcido@scag.ca.gov

Agendas & Minutes for the Executive/Administration Committee are also available at: www.scag.ca.gov/committees/eac.htm

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1993. We require at least 72 hours (three days) notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

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Executive/Administration Committee
Members – September 2012

<u>Members</u>		<u>Representing</u>	
Chair 1.	Hon. Glen Becerra	Simi Valley	District 46
Vice-Chair 2.	Hon. Greg Pettis	Cathedral City	District 2
2nd Vice-Chair 3.	Hon. Carl Morehouse	San Buenaventura	District 47
Imm. Past Pres. 4.	Hon. Pam O'Connor	Santa Monica	District 41
5.	Hon. Lisa Bartlett	Dana Point	TCA
6.	Hon. James Johnson	Long Beach	District 30
7.	Hon. Paula Lantz	Pomona	District 38
8.	Mr. Randall Lewis	Ex-Officio	Lewis Group of Companies
9.	Hon. Larry McCallon	Highland	District 7
10.	Hon. Keith Millhouse	Moorpark	VCTC
11.	Hon. Judy Mitchell	Rolling Hills Estates	District 40
12.	Hon. Kris Murray	Anaheim	District 19
13.	Hon. Jeff Stone		Riverside County
14.	Hon. Cheryl Viegas-Walker	El Centro	District 1
15.	Hon. Alan Wapner	Ontario	SANBAG
16.	Hon. Dennis Zine	Los Angeles	District 50
17.	VACANT		CEHD Vice-Chair
18.	VACANT		Tribal Government Representative

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EXECUTIVE/ADMINISTRATION COMMITTEE

AGENDA

SEPTEMBER 6, 2012

The Executive/Administration Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

(Hon. Glen Becerra, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

PRESIDENT'S REPORT

Update on Subcommittees' Charters Appointments

EXECUTIVE DIRECTOR'S REPORT

(Hasan Ikhata, Executive Director)

- Update on Subcommittee Draft Work Plans
- Update on Preliminary Draft Schedule for 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Development
- Update on Air Quality Management Plan (AQMP)

CONSENT CALENDAR

Page No.

Approval Items

- | | | |
|--|-------------------|-----------|
| 1. <u>Minutes of the July 5, 2012 Meeting</u> | Attachment | 1 |
| 2. <u>Minutes of the August 22, 2012 Special Meeting</u> | Attachment | 7 |
| 3. <u>Contracts \$200,000 or Greater: Contract No. 12-033-C1, Integrated Transit and Land Use Planning for the Foothill Blvd/5th Street Bus Rapid Transit (BRT) Corridor</u> | Attachment | 10 |
| 4. <u>Contracts \$200,000 or Greater: Contract No. 12-043-C1 – On-Call Economic Advisory and Outreach Services</u> | Attachment | 13 |
| 5. <u>2012 Investment Policy</u> | Attachment | 18 |
| 6. <u>SCAG Memberships and Sponsorships</u> | Attachment | 25 |

EXECUTIVE/ADMINISTRATION COMMITTEE AGENDA SEPTEMBER 6, 2012

CONSENT CALENDAR - continued

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|---|-------------------|-----------|
| 7. <u>Support of Cap-and-Trade Coalition Principles</u> | Attachment | 31 |
| 8. <u>AB 939 (Perez): Salton Sea Restoration; AB 1410 (Perez): Salton Sea Restoration</u> | Attachment | 49 |

Receive and File

- | | | |
|---|-------------------|-----------|
| 9. <u>Contracts/Purchase Orders and/or Amendments Between \$5,000 - \$200,000</u> | Attachment | 54 |
|---|-------------------|-----------|

CFO MONTHLY FINANCIAL REPORT *(Basil Panas, Acting Chief Financial Officer)*

Attachment **73**

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next Executive/Administration Committee Meeting is scheduled for Thursday, October 4, 2012, at the SCAG Los Angeles Office.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
EXECUTIVE/ADMINISTRATION COMMITTEE (EAC)
July 5, 2012

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE EXECUTIVE/ADMINISTRATION COMMITTEE. A RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG’S OFFICE.

The Executive/Administration Committee (EAC) held its meeting at the SCAG Offices, in Los Angeles, California. The meeting was called to order by Hon. Glen Becerra, Chair, City of Simi Valley, District 46, at 9:00 a.m. A quorum was present.

Members Present

- | | |
|--|--------------------------|
| Hon. Glen Becerra, Simi Valley, President | District 46 |
| Hon. Ginger Coleman, Apple Valley | District 65 |
| Hon. James Johnson, Long Beach | District 30 |
| Hon. Paula Lantz, Pomona | District 38 |
| Hon. Keith Millhouse, Moorpark | VCTC |
| Hon. Carl Morehouse, 2 nd Vice-President | District 47 |
| Hon. Pam O’Connor, Santa Monica, Imm. Past President | District 41 |
| Hon. Greg Pettis, Cathedral City, 1st Vice-President | District 2 |
| Hon. Jeff Stone | Riverside County |
| Hon. Cheryl Viegas-Walker, El Centro | District 1 |
| Hon. Alan Wapner, Ontario | SANBAG |
| Hon. Dennis Zine, Los Angeles | District 50 |
| Mr. Randall Lewis | Lewis Group of Companies |

Members Not Present

- | | |
|---|-----------------------------|
| Hon. Lisa Bartlett, Dana Point | TCA |
| Hon. Mark Calac, Pechanga Band of Luiseno Indians | Tribal Govt. Representative |
| Hon. Kris Murray, Anaheim | District 19 |

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Glen Becerra, Chair, called the meeting to order at 9:00 a.m.

PUBLIC COMMENT PERIOD

No Public Comments were received.

REVIEW and PRIORITIZE AGENDA ITEMS

PRESIDENTS REPORT

Hon. Glen Becerra, Chair, reported that the EAC met on June 27, 2012 so that the Policy Committee Chairs and Vice-Chairs could discuss the common principles and proposed charters for the newly formed SCAG Subcommittees. More details and outcomes of that meeting will be provided in item one (1) of the EAC agenda today.

Hon. Becerra announced that Amy Lemisch, Director of the California Film Commission, will provide a presentation regarding adopting a Model Film Ordinance later today at the Regional Council meeting. Hon. Becerra noted that adopting the Model Film Ordinance will assist local efforts in the economic development strategy for the Southern California region and supports Phase II of SCAG's Southern California Economic Recovery and Job Creation Strategy.

Hon. Becerra stated that he intends to send a letter including a copy of the Model Film Ordinance to all cities and counties within SCAG, asking that they adopt the ordinance, once modifications have been made.

EXECUTIVE DIRECTOR'S REPORT

Hasan Ikhata, Executive Director, provided highlights of the Executive Director's report which was previously sent via email to the EAC members. Mr. Ikhata commented on the passage of HR 4348 legislation (MAP 21) a \$105 billion federal transportation reauthorization bill through September 30, 2014. This is welcomed news because the transportation legislation includes significant policy changes which are consistent with a majority of the policy provisions approved and directed by the Regional Council.

Mr. Ikhata commented on a number of annual sub-regional General Assemblies and other year-end activities that he, Board Officers and Executive Staff participated across the region. Some activities included the June 7th VCOG Annual Dinner; the June 14th SANBAG 2nd General Assembly; the June 21st WRCOG 21st Annual General Assembly; and, the June 25th CVAG General Assembly. Mr. Ikhata acknowledged the board members who traveled from short and long distances to attend each event.

Mr. Ikhata announced that he and Immediate Past President, Pam O'Connor were honored by Move LA at their annual event on June 13, 2012 for the work of the Regional Council on the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) . Additionally, on June 28th, he noted that he received the Dykstra Award for Excellence in Government by the American Society for Public Administration (ASPA) Greater Los Angeles Chapter. Mr. Ikhata noted that he accepted both awards on behalf of the Regional Council.

Mr. Ikhata reported that the California Legislature in Sacramento continues to debate whether to include funding in the state budget (from Prop 1A funds) for the State's High Speed Rail system, including the first construction segment for Fiscal Year (FY) 2013. Consideration of the final budget may be carried over to August if there are not sufficient votes. The legislature has to approve the budget in order for the treasurer to issue the bonds, which is the essential source for Prop 1A funds. Mr. Ikhata also noted that out of the nine (9) agencies, OCTA did not sign the MOU. He emphasized the importance of being part of the negotiations for the \$1 billion investment which will support the Southern California region in terms of phased projects to improve regional connectivity with the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor and the Metrolink System in conjunction with the development of the proposed State HSR system. Sharon Neely, Chief Deputy Executive Director, is preparing to send the signed MOU and project list, which was finalized by the Regional transportation agency CEO's, to the CHSRA on Monday, July 9, 2012.

Hon. Keith Millhouse asked how the Prop 1A funding will be allocated. Sharon Neely explained that the California Assembly approved \$500 million for Southern California, \$600 million for Northern California, and \$2.5 billion for the Central Valley. A total of \$6 billion Prop 1A is unallocated.

Mr. Ikhata reported that the Information Technology staff is working to provide the Regional Council members with an improved interactive voting system. Staff will provide an update to the Committee at its September 6, 2012 meeting.

In closing, Mr. Ikhata announced that on June 26, 2012, SCAG's Fiscal Year 2012-2035 Overall Work Program (OWP) was approved by the Federal Transit Authority and the Federal Highway Administration. In reference to the state budget and the Governor's proposed tax initiatives, in the event the proposed tax initiatives are not successful, the Governor's plan does include automatic trigger budget cuts. The budget cuts will not impact SCAG's budget.

ACTION ITEMS

1. New SCAG Subcommittees

Hon. Glen Becerra, Chair, again reported that the Policy Committee Chairs and Vice-Chairs met as part of the special EAC meeting on June 27, 2012 to discuss the proposed common principles and scopes for the six (6) Subcommittee Charters. The draft Charters for each Subcommittee denote the membership, purpose, and structure for each committee. President Becerra also noted that at today's Joint meeting of the Policy Committees, focus discussion will be on the application process, the reporting recommendations and other concerns or issues for each respective subcommittee membership. Those recommendations will be forwarded to the Regional Council today for further discussion and approval of the New SCAG Subcommittees.

The EAC took no action but based upon the consensus of the group, the discussion of the proposed subcommittees would be continued to today's Joint Policy Committees meeting.

CONSENT CALENDAR

Approval Items

2. Minutes of the June 7, 2012 Meeting
3. SCAG Memberships and Sponsorship of Annual Events—Coalition for Clean Air's 2012 California Air Quality Awards, June 21, 2012 at \$1,000
4. ACA 23 (Perea) – Local Government Transportation Projects: Special Taxes-Voter Approval

Item #5 was pulled for separate discussion by Councilmember Paula Lantz.

5. AB 1446 (Feuer): Los Angeles County Metropolitan Authority – Transactions and Use Tax

Councilmembers Paula Lantz and James Johnson expressed concern regarding the effects of extending AB 1446 (Feuer) which would allow the Los Angeles County Metropolitan Authority (MTA) to indefinitely extend its existing half-cent (½) transaction and use tax (sales tax) related to transportation, subject to voter approval in Los Angeles County.

A motion was made (Pettis) to Support AB 1446 (Feuer). Motion was seconded (Stone) and Passed with two (2) in Opposition (Lantz and Johnson).

6. Invitation and Sponsorship from the Chinese Academy of Science to Attend a Conference in Beijing, China
7. SCAG Executive Director Invitation to Participate in Sao Paulo, Brazil Workshop

Receive and File

8. Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000

A motion was made (Pettis) to approve the Consent Calendar, Items #2-4; 6-8. Motion was seconded (Stone) and UNANIMOUSLY APPROVED.

INFORMATION ITEM

9. Regional Plug-In Electric Vehicle Activities

At the request of Councilmember Jeff Stone, a presentation on activities related to Plug-In Electric Vehicles (PEVs) was given by Jennifer Sarnecki, SCAG Project Manager.

Ms. Sarnecki reported that SCAG has taken a leadership position toward developing a Regional PEV Readiness Plan for Southern California which compliments the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). SCAG is collaborating with key partners including, but not limited to Southern California Edison

(SCE) and the South Coast Air Quality Management District (SCAQMD) to identify the best locations for charging infrastructure.

Ms. Sarnecki provided an overview of the key Regional PEV Activities:

- Convene regional stakeholders to discuss PEV Readiness issues and opportunities;
- SCAG received a grant award of \$300,000 from the U.S. Department of Energy to develop a Regional PEV Readiness Plan and conduct outreach;
- SCAG received a grant award of \$200,000 from the California Energy Commission to develop Subregional Plans to support PEV Readiness for the South Bay Cities Council of Governments and for the Western Riverside Council of Governments; and
- SCAG procured the UCLA Luskin Center to prepare Regional and Subregional PEV Readiness Plans.

Ms. Sarnecki commented on the barriers to PEV adoption and the types of electric vehicles that are currently in the market. Councilmember Viegas-Walker requested staff to provide outreach to the private sector and to include the actual charge time in future presentations. Councilmember Stone requested that staff discuss this with SCAG's lobbyist, and to look into funding for rebates in order to make purchasing electric vehicles more affordable to consumers.

CFO MONTHLY FINANCIAL REPORT

Due to time constraints, the CFO Monthly Financial Report was deferred to the Regional Council meeting.

FUTURE AGENDA ITEMS

There were no future agenda items requested.

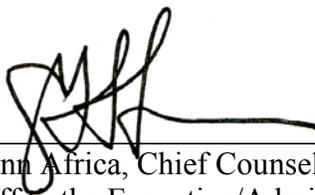
ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The meeting adjourned at 10:10 a.m. The next regular meeting of the Executive/Administration Committee will be held on Thursday, September 6, 2012 at the SCAG Los Angeles office.

Minutes Approved by:



Joann Africa, Chief Counsel
Staff to the Executive/Administration Committee

EXECUTIVE/ADMINISTRATION COMMITTEE ATTENDANCE REPORT

Member (including Ex-Officio) LastName, FirstName	Representing	X = County Represented						JULY	AUG	SEPT	OCT	NOV	DEC
		IC	LA	OC	RC	SB	VC						
Becerra, Glen, Chair	Simi Valley						X	X					
Bartlett, Lisa	Dana Point			X									
Coleman, Ginger	Apple Valley					X		X					
Johnson, James	Long Beach		X					X					
Lantz, Paula	Pomona		X					X					
Lewis, Randall, Ex Officio	Lewis Op. Corp.					X		X					
McCallon, Larry	Highland					X							
Millhouse, Keith	VCTC						X	X					
Morehouse, Carl, 2nd VP	San Buenaventura						X	X					
Mitchell, Judy	Rolling Hills Estates		X					X					
Murray, Kris	Anaheim			X									
O'Connor, Pam, Imm. Past Pres.	Santa Monica		X					X					
Pettis, Gregory, 1st VP	Cathedral City				X			X					
Stone, Jeff	Riverside County			X	X			X					
Walker-Viegas, Cheryl	El Centro	X						X					
Wapner, Alan	Ontario					X		X					
Zine, Dennis	Los Angeles		X					X					
	Totals	1	5	3	2	4	3						

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
EXECUTIVE/ADMINISTRATION COMMITTEE (EAC)
SPECIAL MEETING
August 22, 2012

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE EXECUTIVE/ADMINISTRATION COMMITTEE. A RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Executive/Administration Committee (EAC) held a Special meeting at the SCAG Offices, in Los Angeles, California. The meeting was called to order by Hon. Glen Becerra, Chair, City of Simi Valley. A quorum was present.

Members Present

Hon. Glen Becerra, Simi Valley, Chair	District 46 (Via Teleconference)
Hon. Greg Pettis, Cathedral City, 1st Vice -President	District 2 (Via Teleconference)
Hon. Carl Morehouse, San Buenaventura, 2 nd Vice-President	District 47 (Via Videoconference)
Hon. Pam O'Connor, Santa Monica, Imm. Past President	District 41 (Via Videoconference)
Hon. James Johnson, Long Beach	District 30
Hon. Larry McCallon, Highland	District 7 (Via Videoconference)
Hon. Keith Millhouse, Moorpark	VCTC
Hon. Judy Mitchell, Rolling Hills Estate	District 40 (Via Teleconference)
Hon. Kris Murray, Anaheim	District 19 (Via Teleconference)
Mr. Randall Lewis	Lewis Operating Corp. (Via Teleconference)
Hon. Cheryl Viegas-Walker, El Centro	District 1 (Via Teleconference)
Hon. Alan Wapner, Ontario	SANBAG (Via Teleconference)

Members Not Present

Hon. Paula Lantz, Pomona	District 38
Hon. Jeff Stone	Riverside County
Hon. Dennis Zine, Los Angeles	District 50

CALL TO ORDER

Hon. Glen Becerra, Chair, called the meeting to order at 2:45 p.m.

PUBLIC COMMENT PERIOD

No Public Comments were given.

PRESIDENT'S REPORT

Update on Appointments to Subcommittees

Hasan Ikhata, Executive Director, commented that although there was significant outreach to the Regional Council and Policy Committee Members regarding their participation on the subcommittees, however, there was not enough participation from all six (6) counties. Mr. Ikhata stated that there was considerable interest from representatives of Los Angeles County and from members of the private sector. Mr. Ikhata asked the EAC to consider fulfilling the remaining vacancies with those representatives.

Several EAC members discussed the equitable balance of representation within each subcommittee and recommended that the private sector be given an opportunity to participate. Discussion ensued on the type of outreach that should be implemented in order to generate greater representation on SCAG's subcommittees, including contacting the RC and Policy Committee Members directly.

Hon. Glen Becerra, Chair, stated that he would personally extend the opportunity to specific members before offering membership to the other sectors. He also stated his intent is to follow-up with phone calls and/or ask staff to send an additional email along with an application to RC and Policy Committee members. The members will have the option to participate in a maximum of two (2) subcommittees. Once all of the outreach has been completed, the final recommendations will be incorporated and the appointments will be made at the September 6, 2012 RC meeting. Hon. Becerra also reported that he received valuable feedback from the Policy Committee Chairs and Vice-Chairs and made some changes based on their recommendations.

EXECUTIVE DIRECTOR'S REPORT

Update on Subcommittee Work Plans

Hasan Ikhata, Executive Director, reported that draft Work Plans for each of the six (6) Subcommittees have been developed based upon the approved Subcommittee Charters and will be presented to the Policy Committees and Regional Council in September 2012. He also reported on the important discussions that are currently taking place between the regions and Caltrans which pertain to the two year federal bill and implementation of the apportionments for highway federal funding in FY '13 and '14 . He noted that Sharon Neely, Chief Deputy Executive Director, has been working with other agencies on a consensus and staff will provide an update when results are known.

ACTION ITEMS

1. Waiver of RC Policy to Allow Video-conferencing of the September 6, 2012 Regional Council Meeting

Hasan Ikhata, Executive Director, requested the EAC, acting on behalf of the Regional Council (RC), authorize to waive Article VI, Section 1.11 of the RC Policy Manual to allow video-conferencing of the September 6, 2012 Regional Council meeting to accommodate the large number of RC members attending the upcoming League of California Cities Annual Conference in San Diego.

After a brief discussion, including the determination that the video-conferencing accommodation will ensure a quorum, a motion was made (Morehouse) to waive Article VI, Section 1.11 of the RC Policy Manual. Motion was Seconded (Millhouse). A roll call vote was taken. Motion passed Unanimously.

2. Authority to Join in Amicus Brief Effort Related to Cleveland National Forest Foundation et al. v. San Diego Association of Governments (SANDAG) ET AL. (County of San Diego Superior Court, Case No. 37-2011-00101593- CU-TT-CTL)

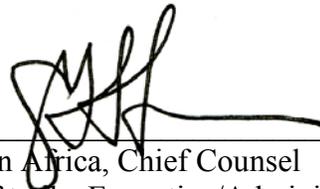
Hasan Ikhata, Executive Director, informed the EAC that the litigation challenging SANDAG's 2050 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) is proceeding and staff was informed that preparation to file an amicus brief by public agencies in support of SANDAG is currently underway. Mr. Ikhata requested the EAC, acting on behalf of the RC, authorize staff to join in the amicus brief effort related to the SANDAG litigation.

A motion was made (McCallon) to approve staff's recommendation to join in the amicus brief effort related to the SANDAG litigation. Motion was Seconded (Millhouse). A roll call vote was taken. Motion passed Unanimously.

ADJOURNMENT

The meeting adjourned at 3:25 p.m. The next regular meeting of the Executive/Administration Committee will be held on Thursday, September 6, 2012 at the SCAG Los Angeles Office.

Minutes Approved by:



Joann Africa, Chief Counsel
Staff to the Executive/Administration Committee

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DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: Contracts \$200,000 or Greater: Contract No. 12-033-C1, Integrated Transit and Land Use Planning for the Foothill Blvd/5th Street Bus Rapid Transit (BRT) Corridor

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve Contract No. 12-033-C1, with Transportation Management Design (TMD), Inc., in an amount not-to-exceed \$379,291, to conduct a study of integrated transit and land use planning for the Foothill Blvd/5th Street Bus Rapid Transit (BRT) Corridor in San Bernardino County.

EXECUTIVE SUMMARY:

Staff recommends approval of Contract No. 12-033-C1 with TMD to conduct a study in coordination with agencies from San Bernardino County of integrated transit and land use planning for the Foothill Blvd/5th Street Bus Rapid Transit (BRT) Corridor. Among other things, the study shall provide recommendations to maximize operational efficiency and potential for transit-supportive land uses; develop station-area land use plans that take advantage of the future presence of BRT thereby increasing BRT ridership potential, reducing vehicle travel and emissions.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

BACKGROUND:

Staff recommends executing the following contract \$200,000 or greater:

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Transportation Management Design (TMD), Inc. (12-033-C1)	The consultant shall provide a review of existing conditions, identify express bus/BRT concept options, identify operational characteristics for each concept, provide land use planning in station areas; evaluate Express Bus/BRT options, and provide recommendations and implementation planning.	\$379,291

FISCAL IMPACT:

Funding is available in the FY 2012/13 budget.

ATTACHMENT:

Consultant Contract No. 12-033-C1 Summary

CONSULTANT CONTRACT 12-033-C1

Recommended Consultant: Transportation Management Design, Inc. (TMD)

Background & Scope of Work: The objectives of the project are to: refine the Foothill/5th Street Bus Rapid Transit (BRT) Corridor alignment, operational concepts, and station locations to maximize operational efficiency and potential for transit-supportive land uses; develop station-area land use plans that take advantage of the future presence of BRT thereby increasing BRT ridership potential, reducing vehicle travel, and reducing emissions; facilitate the future implementation of the Foothill/5th Street Corridor BRT line and associated land use plans in station areas, tailored to each BRT segment and jurisdiction; and establish an evaluation process “template” for non-rail premium transit options in suburban settings that can be applied to other corridors within and outside San Bernardino County.

The consultant shall provide a review of existing conditions, identify express bus/BRT concept options, identify operational characteristics for each concept, provide land use planning in station areas; evaluate Express Bus/BRT options, and provide recommendations and implementation planning.

Project’s Benefits & Key Deliverables: This project will allow San Bernardino Associated Governments (SANBAG), Omnitrans, and local jurisdictions to optimize the investment being made in transit infrastructure and operations in the Foothill/5th Street Corridor. This type of integrated planning will provide focus for future land use changes and infrastructure needs around the BRT station areas. The benefits will include increased ridership on the BRT line, improved economic development potential in station areas, improved air quality, enhanced BRT system performance, and additional opportunities for compact, pedestrian-oriented development in the San Bernardino Valley. The key deliverables include, but are not limited to: existing conditions report; express bus/BRT options report; land use and implementation plans; technical memorandum documents; meeting minutes; stakeholder outreach; as well as draft and final reports.

Strategic Plan: This item supports SCAG’s Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

Contract Amount:	Total not-to-exceed	\$379,291
	TMD (prime consultant)	\$163,093
	URS Corporation (subconsultant)	\$135,607
	Cambridge Systematics (subconsultant)	\$80,591

Note: TMD originally proposed \$384,775; however, staff negotiated the price down to \$379,291 without reducing the scope of work.

Contract Period: Notice to Proceed through December 31, 2013

Project Number: 145.SCG02022.01 \$379,291
Funding sources: FTA and SANBAG

Request for Proposal (RFP):

SCAG staff notified 1,682 firms of the release of RFP 12-033-C1. Staff also advertised the RFP on The Planning Institute’s website, American Planning Association’s website, Transit Talent website, and posted on SCAG’s bid management system. A total of 134 firms downloaded the RFP. SCAG received the following six (6) proposals in response to the solicitation:

TMD (2 subconsultants)	\$384,775
City Design Studio, LLC (4 subconsultants)	\$396,175
HDR Engineering, Inc. (4 subconsultants)	\$398,458
AECOM Technical Services, Inc. (1 subconsultant)	\$398,876
KOA Corporation (3 subconsultants)	\$399,855
Parsons Transportation Group, Inc. (5 subconsultants)	\$400,000

Selection Process:

The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Stephen Fox, Senior Regional Planner, SCAG
Tom Grahn, Associate Planner, City of Rancho Cucamonga
Lawrence A. Mainez, City Planner, City of Highland
Christine Medina, Associate Transportation Planner, Caltrans
Steve Smith, Chief of Planning, SANBAG
Anna Rahtz, Planning Project Manager, Omnitrans
Nancy Strickert, Transit Analyst, SANBAG

Basis for Selection:

The PRC recommended TMD for the contract award because the consultant:

- Proposed the lowest cost proposal;
- Demonstrated the most impressive experience in bus transit planning and operations, and BRT planning and operations, including being the firm that planned and launched Los Angeles County Metro’s Metro Rapid network that later included a thorough program review with recommendations and adjustments of the Rapid network once it had been fully implemented;
- Proposed providing the most detailed path and steps to FTA funding;
- Provided a team that has developed BRT guidance products for FTA; and
- Provided the most cost-effective distribution of hours for each task, with sufficient number of hours allotted to senior and principal level staff.

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DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: Contracts \$200,000 or Greater: Contract No. 12-043-C1, On-Call Economic Advisory and Outreach Services

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve Contract No. 12-043-C1, with multiple consultants, in an amount not-to-exceed \$1,000,000, to provide on-call economic advisory and outreach services for a two-year period.

The multiple consultants are:

1. California Lutheran University - The Center for Economic Research and Forecasting
2. CDM Smith
3. Center for Continuing Study of the California Economy (CCSCE)
4. Development Management Group, Inc.
5. Economics & Politics, Inc.
6. GrassrootsLab, LLC
7. Green Tech Coast LLC
8. Jack Faucett Associates
9. Kosmont & Associates, Inc.
10. Los Angeles County Economic Development Corporation (LAEDC)
11. Orange County Business Council

EXECUTIVE SUMMARY:

In June 2011, the Southern California Economic Recovery & Job Creation Strategy ("Strategy") was approved by the Regional Council. The Economic Strategy identifies opportunities for SCAG to partner with member cities, counties, business leaders, organized labor, environmental groups, and other key stakeholders to create jobs to reduce or remove high-priority economic challenges and provide solutions to expedite Southern California's economic recovery. In June 2012, the Region Council directed staff to develop Phase II of the Southern California Economic Recovery & Job Creation Strategy and engage the economic expertise necessary to complete the work. This economic work effort is also consistent with approved implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)

SCAG has selected multiple consultants for the contract award, and may request on-call economic services for two (2) major areas: 1) Economic Analysis and Advisory Services; and 2) Outreach Services.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective b: Develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process; and Objective c: Provide practical solutions for moving new ideas forward.

REPORT

BACKGROUND:

Staff recommends executing the following contract \$200,000 or greater:

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Consultants Identified Above (12-043-C1)	The consultant shall provide a variety of economic advisory services to support SCAG's implementation of the 2012-2035 RTP/SCS and implementation of Phase III of the Economic Recovery and Job Creation Strategy development, as well as outreach services related to these activities.	\$1,000,000

FISCAL IMPACT:

Funding is available in the FY 2012/13 budget.

ATTACHMENT:

Consultant Contract No. 12-043-C1

CONSULTANT CONTRACTS 12-043-C1 through 12-043-C11

Recommended Consultants:

1. California Lutheran University - The Center for Economic Research and Forecasting
2. CDM Smith
3. Center for Continuing Study of the California Economy (CCSCE)
4. Development Management Group, Inc.
5. Economics & Politics, Inc.
6. GrassrootsLab, LLC
7. Green Tech Coast LLC
8. Jack Faucett Associates
9. Kosmont & Associates, Inc.
10. Los Angeles County Economic Development Corporation (LAEDC)
11. Orange County Business Council

Background & Scope of Work:

In June 2011, the Southern California Economic Recovery & Job Creation Strategy (“Strategy”) was approved by the Regional Council. The Economic Strategy identifies opportunities for SCAG to partner with member cities, counties, business leaders, organized labor, environmental groups, and other key stakeholders to create jobs to reduce or remove high-priority economic challenges and provide solutions to expedite Southern California’s economic recovery. In June 2012, the Regional Council directed staff to develop Phase II of the Strategy and engage economic expertise necessary to complete the work.

SCAG requires economic advisory services with knowledge and expertise from the six (6) county regions to support SCAG’s Phase II Economic Recovery and Job Creation Strategy development, and implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

SCAG has selected multiple consultants for the contract award, and may request on-call services for two major areas: 1) Economic Analysis and Advisory Services; and 2) Outreach Services.

Project’s Benefits & Key Deliverables:

The project’s benefits and key deliverables include, but are not limited to:

- Supporting the development of Phase II of the Strategy;
- Providing economic analysis and written assessments of SCAG’s planning activities;
- Analyzing, regionally significant economic indicators, as needed;
- Documenting the economic benefits and job impacts of the 2012-2035 RTP/SCS, including case studies, to better describe economic importance of transportation investments;
- Assessing the economic impacts of transportation investments and cost of delays in the transportation arena, including but not limited to, economic impacts of project acceleration, project certainty, and implications for the Strategy;
- Analyzing the Southern California Industry Clusters, including factors in determining the competitive position of each cluster; and
- Increasing collaboration with Southern California’s key business, public sector and labor leaders on SCAG’s ongoing planning activities.

Strategic Plan: This item supports SCAG’s Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective b: Develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process; and Objective c: Provide practical solutions for moving new ideas forward.

Contract Amount: **Total not-to-exceed** **\$1,000,000**

Note: This is for on-call, or as needed services with consultants to be paid a set hourly rate for their services. As such, there is no specific award amount to each consultant, nor does SCAG guarantee any specific amount of work to a consultant. Therefore, no award amounts are shown below.

- | | | |
|-----|--|-----------|
| 1. | California Lutheran University - The Center for Economic Research and Forecasting
Sub: Weaver Research & Consulting Group | As Needed |
| 2. | <u>CDM Smith</u> | As Needed |
| 3. | <u>Center for Continuing Study of the California Economy (CCSCE)</u> | As Needed |
| 4. | <u>Development Management Group, Inc.</u> | As Needed |
| 5. | <u>Economics & Politics, Inc.</u> | As Needed |
| 6. | <u>GrassrootsLab, LLC</u> | As Needed |
| 7. | <u>Green Tech Coast LLC</u>
Sub: William E. Donovan
Sub: Geoinversion Technologies, Inc.
Sub: The 20/20 Network | As Needed |
| 8. | <u>Jack Faucett Associates</u> | As Needed |
| 9. | <u>Kosmont & Associates, Inc.</u>
Sub: Burke Rix Communications, LLC | As Needed |
| 10. | <u>Los Angeles County Economic Development Corporation (LAEDC)</u> | As Needed |
| 11. | <u>Orange County Business Council</u> | As Needed |

Contract Period: September 10, 2012 through June 30, 2014

Project Number: 13-055.SCG0131.01/.02 \$500,000
 14-055.SCG0131.01/.02 \$500,000
 Funding sources: Consolidated Planning Grant – FHWA, FTA and TDA

Request for Proposal (RFP): SCAG staff notified 1,371 firms of the release of RFP 12-043-C1. Staff also posted it on SCAG’s bid management system. A total of 112 firms downloaded the RFP. SCAG received the following 21 proposals in response to the solicitation:

- AECOM Technical Services Inc. (no subconsultants)
- Beacon Economics, LLC (no subconsultants)
- California Lutheran University - The Center for Economic Research and Forecasting (2 subconsultants)
- CDM Smith (1 subconsultant)
- Center for Continuing Study of the California Economy (no subconsultants)
- Development Management Group, Inc. (no subconsultants)

Economic & Planning Systems, Inc. (no subconsultants)
Economics & Politics, Inc. (no subconsultants)
Economic Roundtable (1 subconsultant)
GrassrootsLab, LLC (no subconsultants)
Green Tech Coast LLC (3 subconsultants)
Jack Faucett Associates (no subconsultants)
Kavet, Rockler & Associates, LLC (1 subconsultant)
Kosmont & Associates, Inc. (1 subconsultant)
Los Angeles County Economic Development Corporation (no subconsultants)
Metropolitan Research and Economics (one subconsultant)
Orange County Business Council (no subconsultants)
Point C (no subconsultants)
Shallman Communications (no subconsultants)
The Planning Center | DC&E (no subconsultants)
The Tioga Group, Inc. (no subconsultants)

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC did not conduct interviews because the proposals contained sufficient information upon which to base a contract award.

The PRC consisted of the following individuals:

Darin Chidsey, Acting Deputy Director, SCAG
Simon Choi, Chief of Research and Forecasting, SCAG
Sharon A. Neely, Chief Deputy Executive Director, SCAG

Basis for Selection: The PRC recommended the contract be awarded to a team of consultants as this approach will allow SCAG to retain broader level of localized independent economic expertise throughout the six county region. Further, it will allow that certain tasks be tailored. The PRC determined that a team approach would likely improve the quality of the deliverables. Additionally, awarding the contract to multiple consultants provides SCAG greater flexibility to meet the various needs of the scope of work.

The PRC used the following criteria to determine consultant selection:

- Demonstrate economic expertise in a geographical area or industry field;
- Demonstrate experience with conducting outreach services;
- Demonstrate ability to allocate resources to meet SCAG's need for on-call services;
- Demonstrate previous experience performing economic analysis of a similar scope;
- Demonstrate understanding of the project intent; and
- Provide rates that are reasonable and within the desired range.

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DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Acting CFO, 213-236-1817, panas@scag.ca.gov

SUBJECT: 2012 Investment Policy

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Recommend that the Regional Council approve the 2012 Statement of Investment Policy as amended.

EXECUTIVE SUMMARY:

SCAG's Statement of Investment Policy is included as article X of the Regional Council Policy Manual. This policy is currently subject to annual review and re-approval by the Regional Council. Staff recommends re-approval of this policy with amendments.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 3 - Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:

The Statement of Investment Policy (Section 17: Modification and Legislative Changes) states that the Executive/Administration Committee shall be responsible for modifying investment guidelines as conditions warrant and submit the modified guidelines for re-approval by the Regional Council on an annual basis.

The proposed changes to the Statement of Investment Policy are specifically underlined in the attachment and summarized as follows:

- The reporting frequency has been changed to monthly instead of quarterly and is not required to appear on the Consent Calendar (page 2). When the Investment Subcommittee was active, it met on a quarterly basis. The Investment Subcommittee is no longer active and information on SCAG's investments is instead included in the monthly CFO report which is not a Consent Calendar item.
- The funding vehicle for SCAG's other post-employment benefits has been named as the *California Employer's Retiree Benefit Trust* (page 3). Pay-as-you-go has been added as an option for funding SCAG's supplemental defined benefit pension plan. This is the option currently used by SCAG. SCAG pays the costs of the supplemental retirement benefits as they are paid to the retirees.
- The only option in the current policy is an annuity, which may not be the best choice for SCAG (page 3) because it requires a lump sum for prefunding.

FISCAL IMPACT:

None.

ATTACHMENT:

2012 Statement of Investment Policy

SCAG STATEMENT OF INVESTMENT POLICY

Section 1: Purpose

This SCAG Statement of Investment Policy is intended to provide standards and guidelines for the prudent investment of funds by SCAG in conducting its investment and cash management responsibilities. The goal is to strengthen the overall financial condition of SCAG, while earning a return on our investments with safety and liquidity.

Section 2: Objective

The Policy is designed to achieve and maintain adequate working capital to support our Planning and Support Operations, and to grow our available resources and funds to the fullest extent possible. **SCAG** attempts to obtain a market rate of interest without assuming undue risk to principal. The objectives of such investments are: 1) the long term preservation of capital, 2) adequate cash resources to meet our short term financial needs for liquidity; and 3) to earn a competitive rate of return on capital.

Section 3: Scope

This investment policy applies to activities of **SCAG** with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, and Trust Funds, and any other Funds that may be created from time to time.

Section 4: Investment Responsibility

Investments are the responsibility of the Chief Financial Officer and the Manager of Accounting. This includes the authority to select investments, engage professional services, to open accounts with banks, brokers and dealers, to establish safekeeping accounts or other arrangements for the custody of securities, and report to oversight bodies. Those persons authorized to execute transactions include: 1) Chief Financial Officer or his/her director designee, 2) Manager of Accounting or his/her staff designee, and 4) those specifically approved and added by the Executive/Administration Committee (**EAC**) of the Regional Council (**RC**). Brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions.

Section 5: Internal Controls

The Chief Financial Officer and the Manager of Accounting shall establish the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority, accountability and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliations are to be handled by separate persons to reduce the risk that a person is in a position to conceal errors or fraud in the normal course of duty.

While no internal control system, however elaborate, can guarantee absolute assurance that assets are safeguarded, it is the intent of the internal control system to provide reasonable assurance that management of the investment function meets our objectives. These internal controls shall be reviewed annually by the independent auditor.

Section 6: Reporting

The **EAC** shall be responsible for reporting the status of investments to the **RC** on a monthly basis. Reports are to be submitted by the Chief Financial Officer to the **EAC** and/or the Investment Subcommittee following the end of each reporting period. These reports shall show the type of investment, institution, interest rate, date of maturity, compliance to the investment policy, a verification of adequacy of working capital to meet our operating needs and market value for all investments. The reports shall appear in the consent calendar of all agendas.

Section 7: Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” rule and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs.

Section 8: Authorized Investments

A. Surplus Funds

Funds may be invested in any instrument allowable by the State of California Government Code Section 53600 et seq. so long as the investment is appropriate when **SCAG’s** investment objectives and policies are taken into consideration. Within the context of the limitations, the following are authorized:

- US Treasury Obligations (Bills, Notes and Bonds)
- US Government Agency Securities and Instrumentality’s of Government Sponsored Corporations
- Banker’s Acceptances
- Commercial Paper
- Repurchase Agreements
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Intermediate Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- Los Angeles County Investment Fund (County Pool)
- Shares of Beneficial Interest issued by a Joint Powers Authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in Section 53601 (a) through (n).
- Other investments that are, or may become, legal investments through the State of California Government Code.

B. Other Post-Employment Benefits Funding

All funding approved for this purpose shall be invested in the irrevocable trust for post-employment benefits administered by the California Public Employees Retirement System (CalPERS), also known as the California Employer's Retiree Benefit Trust (CERBT).

C. Supplemental Defined Benefit Pension Plan Funding

All funding approved for this purpose shall be invested in an annuity selected according to criteria prescribed by SCAG procurement policies and SCAG's financial and operational needs, or funded on a pay-as-you-go basis.

Section 9: Prohibited Investments

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

Section 10: Investment Criteria

Criteria for selecting investments and order of priority are:

A. SAFETY

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. **SCAG** shall only invest in those financial instruments whose safety and quality comply with State law and SCAG's risk tolerance.

B. LIQUIDITY

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Since liquidity is an important investment quality, especially when the need for immediate access to funds may occur unexpectedly, potential fluctuations in market value are to be an important consideration when selecting an investment. SCAG's portfolio shall provide for adequate liquidity as indicated by SCAG's cash projections.

C. YIELD

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return. SCAG shall attempt to maximize return consistent with criteria A and B above.

Section 11: Diversification

SCAG will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Diversification strategies shall be established within the guidelines of Government Code Section 53600 et seq., and periodically reviewed.

Section 12: Investment Pools

SCAG has determined that use of investment pools is a practical investment option. **SCAG** will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools.

Section 13: Maturity Limitations

Every investment instrument purchased must have a term remaining to maturity of five years or less, unless RC approval was obtained three months in advance.

Section 14: Safeguarding of Assets and Records

Securities purchased from broker/dealers shall be held in third-party safekeeping in **SCAG's** name and control, whenever possible. Monthly statements received from the financial institution are reconciled to the investment reports by the Senior Accountant. Review of safety, liquidity, and yields of investment instruments; and reputation and financial condition of investment brokers is to be done by the **EAC**. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will also be performed by the **EAC**.

Section 15: Qualified Institutions

If **SCAG** decides not to use investment pools, **SCAG** shall prepare and maintain a listing of financial institutions which are approved for investment purposes. In addition, a list will be maintained of approved broker/dealers selected by credit worthiness, who maintain an office in the State of California. All financial institutions and broker/dealers who desire to become bidders for investment transactions must supply the following: audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read this Investment Policy. An annual review of the financial condition and registrations of qualified bidders will be conducted by the **EAC**.

Section 16: Monitoring and Adjusting the Portfolio

SCAG will monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly based on our Investment Policy. Investment counselors may be engaged to assist in the performance of this work with the approval of the **EAC**.

Section 17: Modification and Legislative Changes

The **EAC** shall be responsible for modifying investment guidelines as conditions warrant and submit same for re-approval by the **RC** on an annual basis. This annual approval may be on the consent agenda unless there are amendments to this Policy. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into **SCAG's** Statement of Investment Policy and supersede any and all previous applicable language.

Section 18: Segregation of Responsibilities

A. FUNCTION	B. RESPONSIBILITY
Develop Statement of Investment Policy	Chief Financial Officer Manager of Accounting
Recommend modifications to Statement of Investment Policy	Chief Financial Officer Legal Counsel Manager of Accounting Investment Subcommittee
Approve Statement of Investment Policy and appointment of Oversight Committee	Executive/Administration Committee
Adopt Statement of Investment Policy	Regional Council
Select Investments	Chief Financial Officer Manager of Accounting Outside Investment Manager
Approve transactions	Chief Financial Officer or Manager of Accounting
Execute investment transactions and fax completed trade information to SCAG	Outside Investment Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to SCAG investment records)	Senior Accountant
Record investment transactions into SCAG's accounting records	Senior Accountant – General Ledger
Reconcile investment records to accounting records and bank statements	Senior Accountant – General Ledger
Security	Time Certificates of Deposit will be maintained in SCAG's safe in the care of the Manager of Accounting. All other investment securities will be held in safekeeping in the trust department of SCAG's Depository bank, or other third party custodian as designated by the Chief Financial Officer.

Section 19: Executive/Administration Committee and Investment Subcommittee

The **EAC** is empowered to review and make recommendations on the Investment Policy and Investment Strategy of **SCAG** to strengthen the internal controls of the management of funds. The **EAC** may, in its discretion, establish an Investment Subcommittee to assist the **EAC** to achieve the goals and objectives of this Investment Policy.

19.1 Purpose of the Investment Subcommittee

- A. To review and make recommendations about this Investment Policy and Investment Strategy.
- B. To review investments on a periodic basis and to report any exceptions to this Investment Policy immediately to the RC.
- C. To be responsive to EAC requests.

19.2 Membership

The total membership shall consist of five (5) members: **EAC** Chairman and two (2) Members (selected by the **EAC** members), Chief Financial Officer, and Manager of Accounting.

19.3 Functions and Duties

- A. Annually

To review and approve the Statement of Investment Policy; to review the financial condition of broker/dealers and financial institutions.

- B. Quarterly

To review investments made during the previous quarterly period; to provide a status report to the **EAC**.

- C. Monthly

To develop and carry out the ongoing investment strategy in accordance with the Investment Policy; to recommend amendments to the Statement of Investment Policy.

- D. The function of the **EAC** and the Investment Subcommittee is to provide policy guidance that gives the operating staff standards and guidelines to work within on a day-to-day basis. By this, it is meant that each individual trade need not be approved by this Committee at the time it is transacted, provided that it falls within the scope of the Statement of Investment Strategy.

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DATE: September 6, 2012

TO: Executive Administrative Committee (EAC)
Regional Council (RC)

FROM: Sylvia Patsaouras, Director Strategy, Policy and Public Affairs

SUBJECT: SCAG Memberships and Sponsorships

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

The Legislative/Communications & Membership Committee (LCMC) met on August 21, 2012, and recommend approval of up to \$30,400 in sponsorships and \$117,339 in FY 2012/13 memberships for a total of \$147,739.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

BACKGROUND:

The following recommendations are consistent with the approved budget and in accordance with the SCAG adopted Mission Statement and sponsorship policies.

Annual Memberships:

SCAG participation and leadership in several organizations are central to the success of SCAG's core responsibilities and have been included in the FY 2012/13 budget. They are consistent with SCAG work priorities for FY 2012/13 as approved by the RC.

1) California Association of Council of Governments (CALCOG) (\$26,647)

Established in 1977, the California Association of Council of Governments (CALCOG) is a statewide association representing 36 regional planning agencies working to assist each member in developing capacity to serve its members' needs for regional coordination and policy development. CALCOG's members serve as a forum for local governments to prepare regional plans, set regional transportation policy, strengthen the effectiveness of local government, and develop and maintain regional databases.

CALCOG works with and through its members to:

- Review plans, and policies on subjects agreed upon by members;
- Coordinate policy development as appropriate to the League of California Cities, the California State Association of Counties, the National Association of Regional Councils (NARC), and the Association of Metropolitan Planning Organizations (MPOs);
- Promote more effective planning at the regional level;

- Conduct statewide workshops and conferences which provide members with an ideal opportunity to discuss key issues and learn from recognized experts in various fields;
- Provide an informational clearinghouse on issues of concern to the regions and state.

The FY 2012/13 annual dues are \$26,647. Immediate Past President Pam O'Connor serves on the Executive Committee and Executive Director Hasan Ikhata serves on the Executive Director Committee.

2) Coalition for America's Gateways and Trade Corridors (CAGTC) (\$6,500)

SCAG is a founding member of this organization as part of the RC high priority goal to seek a federal freight funding partnership. The Coalition for America's Gateways and Trade Corridors (CAGTC) works with and through its members to raise public recognition and Congressional awareness of U.S. freight needs to promote sufficient funding in federal legislation for trade corridors, gateways, intermodal connectors and freight facilities. CAGTC is comprised of over sixty representative organizations, including state Departments of Transportations (DOTs), MPOs, ports, engineering firms, and freight corridors who work to improve national freight policy. All of the Southern California freight stakeholders are a member of CAGTC. As a CAGTC member, SCAG will have the opportunity to participate in helping shape national freight policy and legislation with the organization. SCAG Chief Deputy Executive Director Sharon Neely currently serves as Vice Chairman of the CAGTC Executive Committee. RC Board Officers regularly travel to Washington, DC to attend their meetings and conferences. The annual dues are \$6,500.

3) Southern California Leadership Council and The Center of Economic Development (SCLC) (\$20,000)

Established in 2005, The Southern California Leadership Council (SCLC) is comprised of business and community leaders from throughout the 7 counties of Southern California, including four (4) former California Governors. SCLC funds, prioritizes, and approves the work of The Center of Economic Development, which is a regional program of the Los Angeles County Economic Development Corporation (LAEDC). As a program of the LAEDC, the Center benefits from related work of the LAEDC's business assistance, economic research and consulting programs. The Center's work is funded, prioritized and approved by SCLC to shape and solve public policy issues such as business vitality, resources (transportation, energy, water and environment), and goods movement that are critical to SCAG and the region's economic vitality and quality of life. SCAG Executive Director Hasan Ikhata attends the SCLC meetings and regularly takes SCAG Board Officers. The annual dues are \$20,000.

4) National Association of Regional Councils (NARC) (\$31,250)

Based out of Washington, DC, NARC is the leading advocate for MPO's and members consist of regional organizations. They regularly provide solutions that positively impact American communities through effective inter-jurisdictional cooperation. SCAG has been an active member of NARC throughout the years and recommends continuing to do so as this organization is consistent with SCAG core responsibilities and adopted Mission.

As a national public interest organization, NARC works with and through its members to:

- Shape federal policy that recognizes the increased value of local intergovernmental cooperation;
- Advocate effectively for the role of regional councils in the coordination, planning, and delivery of current and future federal programs;

REPORT

- Provide research and analysis of key national issues and developments that impact SCAG members; and
- Offer high quality learning and networking opportunities for regional organization through events, training, and technical assistance.

SCAG Immediate Past President Pam O'Connor is the elected West Coast representative to the Board. SCAG Executive Director Hasan Ikhrata serves on the Executive Director Committee. SCAG Chief Deputy Executive Director Sharon Neely serves as Chair of their Freight Committee. The annual dues are \$25,000.

5) Town Hall Los Angeles (\$2,500)

Town Hall Los Angeles convenes events around topics of regional concern and provides a platform for the discussion of solutions from a nonpartisan viewpoint. Since 1937, Town Hall Los Angeles has been supported entirely through dues and grants from individuals and organizations in the region and is counted among the Top Ten Leadership Forums in the nation. Their archive of nearly 5000 speakers provides a rich context for conversations about today's economy, infrastructure, job growth, and other topics of importance to the region. SCAG members attend their meetings and events depending on the subject and availability. Their annual dues are \$2,500.

6) American Public Transportation Association (APTA) (\$5,442)

The APTA is a leading force in advancing public transportation. APTA members include transit systems, government agencies, manufacturers, suppliers, consulting firms, contractors, and other business partners. To strengthen and improve public transportation, APTA serves and leads its diverse membership through advocacy, innovation, and information sharing. The annual membership provides SCAG with access to the highest-quality tools, resources, and programs, including advocacy efforts, networking and partnership opportunities, the latest industry research and data, and professional development. These benefits are valuable in light of new requirements under the recently enacted Federal Transportation Reauthorization Bill, Moving Ahead for Progress in the 21st Century (MAP 21). MAP 21 requires MPOs, in coordination with the State and transit operators, to establish performance targets and incorporate them into the Federal Transportation Improvement Program (FTIP) and Regional Transportation Plan (RTP). SCAG officials and staff have attended conferences in the past, but not actively participated in their committees in developing federal policy. SCAG staff is proposing to become a member in order to participate in the committees that are core to SCAG responsibilities (e.g. Rail Committee, Legislative Committee, etc.). The annual dues are \$5,442.

7) Mobility 21 (\$25,000)

Mobility 21 is a coalition of public, business, and community stakeholders to pursue regional solutions to transportation challenges facing the SCAG region and San Diego County. Created in 2002 as an effort in Los Angeles County, Mobility 21 became a regional effort in 2007 with the primary goals to support practical solutions to the transportation challenges of all Southern California; mobilize regional support for transportation funding and legislative priorities at the Federal and State levels; unite political leaders around common transportation priorities; and bring together residents, civic leaders, business groups and industry experts to effectively speak out in support of transportation. The annual dues are \$25,000.

The above memberships have been included in the FY 2012/13 budget for a total of \$117,339.

Sponsorships:

8) UCLA Lewis Center and Institute of Transportation Studies Transportation Land-Use Environment Connection Symposium, October 28-30, 2012 (\$10,000)

Each year, the UCLA Lewis Center and Institute of Transportation Studies Program holds a symposium dealing with regional and public policy issues. This year's symposium will take place on October 28-30, 2012 at Lake Arrowhead and will include panels and other forums for dialogue among public officials, private industry leaders, and audience members to explore challenges and opportunities for infrastructure investment to support economically and environmentally sustainable growth in the years ahead.

SCAG has been a sustaining co-sponsor of this program at the \$10,000 level, which enables SCAG to maintain membership on the Arrowhead Steering Committee and directly help plan and evaluate the event, including suggesting topics and speakers and nominating experts to attend the symposium consistent with SCAG goals. SCAG will be recognized as a Sponsor and a Steering Committee Member in the UCLA symposium notebook of written materials; listed on the symposium letterhead stationery and on signage at the conference center; and recognized in the published proceedings that are widely distributed after the symposium. Staff recommends continued support of this symposium as sustaining co-sponsor at the \$10,000 level. SCAG Board members and Executive staff will attend the meeting.

9) 2012 Coro Southern California's Executive Fellows Program (\$5,000)

A \$5,000 sponsorship of the 2012 Coro Southern California's Executive Fellows Program includes one (1) participant in a part-time leadership program from September 2012 through June 2013. SCAG Vice- President Greg Pettis and Regional Councilmember Margaret Finlay recently participated in this program. The program activities during the year include the following:

- A presentation on state or city budget issues by key policy leaders
- Interpersonal leadership skill development
- An exploration of water challenges in Southern California via site visits
- A panel discussion on public employee pension reform
- Interviews with policy advocates and legislators
- Joint exercises with Coro's Public Affairs Fellows (full-time, post-graduate students)
- A one-day study of a community (corporate, neighborhood, or institutional)

10) SFVCOG Valley Mobility Summit, October 22, 2012 (\$1,000)

The San Fernando Valley Council of Governments (SFVCOG) will hold the Annual Valley Mobility Summit the morning of October, 22 2012 at the Hyatt Regency in the City of Valencia. The 2011 event, which was SFVCOG's inaugural Valley Mobility Summit, had over 300 civic and government leaders in attendance, and this year's attendance is expected to at least reach that mark. SCAG was a sponsor of this event last year. Staff recommends a \$1,000 "Table" sponsorship, which includes:

- Table for 10, with signage.
- Signage in the auditorium and slideshow.
- Listing in the program and on the website.

11) California ARB Haagen-Smit Symposium on a Sustainable Freight System for California, May 2013 (\$10,000)

SCAG will participate with the California Air Resources Board (ARB) in coordinating the May 2013 2012 Haagen-Smit Symposium, which brings together policymakers; business and freight industry leaders; environmental, community, and labor representatives; and researchers to talk candidly about the need and actions to transform California's freight system to meet long-term air quality, climate, energy, transportation, and economic goals. Participation is by invitation to support discussion and to draft a Symposium declaration that guides the next steps.

After establishing the drivers for policy regarding sustainable freight infrastructure, speakers will briefly summarize the current state of technology and logistics operations for imports, exports, and domestic goods. Policymakers will listen as the other participants identify the key elements of a future freight system to meet their needs. This will provide the context for discussion of potential policy mechanisms to achieve change. Participants will engage in a dialogue to craft recommendations for the ARB as it develops a Sustainable Freight Strategy for California and for use by other agencies as they prepare related state/regional plans.

Staff recommends a \$10,000 "Gold" sponsorship and partnership with the Southern California Leadership Council in order to maximize Southern California leaders participation. Sustainable Goods Movement is a high priority for the Regional Council

12) Exporting Conference, October 18, 2012 (\$1,000)

The San Gabriel Valley Economic Partnership (SGVP) will host an Exporting Conference on October 18, 2012 at the Fairplex Conference Center. Staff is recommending a Partner sponsorship of \$1,000.

13) The South Coast Air Quality Management District (AQMD) – 24th Annual Clean Air Awards (\$400)

AQMD will host the 24th Clean Air Awards Luncheon on October 12, 2012 at the Millennium Biltmore Hotel in downtown Los Angeles. AQMD will be honoring individuals, communities, groups and businesses that have dedicated their efforts to cleaning the air and creating a more sustainable economy. The \$400 sponsorship will include a SCAG table reservation for ten (10).

14) SCLN Southern California Visionaries 2012 Awards Luncheon, December 4, 2012 (\$2,500)

On Tuesday, December 4, 2012, the Southern California Leadership Network (SCLN) will hold the Southern California Visionaries 2012 Awards Luncheon. The Southern California Visionaries Awards Luncheon celebrates dynamic leadership by recognizing outstanding achievements of the region's leaders. SCLN's leadership fellowships—Leadership L.A., Leadership Southern California, and California Connections—have already equipped more than 1,500 civic-minded thinkers with the community and regional collaboration skills necessary to address quality of life issues including traffic, water, clean air, education, and public safety. SCAG has successfully partnered with the SCLN for many years, with SCAG board members participating in the SCLN's leadership development program, the annual awards luncheon, and panel discussions on regional policy issues. The SCLN estimates there will be over 400 business, government, and non-profit leaders from Southern California in attendance. SCAG staff is recommending a \$2,500 (Bronze level) sponsorship, which includes:

- Table of ten (10) for the luncheon.
- Company name in event program.
- Sponsor recognition on all event signage and electronic promotions.
- Verbal recognition at the event.
- Half-page "Bronze Ad" in the tribute book.

15) Los Angeles Sustainability Collaborative (LASC) (\$500)

The Los Angeles Sustainability Collaborative is hosting its Third Annual Awards Event on October 14, 2012. LASC is determined to create a more sustainable Los Angeles by promoting, funding, and informing the business community and providing solutions to environmental challenges. Staff recommends a \$500 supporter sponsorship which includes two (2) complimentary tickets, and the SCAG logo or name included on poster, event web-page, and invitation.

All sponsorships have been included in the FY 2012/13 budget for a total of \$30,400.

FISCAL IMPACT:

Up to \$147, 739 (These funds are included in the approved FY13 budget)

ATTACHMENT:

None.

DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Sharon A. Neely, Chief Deputy Executive Director, neely@scag.ca.gov, (213)-236-1992

SUBJECT: Support of Cap-and-Trade Coalition Principles

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
Support.

EXECUTIVE SUMMARY

The Legislative/Communications and Membership Committee at its August 2, 2012 meeting forwarded a recommendation of support of the coalition cap & trade principles for approval by the Regional Council. A stakeholder coalition group consisting of the League of California Cities, the California State Association of Counties, the California Alliance for Jobs, California Transit Association, and Transportation California, has been formed and have developed a set of principles to ensure that an equitable portion of collected revenues from the Cap-and-Trade Program be dedicated for transportation purposes.

As part of the implementation of AB 32 (the California Global Warming Solutions Act of 2006), the California Air Resources Board (ARB) has adopted regulations to establish a new Cap-and-Trade Program to cap greenhouse gas emissions statewide. AB 32 calls for the reduction of greenhouse gases to 1990 levels by the year 2020. Apart from the reduction of emissions, the cap-and-trade program stands to generate significant revenues. ARB plans to sell 66 million allowances in FY 2012-2013, generating an estimated \$660 million to \$3.3 billion (depending on the price per ton, which would range between a minimum of \$10 and maximum of \$50). There is currently legislation in both houses of the legislature focused on the allocation of Cap-and-Trade revenues.

BACKGROUND

This report summarizes an update on Cap-and-Trade activities by the ARB and the Legislature as well as activities by other entities to ensure that an equitable portion of collected revenues be dedicated for transportation purposes. CARB has adopted regulations to establish a new cap-and-trade program to cap greenhouse gas (GHG) emissions statewide as part of the implementation of AB 32 (Núñez and Pavley), Chapter 488, Statutes of 2006, the Global Warming Solutions Act of 2006. AB 32 calls for the reduction of GHG emissions to 1990 levels by the year 2020.

According to ARB, a total reduction of 80 million metric tons (MMT), or roughly 16% compared to business as usual, is necessary to achieve the 2020 limit. Approximately 78% of the reductions will be achieved through identified regulatory measures. ARB proposes to achieve the balance of reductions necessary to meet the 2020 limit (approximately 18 MMT) through a Cap-and-Trade Program. Producers of approximately 80% of the state's GHG emissions are subject to the cap, which reduces emissions by about 20% at a rate of 2% per year in 2013 and 2014 and 3% percent per year through

2020. Motor vehicle fuels will be subject to the cap starting in 2015. The remaining 20% of emissions derive from smaller entities and are uncapped sectors.

The first auction of emission allowances by the ARB is scheduled to be held in November 2012, with subsequent auctions to be held in February and May 2013. As part of its regulations, ARB has set a floor price of \$10 per ton and a ceiling of \$50 per ton. Based on the 66 million allowances that ARB plans to sell in FY 2012-13, this will generate between \$660 million to \$3.3 billion in FY 2012-13. Governor Brown’s proposed 2012–13 budget assumes ARB will raise \$1 billion from the auctions for the budget year. ARB estimates annual revenue from the auction of GHG emission allowances to range from \$2 billion to \$5 billion in 2013, with that amount increasing to between \$17 billion and \$67 billion in later years.

Transportation comprises about 40% of the state’s share of GHG emissions; thus, the sale of emissions allowances from Cap-and-Trade represent a significant new funding opportunity for the transportation sector, and low-carbon transportation improvements should receive a substantial share of proceeds from the Cap-and-Trade Program.

TRANSPORTATION FUNDING COALITION PRINCIPLES FOR CAP AND TRADE AUCTION REVENUES

A coalition group consisting of the League of California Cities, the California State Association of Counties, the California Alliance for Jobs, California Transit Association, and Transportation California, has been formed to ensure that an equitable portion of collected revenues from the cap-and-trade program be dedicated for transportation purposes. The principles provide policy input to determine how distribution of collected cap-and-trade revenues for transportation and infrastructure would be apportioned. Members of the Coalition have sent a letter to the ARB providing their input on broad areas of consensus concerning cap-and-trade revenue allocations. A copy of the letter is attached to this report.

San Diego Association of Governments (SANDAG), Metropolitan Transportation Commission (MTC) and CALCOG have also endorsed the Coalition principles. The LCMC, at its August 21, 2012 meeting, reviewed these principles and has forwarded a recommendation of support of the Coalition cap & trade principles to the EAC and the RC.

The Coalition principles consist of the following (more detail can be found in their attached letter):

1. Dedicate the allocation of revenues related to fuels to transportation investments. This is consistent with the longstanding policy of the state to dedicate revenues related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.
2. Invest a major portion of fuels related revenues to implement the AB 32 regulatory program by reducing GHG emissions from transportation. Dedicate revenues directly into transit and road operations and maintenance, as well as transit and complete streets infrastructure within existing urban infill and rural communities. These funds must be invested in a way that implements AB 32 using, where applicable, the SB 375 regional strategies. In regions not within an MPO where SB 375 does not apply, other measurable greenhouse gas reduction strategies can be developed within regional transportation plans.

3. Structure the investments to favor integrated transportation and land use strategies. Funds should be allocated regionally by population, recognizing that different strategies are needed to achieve GHG reductions in different areas of the state. To maximize cost effective GHG reduction, additional incentives for regions with Sustainable Community Strategies that exceed GHG reduction targets, or equivalent Blueprint Plans or other regional plans. Within each region, funding should be allocated primarily through a competitive grant program based on cost effectiveness of GHG emission reductions from combined land use and transportation infrastructure and operations investments.
4. Improve modeling and verification systems to evaluate GHG reduction potential. Funding should be allocated to the development of performance measurement tools for local and regional actions that will allow evaluation and prediction of the GHG reduction and cost effectiveness of investment and land use strategies.
5. Allow flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments.
6. Provide the incentives and assistance that local governments need to make SB 375 work.
7. Project-funding determinations should be done at the regional level under established statewide criteria to encourage local innovation and flexibility.

OTHER MPO ACTIONS

The Metropolitan Transportation Commission (MTC) approved cap-and-trade principles on June 27, 2012 (report attached). Their principles include:

- Authority of the Legislature to adjust the expenditure plan;
- A similar share of cap-and-trade allowance revenue to be allocated to transportation projects as the total GHGs attributable to transportation (40%);
- Distribution of cap-and-trade allowance revenues for transportation to MPOs to help achieve GHG reduction targets included in each region’s Sustainable Communities Strategy;
- Each region’s share of allowance revenue determined by formula based on a geographically equitable distribution of funds.

The San Diego Association of Governments (SANDAG) endorsed cap-and-trade principles at their July 27th Board meeting (report attached). Their principles include:

- Dedicate the allocation revenues related to fuel to transportation investments.
- Ensure revenues are dedicated to public transportation.
- Provide an equitable distribution of funds.
- Ensure revenues are invested consistent with regional plans and Sustainable Communities Strategies.
- Ensure project eligibility criteria are created in collaboration with Metropolitan Planning Organizations (MPOs).

PENDING LEGISLATION

The Assembly and Senate budget subcommittees have adopted language that would dedicate “at least \$500 million” of cap-and-trade revenues towards General Fund (GF) expenditures to help reduce the deficit. Both houses rejected the Administration’s proposal to appropriate the balance of funds to an expenditure plan that would be developed by the Administration at a later date on the grounds that it

denies the Legislature the opportunity to adjust the expenditure plan. Instead, the draft budget includes language stating that the appropriation of additional funds beyond those used to offset GF expenditures will be contingent upon the enactment of future legislation.

There are currently two primary Cap-and-Trade bills pending in the Legislature to guide this process:

- AB 1532 – John A. Perez (D)
California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund

As amended, this bill would create the Greenhouse Gas Reduction Fund (GHGRF), and requires moneys in the GHGRF to facilitate the achievement of feasible and cost-effective reductions of Greenhouse Gas (GHG) emissions in the state. The bill requires administering agencies, including ARB and any other state agency identified by the Legislature to allocate those moneys to measures and programs that meet specified criteria. The bill would require ARB to develop three investment plans that identify the anticipated expenditures of moneys appropriated from the account, to submit each plan to the budget committees of each house of the Legislature, and to adopt each investment plan.

Additionally, the bill requires that each investment plan identify the anticipated expenditures of moneys appropriated from the fund. Each investment plan must list and describe the key measures and strategies that the state is relying on to achieve GHG emissions, reduction targets by sectors, analyze gaps, where applicable, in current state strategies to meeting the state's GHG emissions reduction goals by sector, and identify priority programmatic investments of moneys appropriated from the fund that will facilitate the achievement of feasible and cost-effective GHG emissions reductions toward achievement of reduction targets by sector.

The Governor would be required to submit a budget to the Legislature that includes specified appropriations consistent with each investment plan and would require the Legislature to consider these appropriations when adopting the Budget Act. The bill would require the state board to annually submit a report no later than December of each year to the appropriate committees of the Legislature on the status of projects and their outcomes and any changes ARB recommends need to be made to the investment plan.

As amended, prior bill provisions specifying that each investment plan adopted by ARB be exempt from the California Environmental Quality Act (CEQA) have been removed, thus no CEQA plan exemption provision remains in the bill.

Senate Floor Amendments of August 24, 2012 strike and add requirements and criteria for the expenditure of revenue and the development of investment plans for revenue collected pursuant to the California Global Warming Solutions Act. Specifically, the amendments (1) strike the requirement that the state determine a measure or program is consistent with requirements, as established by the California Supreme Court in *Sinclair Paint Co .v. State Board of Equalization*; (2) add specified investments to the purposes for the use of GHGRF moneys; (3) add specified criteria for the California Environmental Protection Agency (CalEPA) to consider when developing a methodology that identifies priority communities for investment; (4) strike duplicative requirements and adds new requirements related to investment in priority communities area to GHGRF investment

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plans; (5) require that if ARB and CalEPA find that less than 10% of all available moneys from a fiscal year was invested in priority community investment areas the Governor include in the annual budget additional allocations to projects in priority community investment areas equal to the difference between 25% of the prior year's allocation and the actual allocation; and (6) require ARB to hold one public hearing on the required report prior to its submission to the Legislature.

AB 1532 passed the Assembly by a vote of 49-27 on May 29, 2012. The bill was referred to the Senate Committee on Environmental Quality on June 7, 2012. The bill was amended by the author and Bill passed out of Senate Appropriations Committee (5-2) on August 20, 2012. On August 27, 2012 after substantive amendments on August 24, 2012 the bill was re-referred from Senate 3rd Reading File to Senate Committee on Environmental Quality, where absent rule waiver the bill must be heard and pass prior to floor session only beginning on August 29, 2012. Last day to amend bills on the floor is September 2, 2012; last day to pass bills is September 9, 2012. Staff will provide an oral update at the meeting.

The following summarizes support and opposition on record for the bill by the following organizations, agencies, and groups:

Support

American Federation of State, County and Municipal Employees, AFL-CIO
American Lung Association
American Society of Landscape Architects -California
Asian Pacific Environmental Network
Audubon California
Big Sur Land Trust
Bolsa Chica Land Trust
Breathe California
California Association of Local Conservation Corps
California Biomass Energy Alliance
California Clean DG Coalition
California Climate and Agriculture Network
California Housing Partnership Corporation
California Infill Builders Federation
California Interfaith Power & Light
California ReLeaf
California State Association of Counties
California Transit Association
California Urban Forests Council
California Watershed Coalition
California Watershed Network
Californians Against Waste
CALSTART
Coalition for Clean Air
Electrification Leadership Council

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Ella Baker Center, Green Collar Jobs Campaign
Energy Independence Now
Environmental Defense Center
Environmental Defense Fund
Friends of Harbors, Beaches and Parks
Global Green
Golden Gate Audubon Society
Greenlining Institute
Honda North America
Intelligent Transportation Society of California
Land Trust of Santa Cruz County
Los Angeles County Metropolitan Transportation Authority
Marin Agricultural Land Trust
Nature Conservancy
Natural Resources Defense Council
Non-Profit Housing Association of Northern California
Open Space District
Pacific Forest Trust
Peninsula Open Space Trust
San Francisco Bay Area Rapid Transit District
Santa Clara County Open Space Authority
Sensys Networks
Silicon Valley Leadership Group
Sonoma County Agricultural Preservation and Open Space
District
State Building and Construction Trades Council of
California
Sunrun
Trust for Public Land
Union of Concerned Scientists
Waste Management
Water Replenishment District of Southern California
Wilderness Society

Opposition

American Council of Engineering Companies of California
California Asian Pacific Chamber of Commerce
California Business Properties Association
California Chamber of Commerce
California Chapter of the American Fence Association
California Fence Contractors' Association
California Framing Contractors Association
California Grocers Association
California Independent Oil Marketers Association
California League of Food Processors

California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
California Taxpayers Association
Can Manufacturers Institute
Chemical Industry Council of California
Engineering Contractors' Association
Flasher/Barricade Association
Golden State Builders Exchange
Marin Builders' Association
National Federation of Independent Business
United Contractors
Western State Petroleum Association

SB 1572 – Senator Fran Pavley (D)

California Global Warming Solutions Act of 2006: AB 32 Investment Fund

As amended, provides revised expenditure of funds derived from the auction of greenhouse gas (GHG) allowances pursuant to the cap-and-trade program adopted by ARB pursuant to AB 32 (Núñez), Chapter 488, statutes of 2006. As amended the bill appropriates auction revenues collected in the 2012-13 fiscal year, that are not used by the Department of Finance (DOF) to offset General Fund expenditures pursuant to the Budget Act, to ARB to be allocated as follows:

1. 60% to fund GHG reduction projects undertaken by industries covered by the Cap-and-Trade program.
2. 10% to the Strategic Growth Council to be awarded to Metropolitan Planning Organizations (MPOs) or councils of governments (COGs) for regional and local GHG reduction plans and local climate innovation projects.
3. Continuously appropriates to ARB any moneys collected by ARB from the sale of allowances to the University of California (UC) and the California State University (CSU) for ARB to expend on GHG reduction projects undertaken by UC or CSU.
4. Continuously appropriates to ARB any moneys collected by ARB from the sale of allowances to a water supplier for ARB to expend for purposes of reducing GHG emissions associated with water suppliers.

Funds awarded to MPOs or COGs for regional and local GHG reduction plans shall be awarded based on statewide criteria developed by the Strategic Growth Council, and ARB that prioritize investments in projects that cost-effectively reduce GHG emissions, integrate transportation infrastructure and land use strategies, and achieve additional greenhouse gas emissions reductions and community benefits through integration with local energy, water, public health, or resource conservation strategies.

The bill specifies that in regions with sustainable community strategies or an alternative planning strategy for which ARB has accepted a metropolitan planning organization's determination that the sustainable communities' strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emissions reduction targets.

REPORT

Funds allocated by the Strategic Growth Council may be used for any of the following:

- Integrated land use and transportation infrastructure development, design, construction, or planning, including, but not limited to, complete street retrofits, street scape improvements, multiuse trails, electric vehicle charging infrastructure, natural gas refueling infrastructure, and transit infrastructure implemented with complementary land use changes, including passenger or commuter rail, transit-oriented affordable housing, and other infrastructure that provides access to a diverse mix of housing types, jobs, schools, and recreational, commercial, retail, and other services of the neighborhood level, as well as other integrated infrastructure and land use strategies that demonstrate GHG emission reductions.
- Transportation efficiency measures that provide greenhouse gas emissions reduction benefits, including, but not limited to, expansion and greenhouse gas reduction of transit services, road and bridge maintenance with safety retrofits, roadway operations, and demand management strategies.
- Performance measurement systems to evaluate GHG emissions reductions from integrated projects and program administrative costs.

SB 1572 passed the Senate by a vote of 23-13 on May 31, 2012. The bill was amended by the author and passed out of Assembly Appropriations Committee (11-5) on August 16, 2012 and, following substantive amendments on August 24, 2012 was referred back to Assembly Natural Resources Committee on August 27, 2012 where a hearing was held on August 29, 2012. Floor session began August 29, 2012, last day to amend bills on the floor was September 2, 2012 and last day to pass bills is September 9, 2012. Staff will provide an oral update at the RC meeting.

On record support and opposition of the bill include:

Support

American Lung Association
California Energy Efficiency Industry Council
Coalition for Adequate School Housing
County School Facilities Consortium
Santa Clara County Open Space Authority
School Energy Coalition
University of California

Opposition

American Council of Engineering Companies
California Asian Pacific Chamber of Commerce
California Business Properties Association
California Chamber of Commerce
California Chapter of the American Fence Association
California Fence Contractors Association
California Grocers Association
California Independent Oil Marketers Association
California League of Food Processors

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California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
California Taxpayers Association
Can Manufacturers Institute
Chemical Industry Council of California
Engineering Contractors' Association
Flasher/Barricade Association
Golden State Builders Exchanges
Marin Builders' Association
National Federation of Independent Business
United Contractors

ATTACHMENTS:

1. Transportation Funding Coalition Cap-and-Trade Letter
2. MTC Staff Report – Cap-and-Trade Advocacy Principles
3. SANDAG Staff Report – Proposed Cap-and-Trade Principles

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July 27, 2012

Re: Transportation Funding Coalition for Cap and Trade Auction Revenues

The California Alliance for Jobs, Transportation California, California Transit Association, and more recently local and regional government associations have been exploring ways to invest cap and trade revenue to address both the greenhouse gas reduction goals of AB 32 and critical transportation system maintenance and operation needs identified in the California Transportation Commission's Statewide Transportation Needs Assessment over the next ten years.

Our unifying principle is that auction revenues derived from vehicle fuels should be used to fund transportation system needs in a way that achieves AB 32 objectives and builds on the framework of SB 375 and other GHG reduction strategies. We believe that by integrating investments in new mobility, new infrastructure, and new jobs we can create healthy communities and better quality of life for all – while measurably reducing greenhouse gas emissions consistent with AB 32 and legal requirements for spending allocation revenues.

By targeting revenues and incentives toward local governments in support of regional planning goals we can leverage a cost effective investment portfolio across both transportation infrastructure and efficiency measures to yield the greatest GHG reductions associated with the transportation sector. Allocating funding to promote combining strategies will maximize GHG reduction while reinforcing SB 375, regional blueprints, other regional plans and local innovation.

Implementing SB 375 and other GHG-reducing regional plans outside of metropolitan planning organizations (MPOs) requires rebuilding aging infrastructure within urban infill and rural areas targeted for more intense development. This includes the maintenance and operation needs of local roads and transit systems, as well as active transportation infrastructure for walking and bicycling. By investing in an integrated transportation system, cost effective GHG reductions can also be achieved from approaches like rural resource infrastructure, intercity rail, and roadway management strategies. All of these transportation investments can yield even greater GHG reductions when combined with supporting land use strategies.

All of these investments are consistent with AB 32 and with meeting California's transportation infrastructure needs. These investments will create jobs, improve the movement of goods and enhance the economic performance of the state. Overall, we think this program should:

- Create cost-effective greenhouse gas reduction investments
- Leverage infrastructure investments across transportation and related land use strategies
- Foster collaboration and performance measurement
- Promote innovation in GHG reduction beyond AB 32 regulations
- Invest in existing communities by offsetting the high cost of infill development
- Support co-benefits/goals related to health, equity, energy, jobs, water, and agriculture

We want to work with CARB to craft an effective strategy to achieve maximum GHG reductions and long term co-benefits under AB 32 by investing a major portion of revenues related to fuels in integrated transportation and land use strategies consistent with the SB 375, the California Regional Blueprint plans and other regional planning processes. As a starting point, we want to suggest a few concepts for consideration in the development of your investment strategy:

1. ***Dedicate the allocation revenues related to fuels to transportation investments.***
This is consistent with the longstanding policy of the state to dedicate revenues related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.
2. ***Invest a major portion of fuels related revenues to implement the AB 32 regulatory program by reducing GHG emissions from transportation.*** Dedicate revenues directly into transit and road operations and maintenance, as well as transit and complete streets infrastructure within existing urban infill and rural communities. These funds must be invested in a way that implements AB 32 using, where applicable, the SB 375 regional strategies. In regions not within an MPO where SB 375 does not apply, other measurable greenhouse gas reduction strategies can be developed within regional transportation plans.
3. ***Structure the investments to favor integrated transportation and land use strategies.*** Funds should be allocated regionally by population, recognizing that different strategies are needed to achieve GHG reductions in different areas of the state. To maximize cost effective GHG reduction, additional incentives for regions with Sustainable Community Strategies that exceed GHG reduction targets, or equivalent Blueprint Plans or other regional plans. Within each region, funding should be allocated primarily through a competitive grant program based on cost effectiveness of GHG emission reductions from combined land use and transportation infrastructure and operations investments.
4. ***Improve modeling and verification systems to evaluate GHG reduction potential.*** Funding should be allocated to the development of performance measurement tools for local and regional actions that will allow evaluation and prediction of the GHG reduction and cost effectiveness of investment and land use strategies.
5. ***Allow flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments.***
6. ***Provide the incentives and assistance that local governments need to make SB 375 work.***
7. ***Project-funding determinations should be done at the regional level under established statewide criteria to encourage local innovation and flexibility.***

We hope you will give us the opportunity to work with you to refine these concepts and take advantage of this opportunity to make AB 32 a key component of California's transportation investment program.

Sincerely,

**California Alliance for Jobs
California Transit Association
Transportation California
California State Association of Counties
League of California Cities**

Agenda Item 10b



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Commission

DATE: June 20, 2012

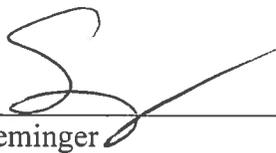
FR: Executive Director

W. I. 1131

RE: Cap-and-Trade Advocacy Principles

Attached are seven advocacy principles for how the state should spend allowance revenue generated from the “cap-and-trade” program, a new element of the state’s strategy to reduce greenhouse gas (GHG) emissions consistent with AB 32 (Nuñez) — the Global Warming Solutions Act of 2006. These principles are slightly revised from the version that was approved by the Legislation Committee at their June 8 meeting. Since that meeting, MTC legislative staff has been in discussions with representatives of various statewide organizations (including the California Alliance for Jobs, the California Transit Association, the California League of Cities, and the California State Association of Counties) that are advocating for transportation to receive 100 percent of allowance revenue from transportation fuels.

Given California’s longstanding commitment to investing taxes associated with gasoline and diesel fuel back into the transportation system, combined with the fact that the revenue potential from 100 percent of transportation fuel-related allowances is expected to be considerably higher than 40 percent of total allowances remaining after General Fund offsets (as proposed in the original recommendation), staff suggests that the Commission consider approving the attached revision to the Legislation Committee recommendation.



 Steve Heminger

Attachment

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Legislative Advocacy Principles for the State's Cap-and-Trade Program

1. A multi-year expenditure plan for the use of cap-and-trade revenue should be developed by the Administration, with ample opportunity for public input. The Legislature should be empowered to make adjustments to the plan before final adoption by the Air Resources Board.
2. In addition to meeting the legal nexus requirement, the expenditure plan should seek to maximize other benefits to California, including improved mobility, livability, public health and social equity.
3. ~~Given that transportation contributes almost 40 percent of the state's GHG emissions, a similar share of the allowance revenue (remaining after General Fund-eligible expenditures are offset) should go towards projects that reduce emissions from the transportation sector.~~

Allowance revenue from transportation fuels should be dedicated to transportation investments. This is consistent with the longstanding policy of the state to dedicate revenue related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.

4. To help implement SB 375, cap-and-trade revenue funds dedicated to transportation — other than those of a statewide nature, such as high-speed or intercity rail — should be distributed to MPOs to help them achieve the GHG reduction targets included in each region's Sustainable Communities Strategy (SCS).
5. Each region's share of allowance revenue should be determined on a formula basis that reflects a geographically equitable distribution of funds.
6. Project eligibility in the transportation sector should include any transportation project that can meet the legal nexus test for fees, including projects that reduce GHG emissions as well as those that mitigate the *effects* of GHG emissions, (such as climate adaptation projects). MPOs would be responsible for ensuring that projects funded by allowance proceeds satisfy all legal requirements.
7. Projects funded by MPOs must be consistent with each region's SCS. Project selection should be done competitively with priority given to projects that reduce GHG emissions in the near term, while also supporting other key state and regional goals.



BOARD OF DIRECTORS
JULY 27, 2012

AGENDA ITEM NO. 12-07-15
ACTION REQUESTED - APPROVE

PROPOSED CAP-AND-TRADE PRINCIPLES

File Number 7300400

Introduction

In fall 2011, the California Air Resources Board (CARB) adopted regulations to establish the first cap-and-trade program in the nation. The first auction for the cap-and-trade program is scheduled for November 2012, and this year the Legislature is expected to pass legislation to determine how the proceeds from the auction would be used. In order to respond to various proposals currently under consideration by the Legislature, staff has drafted proposed cap-and-trade principles. This report provides an overview on the state cap-and-trade program, discusses pending state legislation, and includes proposed principles, which would provide a guide as cap-and-trade bills move through the state legislative process and as future administrative guidelines and regulations are developed.

Recommendation

The Board of Directors is asked to approve the proposed SANDAG Cap-and-Trade Principles as included in this report.

Discussion

Assembly Bill 32 (AB 32) (Nunez, 2006), the Global Warming Solutions Act of 2006, calls for the reduction of greenhouse gas emissions to 1990 levels by 2020. To implement AB 32, the CARB Climate Scoping Plan report outlined strategies for meeting the greenhouse gas (GHG) emission reduction targets, including direct regulations, alternative compliance mechanisms, monetary and nonmonetary incentives, voluntary actions, market-based compliance mechanisms like a cap-and-trade system, and an implementation fee to fund the program.

In 2011, CARB adopted regulations to establish a new cap-and-trade program to cap GHG emissions statewide. Producers of about 80 percent of the state's GHG emissions are subject to the cap, which would reduce emissions by about 20 percent through 2020. Sectors subject to the cap include refineries, power plants, industrial facilities, and transportation fuels. Motor vehicle fuels will be subject to the cap starting in 2015.

As part of the regulation, CARB plans to auction 66 million allowances in FY 2012-2013, which is anticipated to generate \$660 million to \$3.3 billion. The first cap-and-trade auction is scheduled for November, with additional auctions scheduled for February and May 2013. The FY 2012-2013 budget authorizes at least \$500 million for use in offsetting existing General Fund costs of GHG mitigation activities. It also specifies that additional expenditures related to GHG emissions reductions be made pursuant to future legislation.

Full implementation of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy (2050 RTP/SCS) is dependent on stable funding sources. The 2050 RTP/SCS includes nearly \$21 billion (in year of expenditure) through 2020 for investments in major corridors, transportation

demand and system management projects and programs, active transportation projects, Safe Routes to Transit, Safe Routes to School, and Smart Growth Incentive programs. The 2050 RTP/SCS is based on current and reasonably available sources and levels of funding. It assumed continuation of existing levels of state and federal funding through the current Regional Transportation Improvement Program period (FY 2015), and some additional new revenues through FY 2020 (based on historic funding and revenue growth levels). Cap-and-trade revenues could provide a new source of state funds to assist in the implementation of the 2050 RTP/SCS.

As described in further detail below, the California Senate and Assembly have introduced legislation that would establish a cap-and-trade account and outline eligible recipients, projects, and programs for the funds. The Assembly version of the bill includes broad categories for cap-and-trade investments, and outlines a process for CARB to create three investment plans starting in 2013 until 2020 for the distribution of funds. The Senate version of the bill is more detailed; it requires projects that are funded to meet overall goals of reducing GHG emissions and includes a list of priority project categories, including a percentage for each priority project category to be funded by cap-and-trade proceeds.

Pending Legislation

AB 1532 (Perez) California Global Warming Solution Act of 2006: GHG Reduction Account

AB 1532 was introduced by Speaker John Perez (D-Los Angeles) on January 23, 2012, and was last amended June 18, 2012. This bill would establish the Greenhouse Gas Reduction Account and set goals for achieving feasible and cost-effective reductions in GHG emissions. The bill's stated goals include:

- Maximize economic, environmental, and public health benefits to the state
- Foster job creation by promoting in-state GHG emission reduction projects
- Complement efforts to improve air quality
- Direct investment toward the most disadvantaged communities and households in the state
- Provide opportunities for small business, schools, affordable housing developers, water agencies, local governments, and other community institutions to reduce GHG emissions

The bill also would provide that funds may be used to reduce GHG emissions through investments in the following areas:

- Clean and efficient energy
- Low-carbon transportation and infrastructure
- Natural resource protection
- Research, development, and deployment of innovative technology, measures, and practices

AB 1532 would require CARB to do the following:

- Adopt guidelines regarding the allocation and allowable uses of money, including establishing criteria for receiving funding, a process to verify qualifications of recipients, and monitoring requirements
- Develop and adopt three investment plans (FY 2013-2014, FY 2015-2017, and FY 2018-2020) with each investment plan identifying the anticipated expenditures, establishing priorities for allocation of moneys, identifying specific categories of programs and projects, identifying levels of expenditures for each category, and identifying the state agencies best qualified to implement the plan
- Coordinate with Natural Resources Agency, the California Environmental Protection Agency, Department of Food and Agriculture, and Business, Transportation, and Housing Agency
- Hold at least two public hearings prior to the adoption of the investment plan
- Submit the investment plan to the legislative budget committees prior to adoption of each investment plan for review
- Provide the Governor a plan detailing proposed appropriations from the Greenhouse Gas Reduction Account

AB 1532 would require the Governor to include a proposed appropriation in his annual budget and would allow the Legislature to consider adopting the appropriation as part of the annual budget process.

SB 1572 (Pavley) California Global Warming Solutions Act of 2006: AB 32 Investment Fund

SB 1572 was introduced by Senator Fran Pavley (D-Agoura Hills), and was last amended on June 25, 2012. This bill would create the Greenhouse Gas Reduction Account and would require all revenues collected by CARB from the auction or sale of allowances to be deposited into the account and available, upon appropriation by the Legislature.

SB 1572 would do the following:

- Provide that no funds will be expended if the total auction revenues in the FY 2012-13 are less than \$550 million
- Require that 50 percent of auction revenues collected in FY 2012-13, or \$250 million, whichever is less, go to priority projects listed in the bill; the other 50 percent would remain in the account
- Require projects funded by the bill to comply with the following:
 - Achieve GHG reductions at a reasonable cost
 - Achieve budgetary savings for families, businesses, schools, universities, companies regulated under cap-and-trade program, community institutions, and state, local, and regional governments

- o Protect existing jobs in the state by minimizing leakage
- o Benefit the most adversely impacted and disadvantaged communities
- o Provide opportunities for small businesses, schools, local governments, and other entities to participate in and benefit from statewide and regional efforts to reduce GHG emissions
- Create the following priority projects:
 - o K-12 Energy Projects, Public University Projects, Rapid Transition Assistance for Industrial Facilities, Residential Energy Efficiency, Energy in Agriculture Priority Projects, Sustainable Land Use and transportation, Good Movement, Lower-Emission School Bus Program, and Clean Vehicle Rebate Project

Proposed SANDAG Cap-and-Trade Principles

The SANDAG 2012 Legislative Program includes two priorities that support the overall goal of a cap-and-trade program at the state or federal level: Goal No. 3A, which supports access to resources and technical tools that will enable SANDAG to implement the 2050 RTP/ SCS; and Goal No. 12B, which supports energy-related legislation consistent the Regional Energy Strategy.

In order to respond to various proposals currently under consideration by the Legislature, staff drafted proposed cap-and-trade principles for consideration. On July 13, 2012, the Executive Committee discussed the proposed principles and directed staff to include an additional principle regarding the importance of providing funding for public transit from cap-and-trade auction proceeds. The Executive Committee also asked that the proposed principles be included for Board action in July, and that a presentation by CARB on cap-and-trade proposals be scheduled for a future Board Policy meeting.

The proposed cap-and-trade principles are:

- **Dedicate the allocation revenues related to fuel to transportation investments.** Since the transportation sector contributes about 40 percent of the state's greenhouse gas (GHG) emissions, a similar share of the allowance revenues should be dedicated to projects and programs that reduce GHG emissions from the transportation sector.
- **Ensure revenues are dedicated to public transportation.** In lawsuits filed on the 2050 Regional Transportation Plan and its Sustainable Communities Strategy, the Attorney General and other petitioners assert that SANDAG should accelerate investment in the region's public transportation system. The state should dedicate cap-and-trade auction revenues to public transportation, as a near-term source of state funds to advance the transit projects and programs included in regional plans.
- **Provide an equitable distribution of funds.** Each region's share of allowance revenues should be allocated on a formula basis to reflect a geographically equitable distribution of funds.
- **Ensure revenues are invested consistent with regional plans and Sustainable Communities Strategies.** Eligible projects should be consistent with a CARB-approved and regionally adopted Sustainable Communities Strategy.

- **Ensure project eligibility criteria are created in collaboration with Metropolitan Planning Organizations (MPOs).** MPOs should collaborate with CARB to develop statewide eligibility thresholds that provides maximum flexibility for implementation at the regional level.

Next Steps

Pending approval by the Board of Directors, staff will use the proposed principles to evaluate bills as they make their way through the legislative process and as future administrative guidelines and regulations are developed. Staff also will work with CARB to schedule a presentation at the September 14, 2012, Board Policy meeting, focusing on a more comprehensive discussion of cap-and-trade issues at the state level.

GARY L. GALLEGOS
Executive Director

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

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DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Sharon A. Neely, Chief Deputy Executive Director, neely@scag.ca.gov, (213)-236-1992

SUBJECT: AB 939 (Perez): Salton Sea Restoration; AB 1410 (Perez): Salton Sea Restoration

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Vote to Support AB 1410 in lieu of AB 939.

EXECUTIVE SUMMARY:

At its meeting on August 21, 2012, the Legislative/Communications & Membership Committee (LCMC) voted to support AB 939, which would have transferred authority over Salton Sea restoration efforts from the State of California to a local joint power authority, the Salton Sea Authority. Since the August 21, 2012 LCMC meeting, the contents of the bill were shifted over to a new bill, AB 1410, which was gutted and amended to become the new legislative vehicle for the Salton Sea restoration. AB 1410 would retain State authority over restoration efforts, but those efforts would be carried out in consultation and coordination with the Salton Sea Authority. The Salton Sea Authority would also have significant input in specified areas such as economic development, air quality, and public access and recreation.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

The Salton Sea is a terminal water body, meaning that it has no outlet other than evaporation. Because of this, the salinity level in the Sea is continually increasing. In addition, water transfers out of the Imperial Valley, coupled with more water efficient farming practices, are reducing the flow of water into the Salton Sea. In combination, these factors are leading to a saltier Salton Sea with a receding shoreline. These factors are degrading both water quality and air quality in and around the Salton Sea.

Under the Quantification Settlement Agreement of 2003, the Legislature directed the Secretary of Resources to develop a plan for the restoration of the Salton Sea. The plan, which was submitted to the Legislature in 2007, recommended a \$9 billion Preferred Alternative restoration plan. Since that time, the Legislature has not taken action on the restoration of the Salton Sea.

AB 939 would:

- Require the Salton Sea Authority (a joint powers authority of several local government agencies in Riverside and Imperial Counties) to lead the Salton Sea restoration efforts, including early start species conservation projects, investigations of issues relating to the restoration, analysis of

potential funding sources for the restoration, and an analysis of economic development opportunities;

- Require the Salton Sea Authority to develop a restoration plan. The Authority is required to include existing proposals for consideration and to work with a technical advisory committee made up of specific state, federal, and local stakeholders;
- Require the Authority to consult with the public on a variety of issues relating to restoration activities; and
- Require the Department of Water Resources to provide staff support to the Authority.

AB 939 would transfer oversight authority to a local joint powers authority and the State of California will have financial responsibility. In addition, the provisions of the bill that require additional study of the issue will create costs, and since the State would retain authority for the restoration and because the bill requires the Salton Sea Authority to undertake specific activities, the State will be responsible for reimbursing the costs of doing so. In addition, the bill requires the Department of Water Resources to provide staff support to the Salton Sea Authority to undertake its required activities. Costs that are likely to be incurred under the bill include:

- Development of a Restoration Plan
The costs to evaluate the existing restoration plan alternatives and potentially new alternatives will likely be in the millions over the next several years. The process to develop the Preferred Alternative restoration plan by the Natural Resources Agency took four (4) years and cost about \$20 million. Because much of the technical analysis of existing alternatives has been completed, the cost to develop a new restoration plan should be less. If the Salton Sea Authority decides to pursue a new restoration plan, however, there would be significant costs to develop that plan.
- Implementation of a Restoration Plan
The projected costs of the Preferred Alternative are \$9 billion (in 2007 dollars). Depending on the ultimate restoration plan adopted by the Salton Sea Authority, the total costs to restore the Salton Sea could be lower or higher than the Preferred Alternative.

The costs above would include direct costs to the Department of Water Resources to provide staff support to the Salton Sea Authority, expenditures by the Salton Sea Authority that would be a reimbursable state mandate, and contract funds for technical support and analysis.

The source of funding for these activities would likely include Proposition 84 general obligation bond funds and/or the General Fund. While there is a remaining fund balance of \$15 million in Proposition 84 funds for Salton Sea Restoration activities, much of those funds are intended to support the ongoing development of wildlife habitat. The recently adopted budget, for example, includes \$3 million over three years for habitat restoration activities.

The following entities are on record in support of AB 939:

- Coachella Valley Economic Partnership
- Coachella Valley Water District
- County of Imperial
- County of Riverside

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- Imperial Irrigation District
- RBF Consulting
- Salton Sea Authority

There is currently no opposition on record.

The LCMC voted to support AB 939 at its meeting on August 21, 2012. Issues discussed primarily revolved around opposition to the bill. It was noted that while there was no opposition on record, there were nineteen (19) Assembly Members that voted against the bill when it passed out of the Assembly. Members of the Committee mentioned that any opposition to the bill is likely to stem from: a) funding issues, and/or b) limited authority and control at the State level because the bill assigns leadership authority to a local joint powers authority over a matter for which the State retains financial authority and responsibility. The bill itself does nothing to relieve the State of its financial responsibility for the restoration of the Salton Sea.

AB 939 passed out of the Assembly by a vote of 51-19 on May 2, 2011 and was subsequently referred to the Senate Committees on Environmental Quality and Natural Resources & Water. The bill was withdrawn from the Committee on Environmental Quality on June 22, 2011. The bill passed out of the Committee on Natural Resources & Water to the Committee on Appropriations by a vote of 6-2 on July 3, 2012. The bill was sent to the Suspense File on August 6, 2012, and was held in Committee on August 16, 2012.

Related Legislation

SB 1018 (Committee on Budget, Statutes of 2012)

The resources budget trailer bill, approved by Governor Brown on June 27, 2012, created a January 1, 2013 sunset date for the existing Salton Sea Restoration Council.

AB 642 (Calderon)

This bill would authorize the Secretary of the Natural Resources Agency to establish a program to provide financial support for the development of commercial algae production in the area around the Salton Sea. AB 642 passed out of the Assembly by a vote of 76-0 on May 27, 2011 and was subsequently referred to the Senate Committees on Natural Resources & Water and Energy, Utilities & Commerce on June 8, 2011. The bill was withdrawn from the Committee on Natural Resources & Water on June 23, 2011, but referred to that Committee on June 14, 2012. The bill was withdrawn from the Committee on Energy, Utilities & Commerce on June 6, 2012. The bill passed out of the Committee on Natural Resources & Water to the Committee on Appropriations by a vote of 5-3 on June 26, 2012. The bill was sent to the Suspense File on August 6, 2012, and was held in Committee on August 16, 2012.

STATUS UPDATE

AB 1410

Since the LCMC meeting on August 21, 2012, the contents of AB 939 have since been shifted into a new legislative vehicle, AB 1410. According to conversations with the Speaker's office, the original bill—AB 939—did not move forward because: 1) too much authority was given to the local joint powers authority (i.e., Salton Sea Authority); and 2) the State of California retained financial responsibility

REPORT

despite delegating authority over restoration efforts to a local joint powers authority. The new bill, AB 1410, has retained much of what was AB 939, but the delegation of authority over the restoration of the Salton Sea has changed.

Instead of transferring full authority over restoration to the Salton Sea Authority, AB 1410 would instead require the Secretary of the Natural Resources Agency, in consultation and coordination with the Salton Sea Authority, to lead Salton Sea restoration efforts. The Secretary, with the Salton Sea Authority, would form a technical advisory group, which would provide guidance about evaluating, developing, or proposing future restoration or economic development activities. The Secretary, in consultation and coordination with the Salton Sea Authority, would lead Salton Sea restoration efforts that would include:

- Early start species conservation habitat demonstration projects;
- Biological investigations relating to the restoration of the Salton Sea;
- Investigations of water quality, sedimentation, and inflows relating to the restoration of the Salton Sea;
- Air quality investigations relating to the restoration of the Salton Sea;
- Geotechnical investigations relating to the restoration of the Salton Sea; and
- Financial assistance grant programs to support restoration activities of local stakeholders.

The Salton Sea Authority, however, would also be able to undertake a restoration funding and feasibility review study—which would be state-funded—in consultation with the technical advisory group to do the following:

- Investigate access and utility agreements that may contribute to future funding of restoration activities at the Salton Sea;
- Analyze all feasible funding sources for restoration program components and activities;
- Analyze economic development opportunities, including, but not limited to, renewable energy, biofuels, mineral development, and algae production for the purposes of identifying new revenue sources for the Salton Sea restoration efforts;
- Identify state procurement and royalty sharing opportunities; and
- Review existing long-term plans for restoration of the Salton Sea and recommend to the technical advisory group and the Secretary changes to existing restoration plans.

For the purposes of considering local, publicly derived input concerning habitat objectives and actions, types and levels of public access, and integration of air quality management and habitat restoration, the Secretary will be required to seek input from the Salton Sea Authority on the following components of restoration of the Salton Sea:

- Design opportunities and constraints, including the integration of the habitat, public access, and air quality management objectives;
- Public access and recreational components;
- Opportunities for economic development;
- Habitat mosaics and location;
- Vector management and predator control; and

REPORT

- Feasible financial resources to fund all recommended restoration program components.

While AB 939 would have delegated authority over restoration efforts to the Salton Sea Authority, AB 1410 would provide that the Secretary and the Legislature would maintain authority and responsibility for any state obligation (under the Quantification Settlement Agreement). The Secretary and Legislature would also have final approval for any proposed restoration plan. Even though the State of California would retain overall authority, the Salton Sea Authority would still be integral to restoration efforts because: 1) restoration efforts would be done in consultation and coordination with the Salton Sea Authority; and 2) the Secretary would be required to seek input from the Salton Sea Authority.

AB 1410 was gutted and amended on August 24, 2012, which was the last day to amend bills on the floor. AB 1410 would take effect immediately as an urgency statute. As of August 27, 2012, AB 1410 is currently on the Senate floor and has been ordered to a Second Reading. August 31, 2012 is the deadline for each house to pass bills and September 30, 2012 is the last day for the Governor to sign or veto bills passed by the Legislature before September 1, 2012.

It is the recommendation of SCAG staff—in light of AB 1410 being a virtual successor bill to AB 939 due to the constraints of the legislative calendar—that the Regional Council vote to support AB 1410 in lieu of voting to support AB 939.

ATTACHMENT:

None

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DATE: September 6, 2012
TO: Executive/Administration Committee (EAC)
Regional Council (RC)
FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov
SUBJECT: Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000

EXECUTIVE DIRECTOR'S APPROVAL: *Horacio Hernandez*

RECOMMENDED ACTION:
For Information Only - No Action Required.

STRATEGIC PLAN:
This item supports SCAG'S Strategic Plan, Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:

SCAG executed the following Contracts between \$25,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
1. Data Products, Research & Systems (12-030-C1)	The consultant shall provide the design, development, and implementation of SCAG's Geodatabase, a system of storing data and electronic maps.	\$148,573
2. Melendrez (12-022-C1)	As part of the Compass Blueprint program, the consultant shall conduct a study for the City of Glendale. Among other things, the study shall examine the possibilities for creating frontage roads along the State Route 134 (SR-134) freeway east of Space 134 (the identified project area), to connect residential neighborhoods to downtown Glendale.	\$124,453
3. AECOM Inc. (12-001-B19)	As part of the Compass Blueprint program, the consultant shall assist the Downtown Los Angeles Neighborhood Council (DLANC) with assessing transportation-related conditions and mobility improvements including parking, bicycle, and pedestrian planning to help develop strategies to reclaim streets and sidewalks for people, and to encourage trips in modes other than a car.	\$121,956

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SCAG executed the following Contracts between \$25,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
4. AECOM Inc. (12-001-B10)	As part of the Compass Blueprint program, the consultant shall assist the City of Rancho Palos Verdes with developing the Western Avenue Corridor Strategy and Vision Plan.	\$121,885
5. Burke, Williams, & Sorensen, LLP (12-045-SSG1)	The consultant shall provide the necessary General Counsel legal services to SCAG.	\$120,000
6. Regional Economic Models, Inc. (13-003-SS)	The consultant shall provide Transight Econometric software to assist staff with its modeling analysis.	\$53,000
7. Zepol Corporation (12-040-C1)	The consultant shall provide trade data information for use in SCAG's regional goods movement planning efforts.	\$29,916

SCAG executed the following Purchase Orders (PO's) between \$5,000 and \$200,000

<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
Qwest Communications Corp.	FY13 Internet and IT Connection Service	\$130,000
Canon Financial Services, Inc.	FY13 Copy Equipment Lease	\$72,000
SAS Institute, Inc.	FY13 SAS Support	\$50,142
Employment Development Dept.	FY13 Unemployment Insurance	\$50,000
Caliper Corporation	FY13 Transcad Software Support	\$49,683
New Horizons CLC of Southern Calif.	FY13 Computer & Other Training	\$49,500
Graycon, Inc.	FY13 Cooling Unit For Server Room Fee	\$45,756
United Imaging	FY13 Printer Cartridges	\$41,300
AT&T / CalNet	FY13 Voice & Data Service	\$40,000
Office Depot Business Services Div.	FY13 Office Supplies	\$40,000
Citycom Real Estate Services	FY13 San Bernardino Office Rent	\$36,500
Canon Business Solutions-West Inc.	FY13 Copy Maintenance	\$35,000
Microsoft Corporation	FY13 GP Dynamics Support	\$26,364
Ametron Audio/ Video Inc.	FY13 Regional Council Meeting Video Taping	\$26,000
Regional Economic Models, Inc.	Economic Modeling Software (13-002-S1)	\$22,500
Granicus, Inc.	FY13 Software Support	\$19,356
CDW Government, Inc.	FY13 HP EVA 4400 Renewal	\$16,248
CQ Roll Call Subscription	FY13 Subscription For Fednet	\$15,936
Sparkletts	FY13 Coffee & Beverage Services	\$15,000
Conferencing Advisors, Inc.	FY13 Video Conferencing Equipment Support	\$11,878
PlanetBids, Inc	Online Bid Management Svc	\$11,000
Xerox Corporation	FY13 Xerox Printer Lease & Maintenance	\$9,861

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<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
Consiliant Technologies, LLC	FY13 Hitachi Storage Support	\$9,333
Xerox Corporation	FY13 Graphics Printer Supplies	\$8,000
University of Southern California	2012 Staff Retreat Facility Rental	\$8,000
Citilabs Inc.	FY13 Cubeland, Voyager Software Maintenance	\$7,811
Clean Sweep Janitor Service	FY13 Janitorial Service For Imperial	\$5,600
CDW Government, Inc.	FY13 Software Renewal	\$5,248
Westin Bonaventure Hotel & Suites	Deposit For 2012 Regional Council Summit	\$5,000
Tech Depot	FY13 IT Purchases	\$5,000
FedEx	FY13 Courier Service	\$5,000
The Pep Boys	FY13 Fleet Car Maintenance	\$5,000

SCAG executed the Amendment between \$5,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Amendment's Purpose</u>	<u>Amendment Amount</u>
Capital Representation Group (11-009-G1)	This amendment will allow the consultant to provide additional support and analysis to issues pertaining to implementation of Phase II of the Southern California Economic Recovery & Job Creation Strategy. This has become necessary now that SCAG will be developing and supporting additional legislation related to Phase II of the Southern California Economic Recovery & Job Creation Strategy.	\$19,000
AgreeYa Solutions, Inc. (12-012-C1)	This amendment will enable the consultant to create a software solution that will allow users not located in SCAG offices to be able to securely access SCAG's various web-enabled resources that are currently limited only to individuals that are on-premise.	\$9,900

FISCAL IMPACT:

Funding is available in the FY 2012/13 budget.

ATTACHMENT:

Contract and Amendment Summaries

CONSULTANT CONTRACT 12-030-C1

Recommended Consultant:

Data Products, Research & Systems

Background & Scope of Work:

The purpose of this project is to provide SCAG with high quality, professional, and timely advanced Geographic Information System (GIS) data services and support to ensure that SCAG maintains a leadership position and utilizes current processes for the collection, storage and dissemination of data to both internal and external stakeholders. The advanced GIS data services will enhance SCAG's GIS system with high performance, scalability, efficiency, flexibility, and sustainability.

The consultant shall provide the design, development, and implementation of SCAG's Geodatabase (a system of storing data and electronic maps). They will provide technical advice on how SCAG should leverage additional functionalities from GIS technology products. They will provide on-site support, best practice documentation, training materials and bi-weekly progress reports with monthly face-to-face meetings.

Project's Benefits & Key Deliverables:

The project's benefits and key deliverables include, but are not limited to:

- Enhanced Geodatabase containing SCAG's major GIS files;
- Providing five (5) intermediate and (5) advanced GIS training sessions to SCAG's member jurisdictions; and
- Updated GIS datasets, including counties, cities, parcels, traffic analysis zones, and subregions.

Strategic Plan:

This item supports SCAG's Strategic Plan, Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective a: Develop and maintain planning models that support regional planning; Objective b: Develop, maintain and enhance data and information to support planning and decision-making in a timely and effective manner; and Objective c: Maintain a leadership role in the modeling and planning data/GIS communities.

Contract Amount:

Total not-to-exceed	\$148,573
Data, Products, Research & Systems (prime consultant)	\$111,238
Cambridge Systematics (subconsultant)	\$37,335

Note: Data, Products, Research & Systems originally proposed \$151,749, but staff negotiated the price down to \$148,573 without reducing the scope of work.

Contract Period:

July 31, 2012 through July 31, 2013

Project Numbers:

12-045.SCG0694.01 \$20,000
12-045.SCG0142.12 \$100,313
13-045.SCG0142.12 \$28,260
Funding sources: Consolidated Planning Grant FHWA, FTA, and TDA

Request for Proposal (RFP):

SCAG staff notified 769 firms of the release of RFP 12-030-C1. Staff advertised the RFP on SCAG's bid management system. A total of 87 firms downloaded the RFP. SCAG received the following five (5) proposals in response to the solicitation:

Data, Products, Research & Systems (1 subconsultant)	\$151,749
VSolvit (1 subconsultant)	\$39,450
Multiregional Policy Analysis (1 subconsultant)	\$99,977
Statistical Research Inc. (2 subconsultants)	\$191,899
Quartic Solutions (no subconsultants)	\$575,070

Selection Process:

The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Javier Minjares, Regional Planning Specialist, SCAG
Ping Wang, Regional Planning Specialist, SCAG
Alex Yu, Manager of Application Development, SCAG

Basis for Selection:

The PRC recommended Data, Products, Research & Systems for the contract award because the consultant:

- Was in the range of what the Proposal Review Committee (PRC) determined it would take to meet the required deliverables. Although the selected consultant did not propose the lowest price, the PRC members determined that the selected consultant demonstrated the best understanding of the Scope of Work (SOW) and clearly and fully described technical approaches for each task and subtask. The lower priced firms did not demonstrate a complete understanding of the SOW and did not propose a technical approach that fully addressed the requirements in the SOW. Specifically, one firm did not describe the American Community Survey data update in their technical approach or deliverables. The firm also did not describe a technical approach for Task 4, which provides GIS expertise on spatial statistical analysis, assisting and coordinating GIS workshops and seminars. Also, the PRC did not believe that the lower priced firms included enough hours to perform the work by the required schedule nor demonstrate the familiarity and breadth of experience of the selected vendor;
- Provided the best overall value to SCAG by their excellent record of past performance based on their references, financial and staff resources for timely performance, and their ability to provide SCAG with GIS Services and support comprehensively and professionally; and
- Demonstrated extensive experience dealing with large databases, such as those that SCAG maintains. They demonstrated a clear understanding of the interrelationship between the GIS effort involved in this project and how it folds into SCAG's Travel Demand Modeling, other SCAG data/information, and its ultimate part in the development of the Inter-Governmental Review (IGR) Database, long range transportation plan, integrated transportation land use model, etc.

CONSULTANT CONTRACT 12-022-C1

Recommended Consultant:

Melendrez

Background & Scope of Work:

The consultant shall provide consultant services for a Compass Blueprint Demonstration Project for the City of Glendale. Specifically, the consultant shall provide a feasibility study to create frontage roads along the State Route 134 (SR-134) freeway east of Space 134 (the identified project area), that will weave well-established residential neighborhoods to downtown Glendale. The consultant shall conduct workshops with the community stakeholders, including resident businesses, property owners, and staff. They will prepare three (3) preliminary concept plans, and prepare a cost benefit analysis for a freeway cap park (a park development over the freeway) identified in the preliminary concept plans.

Project's Benefits & Key Deliverables:

The project's benefits and key deliverables include, but are not limited to:

- Concept plans and visual renderings of Space 134 that will provide a visioning framework to reopen connections between well-established residential neighborhoods and the City's civic, cultural, and business core, expand open space access, and add value to downtown properties; and
- Workshops, reports, preliminary concept plans, cost benefit analysis, and a final report.

Strategic Plan:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

Contract Amount:

Total not-to-exceed	\$124,453
Melendrez (prime consultant)	\$79,952
Metcalf Associates (subconsultant)	\$6,000
Dannenbrook Planning (subconsultant)	\$9,040
KPFF (subconsultant)	\$20,569
Rifkin - RTPG (subconsultant)	\$8,892

Note: Melendrez originally proposed \$166,174, but staff negotiated the price down to \$124,453 without reducing the scope of work.

Contract Period:

July 16, 2012 through July 16, 2013

Project Number:

12-065.SCG0137.01 \$124,453
Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP):

SCAG staff notified 1,655 firms of the release of RFP 12-001-B22. Staff also advertised the RFP in the American Planning Association's website and the Urban Transportation Monitor, and posted it on SCAG's bid management system. A total of 159 firms downloaded the RFP. SCAG received the following six (6) proposals in response to the solicitation:

Melendrez (4 subconsultants)	\$166,174
AECOM (2 subconsultants)	\$149,727
Cooper Carey (2 subconsultants)	\$164,305
SWA Group (3 subconsultants)	\$172,147
URS Corporation (2 subconsultants)	\$252,539
Roesling Nakamura (4 subconsultants)	\$296,202

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Melanie Bradford, Associate Transportation Planner, Caltrans District 7
Michael Nilsson, Mobility Planner, City of Glendale
Jung A Uhm, Senior Regional Planner, SCAG
Annette Vartanian, Analyst, City of Glendale

Basis for Selection: The PRC recommended Melendrez for the contract award because the consultant:

- Provided the best overall value to SCAG. Other firms proposed lower prices but the PRC awarded the contract to the selected consultant because it was in the range of what the PRC determined it would take to meet the required deliverables. Specifically, the other firms did not provide creative and innovative approaches that were specific to the City’s social, economic, and physical context, nor did they demonstrate the knowledge and experience in working with various stakeholders for collaboration;
- Demonstrated a highly interactive and phased approach with a clear short-term and long-term vision centered on implementation. Also, their visioning approach, which involved the City, community members and stakeholders, demonstrated a very strong and strategic collaborative plan when compared to other firms;
- Provided an analysis and understanding of the scope of work that included a much more broad area, which covered cultural, social, environmental, and economic benefits to the City;
- Demonstrated the most extensive experience with projects of similar size and scope by assembling a team of experts for this project who demonstrated a comprehensive understanding of the scope of work that was gained from experience with prior relevant projects concerning open space, mobility, accessibility, transit corridors, and pedestrian bridges; and
- Offered an effective approach to meet SCAG’s requirements by acknowledging the importance of consensus building with the City in the early visioning process in order to move forward with the necessary political support when compared to other firms.

CONSULTANT CONTRACT 12-001-B19

Recommended Consultant:

AECOM

Background & Scope of Work:

The consultant shall provide consultant services for a Compass Blueprint Demonstration Project for the Downtown Los Angeles Neighborhood Council (DLANC). The consultant shall address issues of mobility, livability, prosperity and sustainability in the downtown Los Angeles community by providing an opportunity to engage local stakeholders about their unique issues and needs. They will assess transportation-related conditions and mobility improvements including parking, bicycle, and pedestrian planning to help develop strategies to reclaim streets and sidewalks for people to encourage trips in transportation modes other than a car. Further, long-term and short-term community greening goals will be identified with a focus on reducing environmental impacts, including greenhouse gas emissions.

Project's Benefits & Key Deliverables:

The project's key benefits and deliverables include, but are not limited to:

- Addressing issues of mobility, livability, prosperity, and sustainability in the community;
- Identifying key issues within the community that degrade the environment, developing goals for a more sustainable future, and coming to a consensus on an overall vision for a greener Downtown Los Angeles through a series of interactive activities and an ongoing exhibit;
- A Sustainability Analysis to help participants evaluate various options and come to an informed consensus on the most sustainable future vision; and
- A list of key recommendations, priorities and strategies that will be used by community leaders and the City to improve mobility, environmental, economic, and physical conditions in Downtown Los Angeles through the Vision Downtown project.

Strategic Plan:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

Contract Amount:

Total not-to-exceed	\$121,956
AECOM (prime consultant)	\$82,956
Robert Group (subconsultant)	\$10,000
Iteris, Inc. (subconsultant)	\$10,000
Devine Strategies (subconsultant)	\$8,000
Greg Fischer (subconsultant)	\$8,000
Gil Kelly (subconsultant)	\$3,000

Note: AECOM originally proposed \$151,026, but staff negotiated the price down to \$121,956 without reducing the scope of work.

Contract Period:

July 16, 2012 through July 16, 2013

Project Number: 12-065.SCG0137.01 \$121,956
Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP): SCAG staff notified 1,623 firms of the release of RFP 12-001-B19. Staff also advertised the RFP in the American Planning Association’s website and the Urban Transportation Monitor, and posted it on SCAG’s bid management system. A total of 188 firms downloaded the RFP. SCAG received the following nine (9) proposals in response to the solicitation:

AECOM (5 subconsultants)	\$151,026
Point C (3 subconsultants)	\$175,483
The Planning Center (5 subconsultants)	\$180,887
Moore Iacofano Goltsman (2 subconsultants)	\$192,918
Peter Ellis (3 subconsultants)	\$340,592
Interface (3 subconsultants)	\$362,052
Forma (9 subconsultants)	\$376,833
RTKL Associates (4 subconsultants)	\$396,744
Gensler (7 subconsultants)	\$433,060

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the four (4) highest ranked offerors.

The PRC consisted of the following individuals:

Angus Chan, Associate Transportation Planner, Caltrans District 7
Philip Estes, Planner, Los Angeles County (DLANC)
Arlene Granadosin, Associate Regional Planner, SCAG
Gretchen Siemers, Planner, Los Angeles County (DLANC)
Veronica Siranosian, Senior Planner, URS

Basis for Selection: The PRC recommended AECOM for the contract award because the consultant:

- Proposed the lowest price;
- Demonstrated the most comprehensive and broadest range of services and solutions that will meet SCAG’s requirements. Specifically, public outreach, sustainability, carbon-footprinting, urban design, and transportation;
- Demonstrated the best understanding of the proposed scope of work by demonstrating their knowledge of Downtown Los Angeles, and previous public outreach experience, expertise in carbon-footprinting, and approach to exploring additional funding resources to continue visioning efforts for downtown Los Angeles;
- Best described their extensive experience in similar projects completed in the Downtown Los Angeles Fashion District, Ventura, Los Angeles Clean Tech Corridor, 101 Hollywood Freeway’s Part 101 and various visioning efforts internationally; and
- Demonstrated the most innovative, and effective approach to meet SCAG’s requirements. Specifically, their previous experience and utilization of innovative and creative outreach tools and strategies.

CONSULTANT CONTRACT 12-001-B10

Recommended Consultant:

AECOM Inc.

Background & Scope of Work:

City of Rancho Palos Verdes seeks to develop the Western Avenue Corridor Strategy and Vision Plan, a corridor and streetscape revitalization strategy for a 2-mile stretch of Western Avenue that traverses the City.

Western Avenue is largely comprised of concrete and asphalt, and the City believes that it lacks community appeal. The Vision Plan will provide the City with a sustainability-oriented blueprint for transforming this commercial corridor into a vibrant streetscape with a coordinated approach for bicycle, pedestrian, and transit activity that will benefit the community and local businesses.

Project's Benefits & Key Deliverables:

The project's key benefits and deliverables include, but are not limited to:

- Developing an identity/brand for the Western Avenue corridor;
- Developing guidelines and policies that unify the overall vision and strengthen the core Western Avenue businesses and residences, and increase community appeal;
- A site analysis of existing conditions, and current vs. proposed usage of Western Avenue;
- A traffic analysis and inventory of the existing parcels and right-of-way on Western Avenue;
- Streetscape design improvements, including urban greening elements and complete streets concepts;
- Recommendations and strategies for implementation of the Vision Plan; and
- A strategic implementation plan for working with multiple agencies and coordinating with regional and State goals.

Strategic Plan:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

Contract Amount:

Total not-to-exceed	\$121,885
AECOM Inc. (prime consultant)	\$113,872
Fransen Co. (subconsultant)	\$8,013

Note: AECOM originally proposed \$219,928, but staff negotiated the price down to \$121,885 without reducing the scope of work (they offered more than what the RFP requested).

Contract Period:

Notice to Proceed through February 15, 2013

Project Number:

12-065.0137.01 \$60,842
13-065.0137.01 \$61,043

Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP):

SCAG staff notified 1,905 firms of the release of RFP 12-001-B10. Staff also advertised the RFP in the American Planning Association's website and the Urban

Transportation Monitor, as well as the Planning Institute, and posted it on SCAG’s bid management system. A total of 207 firms downloaded the RFP. SCAG received the following twelve (12) proposals in response to the solicitation:

AECOM Inc. (1 subconsultant)	\$219,928
FORMA (no subconsultant)	\$98,785
Alta Planning + Design (3 subconsultants)	\$160,478
Gwynne Pugh Urban Studio(4 subconsultants)	\$167,504
The Planning Center (3 subconsultants)	\$207,280
Hogle -Ireland (3 subconsultants)	\$209,994
Gruen Associates (3 subconsultants)	\$215,374
MIG (2 subconsultants)	\$219,596
David Evans & Associates (3 subconsultants)	\$226,791
SWA Group (4 subconsultants)	\$297,628
Johnson Fain (5 subconsultants)	\$587,311
Gensler (5 subconsultants)	\$663,796

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Eduardo Schonborn , Senior Planner, City of Rancho Palos Verdes
 Joel Rojas, Community Development Director, City of Rancho Palos Verdes
 Peter Brandenburg, Senior Regional Planner, SCAG

Basis for Selection: The PRC recommended AECOM for the contract award because the consultant:

- Demonstrated a depth of understanding, and knowledge of, the project area that was unmatched by any of the other firms;
- More than any other firm, AECOM outlined the challenges and opportunities facing the Western Avenue corridor and the City generally;
- Demonstrated the most sophisticated, detailed and comprehensive understanding of the planning context in which Western Avenue should be considered in. In particular, AECOM emphasized the project’s existing and potential linkages to the ongoing San Pedro waterfront revitalization efforts and to other planning and political factors in the neighboring City of Los Angeles;
- Demonstrated the ability and experience in navigating and integrating the City of Los Angeles’ attributes and making them an asset to Western Avenue revitalization rather than an impediment. None of the other respondents demonstrated this capacity;
- Included a specialized retail strategy subconsultant on its team to assist with the economic development aspects of the project. This was indicative of a more comprehensive and detailed approach to developing an economic development strategy required for this project; and
- Provided a robust economic development approach, which was not included by any of the other firms.

Although AECOM was not the lowest priced firm, AECOM offered more scopes than what was requested in the RFP. Negotiations reduced the price without reducing the integrity of the required scope of work.

CONSULTANT CONTRACT 12-045-SSG1

Recommended Consultant:	Burke, Williams & Sorensen, LLP
Background & Scope of Work:	A General Counsel has served the Regional Council in the past. The position was established to help support the agency and Regional Council. Increased activities have led to the necessity of filling the General Counsel position. In the interim, the consultant shall provide the necessary personnel to provide General Counsel legal services to SCAG. Specifically, Joseph Silvey will serve as SCAG's General Counsel for Regional Council and External Affairs. Services in connection with this contract may include, but are not limited to: advising and consulting with the SCAG's Regional Council and its Committees on legal matters; attending Metropolitan Planning Organization (MPO) Executive Director's meetings with other MPO legal counsels; attending other meetings as directed by SCAG's Executive Director or Chief Deputy Executive Director; collaborating as needed on items of Regional Council interest; and reviewing, as necessary, SCAG Bylaws for future opportunities to improve clarity.
Project's Benefits & Key Deliverables:	The project's benefits and key deliverables include, but are not limited to: providing legal guidance and/or services to SCAG's Executive Director, Chief Deputy Executive Director and SCAG Regional Council, as requested.
Strategic Plan:	This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.
Contract Amount:	Total not-to-exceed \$120,000 Burke, Williams, & Sorensen, LLP (prime consultant)
Contract Period:	September 1, 2012 through September 30, 2013
Project Number:	800-0160.01 \$120,000 Funding source: General Fund
Request for Proposal (RFP):	Not Applicable
Basis for Selection:	SCAG awarded Burke, Williams, & Sorensen, LLP a sole source contract because of Mr. Silvey's extensive knowledge and expertise with advising and consulting public agencies officials on legal matters.

CONSULTANT CONTRACT 13-003-S1

Recommended Consultant:	Regional Economic Models, Inc.
Background & Scope of Work:	<p>As part of the development of the 2012-2035 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), SCAG staff needs to perform econometric analyses for the Goods Movement, Regional Economic Strategy development, and Transportation Finance programs. Staff used the REMI, Policy Insight software for these analyses. As SCAG continues forward with future analyses, especially as it relates to Goods Movement and SCAG's Economic Impact Analysis, staff must use the same analytical framework to ensure the work previously done is directly compatible and consistent with subsequent analyses.</p> <p>Staff initiated its modeling analysis using REMI's Policy Insight software, under a temporary license that was at no cost to SCAG. Due to the extensive and complex nature of the analysis, staff was not able to complete its work under the temporary license for two (2) reasons: 1) the free license expired on July 13, 2012; and 2) staff desires to complete the analysis at an enhanced level. Therefore, staff wishes to upgrade from REMI's Policy Insight software to REMI's Transight econometric software, which has more functionality.</p>
Project's Benefits & Key Deliverables:	The project's key benefit and deliverable is the REMI's Transight econometric software, which has more functionality than SCAG's current econometric software.
Strategic Plan:	This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies, and Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies.
Contract Amount:	Total not-to-exceed \$53,000 Regional Economic Models, Inc. (prime consultant)
Contract Period:	July, 17, 2012 through June 30, 2013
Project Number:	055-0704A.02 \$53,000 Funding source: Consolidated Planning Grant – FHWA and TDA
Request for Proposal (RFP):	Not Applicable
Basis for Selection:	The REMI Transight proprietary software is only available through REMI, Inc., as they have no authorized resellers of their software. If SCAG does not acquire the software, the analyses being performed by the Goods Movement and Economic Impact Analysis would be incomplete. The Goods Movement Study requires the Transight module (which also contains the Policy Insight Module) that is unique to the REMI model.

CONSULTANT CONTRACT 12-040-C1

Recommended Consultant:	Zepol Corporation						
Background & Scope of Work:	<p>The purpose of this procurement is to obtain trade data information for use in SCAG’s regional goods movement planning efforts. Staff shall use the information to assess the cargo throughput trends associated with the Ports of Los Angeles, Long Beach and Port Hueneme. The data will also be compared with trends associated with Seaports in North America.</p> <p>The consultant shall provide SCAG staff with access to and permit use of its online database applications, TradeIQ and Tradeview.</p>						
Project’s Benefits & Key Deliverables:	The online database will allow SCAG staff to conduct an in-depth study for all shipments to practically every importer in California. It will also allow access to specific California ports: Los Angeles, Long Beach, and Port Hueneme. The key deliverable is a 60 month subscription that allows five (5) user licenses to access the consultant’s database over the internet.						
Strategic Plan:	This item supports SCAG’s Strategic Plan, Goal 3: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective b: Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner.						
Contract Amount:	<table><tr><td>Total not-to-exceed</td><td style="text-align: right;">\$29,916</td></tr><tr><td>Zepol Corporation</td><td style="text-align: right;">\$29,916</td></tr></table> <p>Note: Zepol Corporation originally proposed \$30,095, but staff negotiated the price down to \$29,916 without reducing the scope of work.</p>	Total not-to-exceed	\$29,916	Zepol Corporation	\$29,916		
Total not-to-exceed	\$29,916						
Zepol Corporation	\$29,916						
Contract Period:	June 28, 2012 through June 27, 2017						
Project Number:	130.SCG00162.02 \$29,916 Funding sources: Consolidated Planning Grant – FTA and TDA						
Request for Proposal (RFP):	<p>SCAG staff notified three (3) firms of the release of RFP 12-040-C1. This was an Informal Procurement (i.e., a procurement that staff estimated to be less than \$50,000). SCAG received the following three (3) proposals in response to the solicitation:</p> <table><tr><td>Zepol Corporation</td><td style="text-align: right;">\$30,095</td></tr><tr><td>Datamyne, Inc.</td><td style="text-align: right;">\$118,560</td></tr><tr><td>PEIRS</td><td style="text-align: right;">\$193,800</td></tr></table>	Zepol Corporation	\$30,095	Datamyne, Inc.	\$118,560	PEIRS	\$193,800
Zepol Corporation	\$30,095						
Datamyne, Inc.	\$118,560						
PEIRS	\$193,800						
Selection Process:	The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations.						

The PRC consisted of the following individuals:

Mike Jones, Senior Regional Planner, SCAG
Javier Minjares, Regional Planner Specialist, SCAG
Rajeev Seetharam, Senior Regional Planner, SCAG

Basis for Selection: The PRC recommended Zepol Corporation for the contract award because the consultant:

- Provided the lowest cost proposal;
- Included historical trade information data in the subscription;
- Allows trade data information to be accessed using any computer with a username and password, without Internet Protocol (IP) address restrictions;
- Provides access to U.S. Census Data (providing import and export data);
- Allows sharing and publication of the data; and
- Allows unlimited number of dataset downloads.

Other firms were deficient in the following areas:

- Higher cost, and charged a separate fee for additional users and historical data; and
- Had restrictions on number of downloads, sharing and publishing data, and Internet Protocol (IP) address (user is billed if data accessed from different IP address).

CONTRACT 11-009-C1 AMENDMENT 2

Consultant:	Capital Representation Group								
Background & Scope of Work:	<p>In December 2010, SCAG awarded Contract 11-009-G1 to Capital Representation Group (“Consultant”) to be the agency’s state government affairs legislative consultant/lobbyist and assist SCAG in Sacramento with identifying and implementing strategies through the California State Legislative appropriations process that supports SCAG adopted legislative activities.</p> <p>This year SGAG’s legislative priorities have expanded and consequently staff amended the contract to reflect the new legislative priorities. The consultant’s additional tasks include, but are not limited to: preparing and reviewing draft legislative language related to the Southern California Job Recovery & Economic Strategy, including suggesting amendments on key legislative priorities, arranging briefings and scheduling visits for Regional Council Members, SCAG executive management, and other SCAG staff with appropriate members of California State Legislature, legislative staff, and key Governor’s Administration officials, and preparing memos advising staff and the Regional Council on pending high priority legislative issues.</p>								
Project’s Benefits & Key Deliverables:	<p>The project’s benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none">• Monitoring of legislation of interest to SCAG, including committee hearings;• Having representation at State Transportation, Appropriations, Budget, and Economic and/or Jobs Committees, or any other legislative committees;• Having an advocate in Sacramento to actively promote SCAG’s priorities; and• Monitoring and reporting on legislation of interest to SCAG, as well as monitoring the project/programming/allocation discussions and actions of state government, specifically the California Transportation Commission, the California Department of Transportation (Caltrans), the California Air Resources Board (ARB), and the Strategic Growth Council.								
Strategic Plan:	This item supports SCAG’s Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective 1: Identify new infrastructure funding opportunities with state, federal and private partners; Objective 2: Identify and support legislative initiatives.								
Amendment Amount:	<table border="0" style="width: 100%;"><tr><td style="width: 70%;">Amendment 2</td><td style="text-align: right;">\$19,000</td></tr><tr><td>Amendment 1 (administrative - no change to contract’s value)</td><td style="text-align: right;">\$0</td></tr><tr><td>Original contract value</td><td style="text-align: right;"><u>\$233,000</u></td></tr><tr><td>Total contract value is not-to-exceed</td><td style="text-align: right;">\$252,000</td></tr></table>	Amendment 2	\$19,000	Amendment 1 (administrative - no change to contract’s value)	\$0	Original contract value	<u>\$233,000</u>	Total contract value is not-to-exceed	\$252,000
Amendment 2	\$19,000								
Amendment 1 (administrative - no change to contract’s value)	\$0								
Original contract value	<u>\$233,000</u>								
Total contract value is not-to-exceed	\$252,000								
	<p>This amendment does not exceed \$75,000 or 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, the amendment does not require the Regional Council’s approval.</p>								
Contract Period:	December 1, 2010 through June 30, 2014								
Project Number:	12-800-0160.0 \$78,000 Funding source: General Fund								

**Basis for the
Amendment:**

The consultant has significant and relevant experience already as SCAG's consultant/lobbyist for the past 21 months and has proved to be a vital asset in Sacramento. The consultant has a firm grasp of SCAG's legislative priorities and initiatives, and is well abreast of transportation, appropriations, and budget issues. The consultant has significant experience dealing with Metropolitan Planning Organizations (MPO) and similar areas of legislative objectives, including, but not limited to, transportation funding, safety, clean air, congestion management, congestion pricing, goods movement, etc. When the original contract was executed, SCAG had yet to develop the Southern California Economic Recovery & Job Creation Strategy. Staff required this amendment to allow the consultant's substantive input, analysis, and clarity to issues pertaining to the economy, economic development and job creation. The consultant has over 30 years of experience in Sacramento, and has forged relationships that have not only enabled them to continue with the scope of work outlined in the original contract, but to also perform the revised work tasks.

CONTRACT 12-012-C1 AMENDMENT 2

Consultant: AgreeYa Solutions, Inc.

Background & Scope of Work: In November 2011, SCAG awarded Contract 12-012-C1 to AgreeYa Solutions to assist with the redesign of SCAG’s main Internet site. Goals for this site are to increase interactive components; provide a more succinct message and content relevant to particular audiences; design a site that facilitates multiple contributors and approval workflows; and develop a SCAG brand across all of SCAG’s varied programs and activities.

The purpose of this amendment is to add funding that shall enable the consultant to create a software solution that will allow users not located in SCAG offices to be able to securely access SCAG’s various web-enabled resources that are currently limited only to individuals that are on site.

The consultant shall be responsible for completing all architecture, and development work associated with designing and building this security tool.

Project’s Benefits & Key Deliverables: The project’s benefits and key deliverables include, but are not limited to:

- Technical development effort of the overall redesign and website implementation;
- Review and implement any needed changes of the existing SharePoint architecture including design, configuration, and implementation of security and authentication solutions utilizing Claims Authentication and Microsoft Forefront Unified Access Gateway (UAG);
- Develop custom web parts and solutions within SharePoint 2010 to meet SCAG’s requirements and provide an interactive and dynamic website experience for SCAG visitors;
- Style all custom site elements including master pages, page layouts and web parts;
- Develop custom workflows in SharePoint using Nintex Workflow designer;
- Provide SharePoint development and architecture assistance to SCAG’s internal development team on other SharePoint related development activities such as custom workflows development; and
- Conduct knowledge transfer to SCAG’s webmaster, Administrator, and development team throughout the project.

Strategic Plan: This item supports SCAG’s Strategic Plan, Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective d: Integrate advanced information and communication technologies.

Amendment	Amendment 2	\$9,980
Amount:	Amendment 1 (administrative - no change to contract’s value)	\$0
	Original contract value	<u>\$189,600</u>
	Total contract value is not-to-exceed	\$199,580

This amendment does not exceed \$75,000 or 30% of the contract's original value. Therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, the amendment does not require the Regional Council's approval.

Contract Period: November 15, 2011 through July 31, 2012

Project Number(s): 090.SCG0148.01 \$199,580
811.SCG01163.07 \$9,980
Funding source: Consolidated Planning Grant – FHWA and Indirect

Basis for the Amendment: A Microsoft tool which would allow users to sign-on to various SCAG websites was determined to be inadequate; therefore, the most effective option was to have the consultant customize a generic software tool to meet SCAG's needs.

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REPORT

DATE: September 6, 2012

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: CFO Monthly Report

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only-No Action Required.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan, Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

RISK MANAGEMENT
At the Annual General Meeting of the California Joint Powers Insurance Authority (Authority) on July 18, 2012, staff learned that the efforts of the Authority and its members to reduce risk exposures are beginning to show positive results. The claims experience has begun to improve for general liability while the workers' compensation has bottomed out. There have been fewer large claims, verdicts and settlements. The JPIA credits its Loss Control Action Plan (LossCAP), in which SCAG is participating, with the turnaround. SCAG will implement its remaining LossCAP action items by December 31, 2012.

INDIRECT COST ALLOCATION PLAN
Caltrans approved an indirect cost allocation rate for SCAG of 97.64% for FY13. SCAG will use this rate to bill its grants for indirect costs.

BUDGET & GRANTS (B&G)
B&G staff, in collaboration with the Planning Departments, prepared and submitted the FY 2010/11 4th Quarter Progress report to Caltrans by the July 30, 2012 deadline. In addition, B&G has begun to gather all year-end, FY 2011/12 products for submittal to Caltrans.

B&G staff completed preparation of Amendment 1 to the FY 12/13 OWP and submitted it to Caltrans on August 20, 2012. Amendment 1 was an administrative amendment to add FY 2012/13 carryover projects and specialized grant-funded projects.

B&G staff received notification from Caltrans on the award of six (6) Federal Transportation Planning (5304) Grants for FY 2012/13 amounting to a total of \$627,654 for the SCAG region.

REPORT

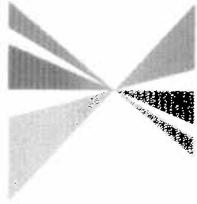
CONTRACTS:

During the month of July 2012, the Contracts Department issued three (3) Requests for Proposals (RFP's); awarded three (3) contracts; issued four (4) contract amendments; and issued 116 Purchase Orders to support ongoing business and enterprise operations. Staff also administered 88 consultant contracts, as well as five (5) Continuing Cooperative Agreements.

Contracts staff continued to negotiate better pricing and reduced costs for services. During the month of July 2012, staff realized approximately \$1,117 in budget savings. It should be noted that during fiscal year 2012, Contract staff realized approximately \$1,213,779 in cumulative budget savings.

ATTACHMENT:

July 2012 CFO Monthly Status Report



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Office of the Chief Financial Officer

Monthly Status Report

JULY 2012



SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

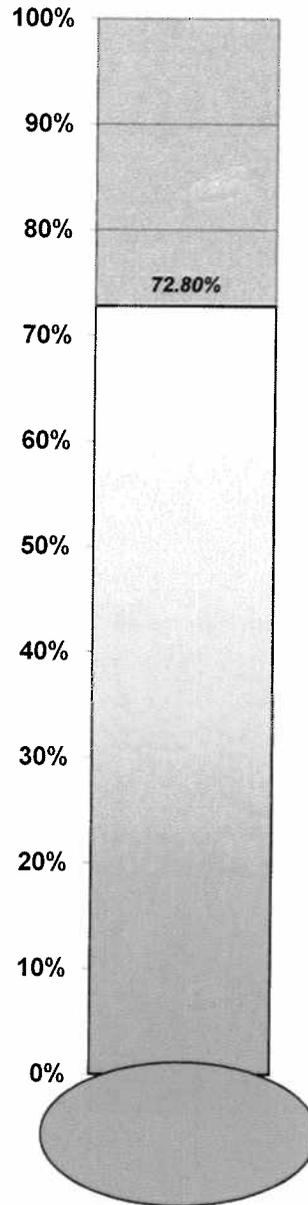
OVERVIEW

As of August 6, 2012, there are 130 paid members and 54 memberships pending. There are 7 cities in the SCAG region who are still being recruited for membership.

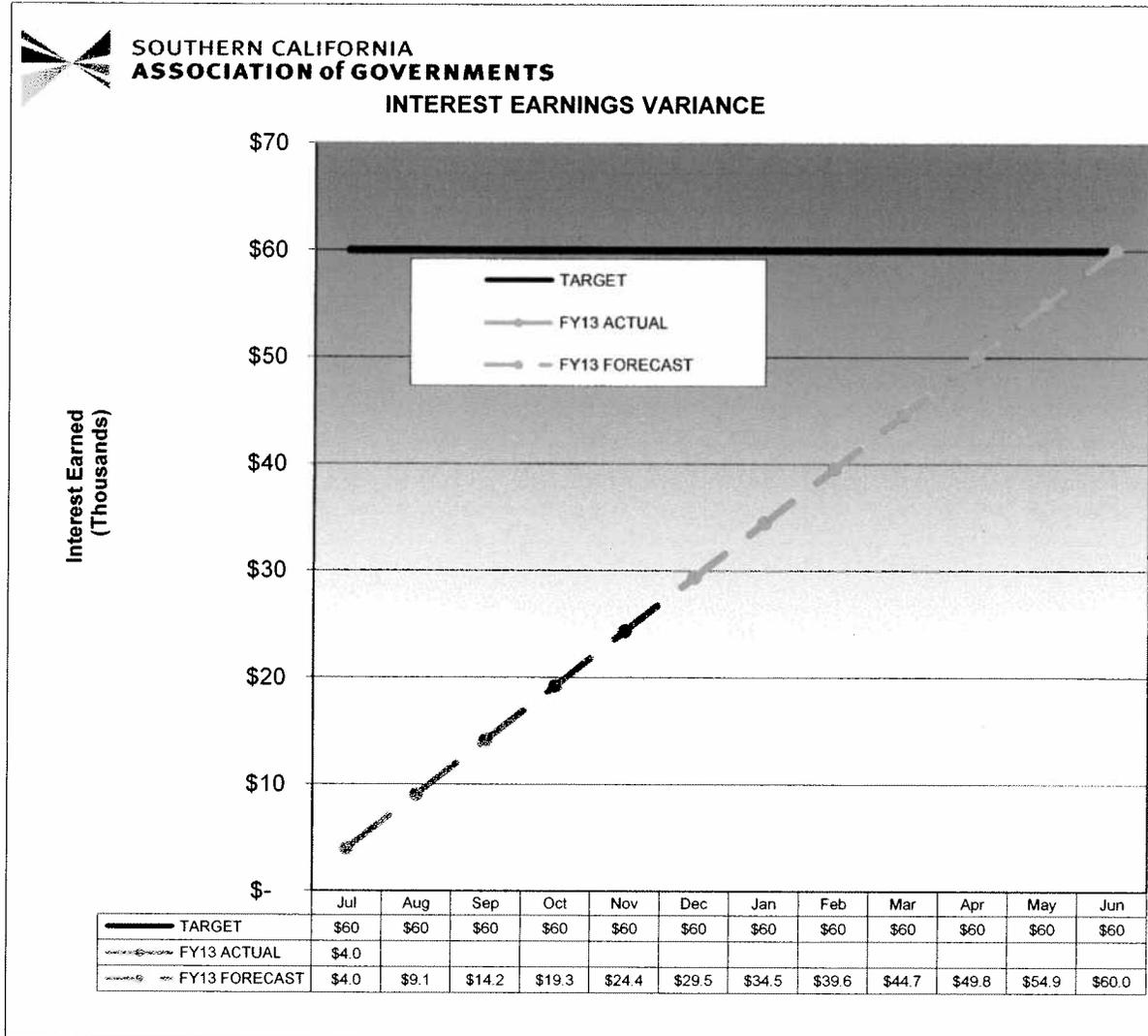
SUMMARY

FY12 Membership Dues	<u>\$ 1,820,868.00</u>
Total Collected	<u>\$ 1,325,603.00</u>
Percentage Collected	<u>72.80%</u>

FY13 Membership Dues Collected



Office of the CFO
Interest Earnings Variance



OVERVIEW

Actual interest income is plotted against the target amount. The amount earned through July was estimated to be \$4,000. The LA County Pool earned 0.86% in June.

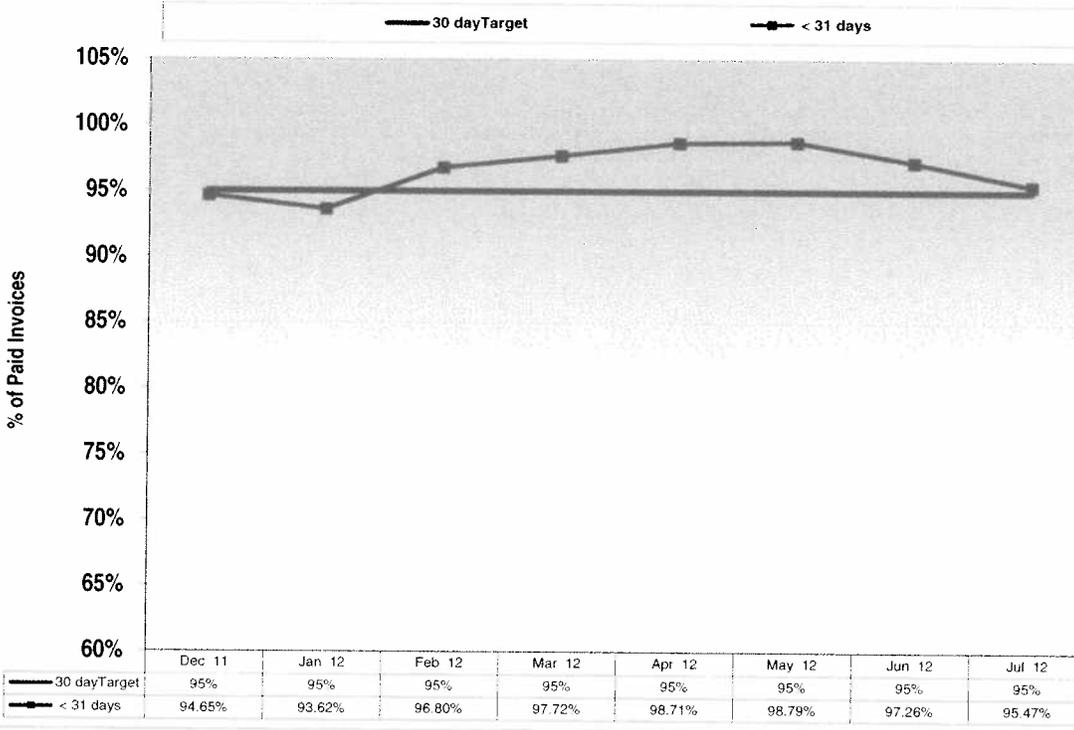
SUMMARY

The amount projected for FY13 is \$60,000 which is the same as the target.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

INVOICE AGING



OVERVIEW

The percent of total invoices paid within 30 days. The target is to pay 95% of all invoices within 30 days. This goal was met.

SUMMARY

95.47% of July 2012's payments were made within 30 days of invoice receipt.

At month-end, 116 invoices remained unpaid less than 30 days.

Actual

OVERVIEW

The percent of total invoices paid within 60 and 90 days. The target is to pay 98% of invoices within 60 days and 100% within 90 days.

SUMMARY

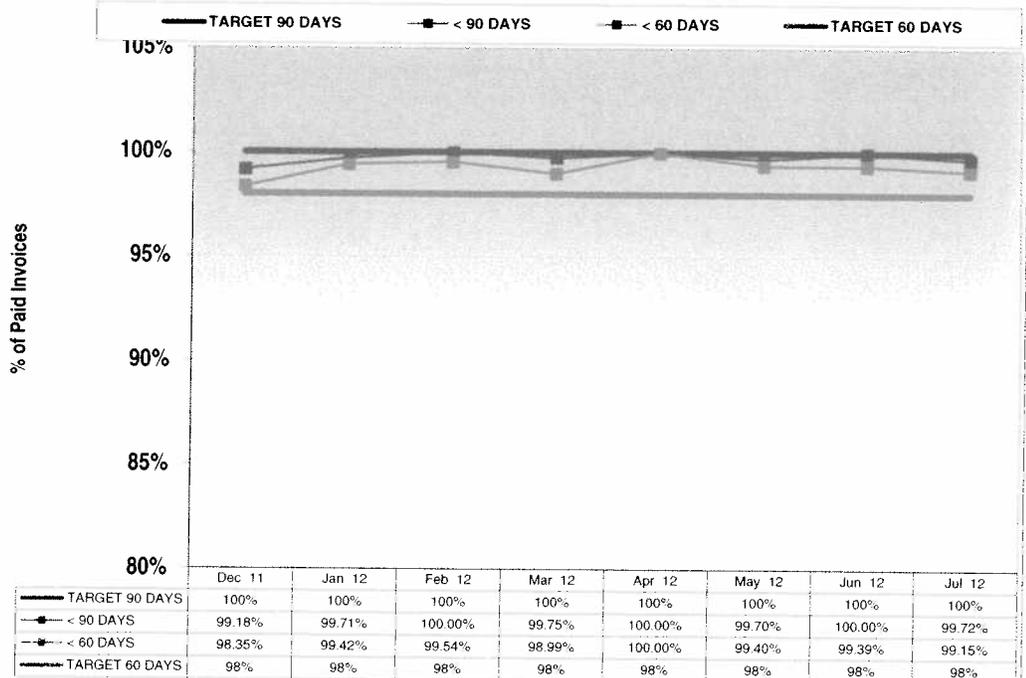
These goals were partially met during this period.

99.15% of July 2012's payments were within 60 days of invoice receipt and 99.72% within 90 days. Invoices unpaid 30-60 days totaled 25; 60-90 days: 3; >90 days: 0.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

INVOICE AGING



Office of the CFO
Fiscal Year-To-Date Expenditure Report Through July 31, 2012



COMPREHENSIVE BUDGET

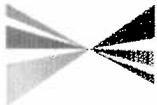
		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget
1	Staff & Fringe Benefits	412,794	412,794	40,996		371,799	9.9%
2	51001 Indirect Costs	405,201	405,201	38,101		367,100	9.4%
3	54300 SCAG Consultants	336,000	336,000	-	148,121	187,879	0.0%
4	54340 Legal costs	100,000	100,000	-	10,203	89,798	0.0%
5	54350 Professional Services	15,000	15,000	-	-	15,000	0.0%
6	54400 Subregional Delegation	-	-	-	-	0	
7	55441 Payroll, bank fees	7,500	7,500	-	-	7,500	0.0%
8	55460 Materials & Equipment < \$5K	-	1,155	1,155	-	0	100.0%
9	55600 SCAG Memberships	93,000	93,000	3,000	-	90,000	3.2%
10	55620 Res/Materials Subscriptions	3,330	3,330	-	-	3,330	0.0%
11	55730 Capital Outlay	665,382	665,382	-	-	665,382	0.0%
12	55830 Conference - Registration	-	-	-	-	0	
13	55910 RC/Committee Meetings	8,237	8,237	-	-	8,237	0.0%
14	55914 RC General Assembly	330,000	330,000	5,000	-	325,000	1.5%
15	55920 Other Meeting Expense	51,400	51,400	441	-	50,959	0.9%
16	55930 Miscellaneous other	206,140	204,985	30	-	204,955	0.0%
17	55940 Stipend - RC Meetings	175,000	175,000	10,440	-	164,560	6.0%
18	55972 Rapid Pay Fees	975	975	-	-	975	0.0%
19	56100 Printing	6,000	6,000	-	-	6,000	0.0%
20	58100 Travel - outside SCAG region	25,000	25,000	317	-	24,683	1.3%
21	58101 Travel - local	17,100	17,100	1,690	-	15,410	9.9%
22	58110 Mileage - local	15,000	15,000	79	-	14,921	0.5%
23	58150 Staff Lodging Expense	3,400	3,400	15	-	3,385	0.4%
24	58800 RC Sponsorships	69,650	69,650	1,600	-	68,050	2.3%
25	Total General Fund	2,946,109	2,946,109	102,864	158,323	2,684,922	3.5%
26							
27	Staff & Fringe Benefits	12,566,821	12,566,821	741,274		11,825,547	5.9%
28	51001 Indirect Costs	12,335,615	12,335,615	688,940		11,646,675	5.6%
29	54300 SCAG Consultants	14,634,378	14,634,378	-	7,761,788	6,872,590	0.0%
30	54330 Subregional Consultants	-	-	-	-	0	
31	54350 Professional Services	550,000	550,000	-	77,034	472,966	0.0%
32	55210 Software Support	90,000	90,000	31,049	1,310	57,640	34.5%
33	55220 Hardware Support	100,000	100,000	-	26,040	73,960	0.0%
34	55280 Third Party Contribution	2,834,820	2,834,820	-	-	2,834,820	0.0%
35	55620 Resource Materials - subscrib	450,000	450,000	-	280	449,720	0.0%
36	55810 Public Notices	8,000	8,000	-	1,127	6,873	0.0%
37	55830 Conference - Registration	13,000	13,000	-	-	13,000	0.0%
38	55920 Other Meeting Expense	20,000	20,000	-	40	19,960	0.0%
39	55930 Miscellaneous - other	-	-	-	-	0	
40	55950 Temporary Help	-	-	-	-	0	
41	56100 Printing	18,500	18,500	-	0	18,500	0.0%
42	58100 Travel	110,350	110,350	798	-	109,552	0.7%
43	58110 Mileage	-	-	-	-	0	
44	Total OWP	43,731,484	43,731,484	1,462,061	7,867,620	34,401,803	3.3%
45							
46	Comprehensive Budget	46,677,593	46,677,593	1,564,925	8,025,943	37,086,725	3.4%

Office of the CFO
Fiscal Year-To-Date Expenditure Report Through July 31, 2012



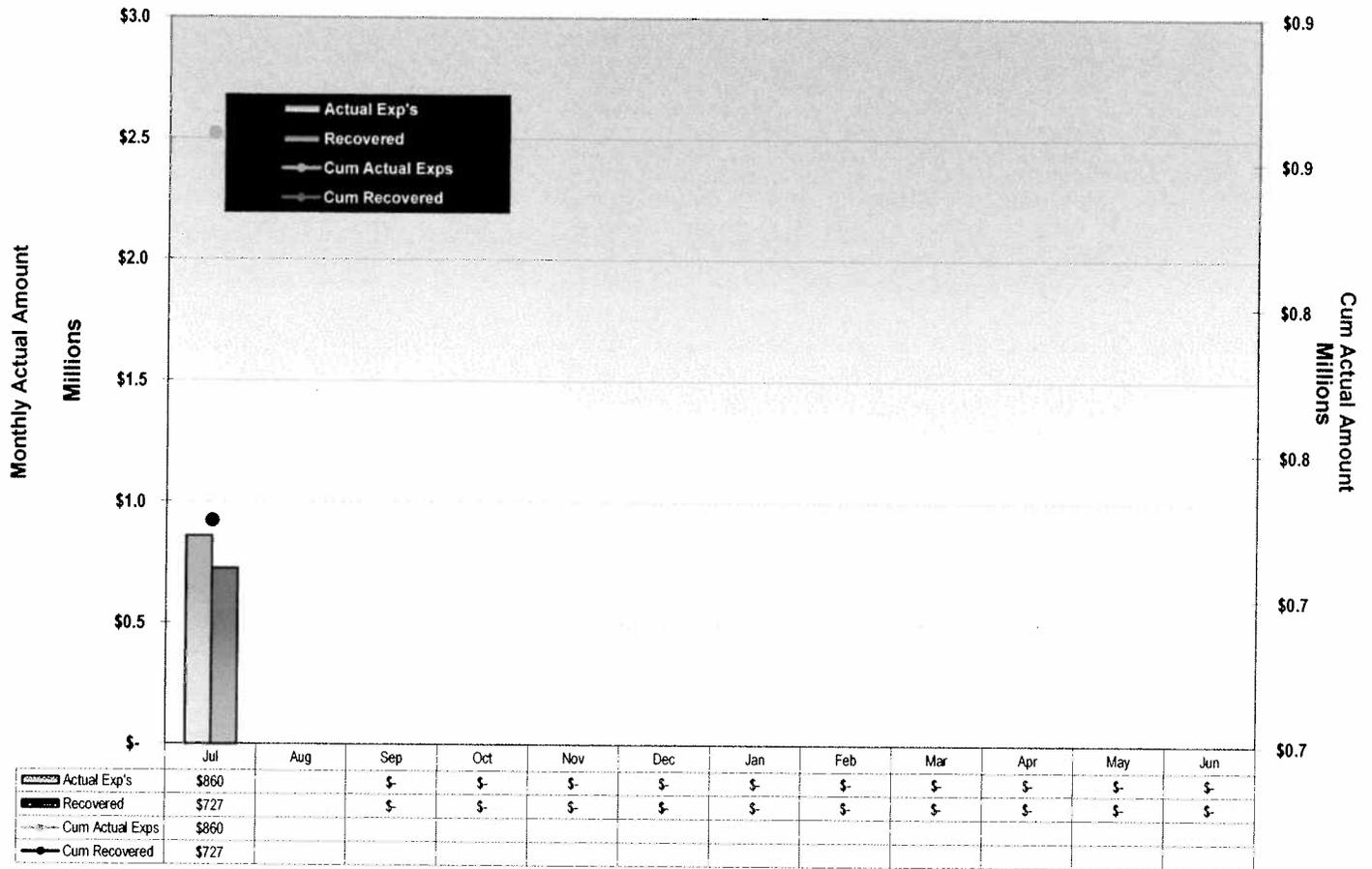
INDIRECT COSTS

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	4,277,611	4,277,481	275,647		4,001,834	6.4%
2	50013	Regular OT	-	-	-		0	
3	50014	Interns, Temps, Annuit	-	130	130		0	100.0%
4	51000	Allocated Fringe Benefits	2,924,747	2,924,747	179,303		2,745,444	6.1%
5	54300	SCAG Consultants	351,671	351,671	-	89,985	261,686	0.0%
6	54340	Legal	275,000	275,000	-	50,521	224,479	0.0%
7	54350	Prof Svcs	766,338	766,338	63,464	529,829	173,045	8.3%
8	55210	Software Support	419,603	419,603	100,536	68,783	250,284	24.0%
9	55220	Hardware Supp	129,030	129,030	37,935	48,199	42,897	29.4%
10	55240	Repair & Maint Non-IT	19,684	19,684	1,182	18,502	0	6.0%
11	55400	Office Rent 818 Offices	1,536,000	1,536,000	124,624	1,411,376	0	8.1%
12	55410	Office Rent Satellite	222,000	222,000	16,264	178,615	27,121	7.3%
13	55420	Equip Leases	115,000	115,000	5,791	74,003	35,206	5.0%
14	55430	Equip Repairs & Maint	45,244	45,244	1,294	2,242	41,708	2.9%
15	55440	Insurance	175,299	175,299	15,493		159,806	8.8%
16	55441	Payroll / Bank Fees	15,000	15,000	-		15,000	0.0%
17	55460	Mater & Equip < \$5,000	180,000	180,000	70	10,014	169,916	0.0%
18	55510	Office Supplies	141,200	141,200	147	89,534	51,520	0.1%
19	55520	Graphic Supplies	50,000	50,000	-	723	49,277	0.0%
20	55530	Telephone	165,500	165,500	13,689	151,810	0	8.3%
21	55540	Postage	20,000	20,000	-		20,000	0.0%
22	55550	Delivery Services	8,900	8,900	518	8,382	0	5.8%
23	55600	Scag Memberships	60,000	60,000	-		60,000	0.0%
24	55610	Prof Memberships	7,610	7,610	180	525	6,905	2.4%
25	55620	Res Mats/Subscrip	57,855	57,855	-	3,397	54,458	0.0%
26	55700	Deprec - Furn & Fixt	45,137	45,137	-		45,137	0.0%
27	55710	Deprec - Computer Equipment	77,723	77,723	-		77,723	0.0%
28	55720	Amortiz - Leasehold Improvement	7,402	7,402	-		7,402	0.0%
29	55800	Recruitment Notices	7,000	7,000	-	1,818	5,182	0.0%
30	55801	Recruitment - other	30,000	30,000	-	18,275	11,725	0.0%
31	55810	Public Notices	5,000	5,000	-		5,000	0.0%
32	55820	Training	160,000	160,000	13,874	91,693	54,433	8.7%
33	55830	Conference/workshops	29,850	29,850	339	45	29,466	1.1%
34	55920	Other Mtg Exp	51,200	51,200	4,000	4,000	43,200	7.8%
35	55930	Miscellaneous - other	13,526	13,526	5,399	8,127	0	39.9%
36	55950	Temp Help	58,500	58,500	119	58,381	0	0.2%
37	56100	Printing	91,500	91,500	-	2,000	89,500	0.0%
38	58100	Travel - Outside	102,614	102,614	-		102,614	0.0%
39	58101	Travel - Local	9,186	9,186	67		9,119	0.7%
40	58110	Mileage - Local	38,404	38,404	280		38,124	0.7%
41	58150	Staff lodging Expense	5,334	5,334	-		5,334	0.0%
42	58200	Travel - registration	3,000	3,000	-		3,000	0.0%
43	58400	Travel - Car Rentals	-	-	-		0	
44	58450	Fleet Vehicle	8,200	8,200	44	8,156	0	0.5%
45		Total Indirect Cost	12,706,868	12,706,868	860,388	2,928,933	8,917,547	6.8%



**SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS**

FY13 INDIRECT COST & RECOVERY



OVERVIEW

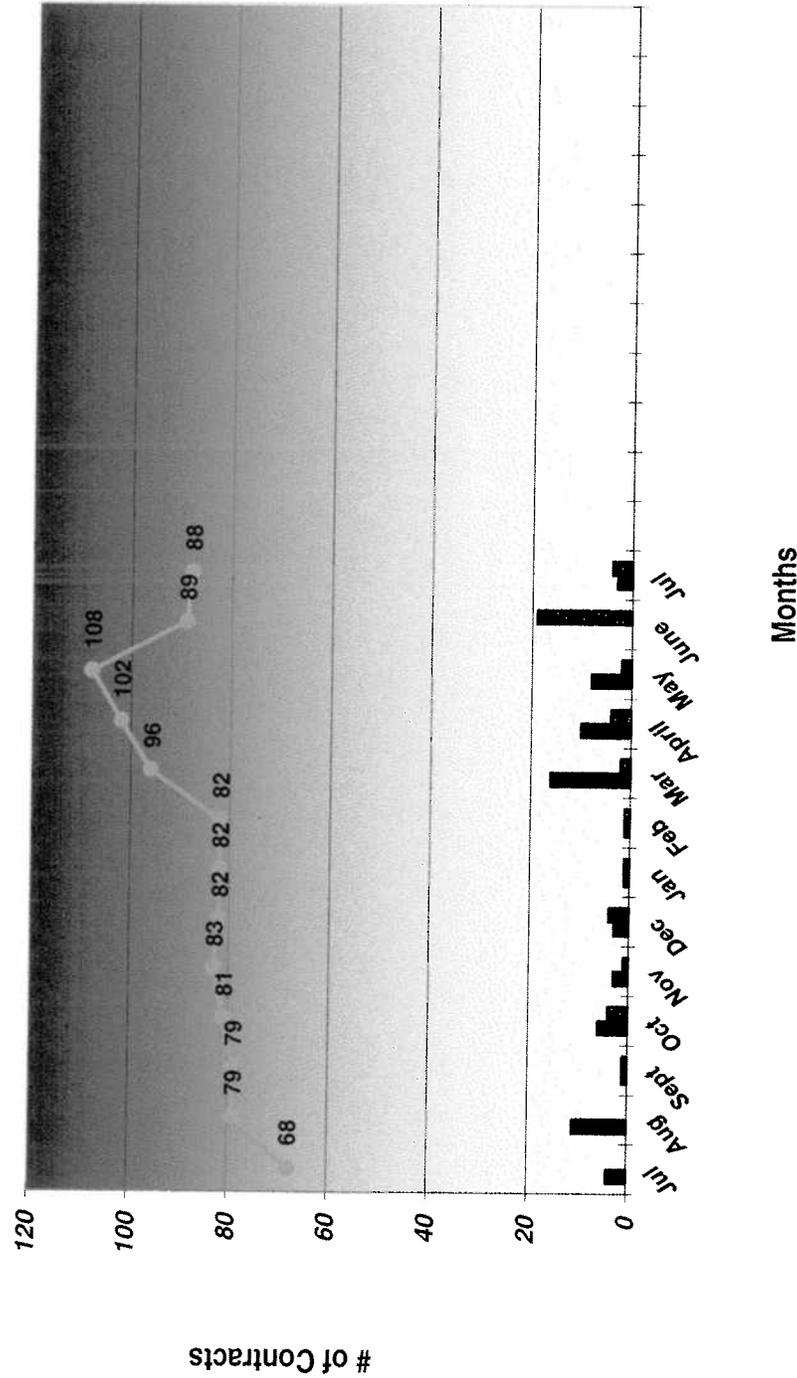
A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

SUMMARY

Through July 2012, SCAG was under-recovered by \$133,347 because less labor was charged to SCAG's grants than planned. This will change when vacation season ends.

	6/30/2012	7/31/2012	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 375,114	\$ 1,798,271		
LA County Investment Pool	\$ 4,006,646	\$ 3,076,158		
Cash & Investments	\$ 4,381,760	\$ 4,874,428	\$ 492,668	FY13 dues collections
Accounts Receivable	\$ 6,907,244	\$ 5,610,161	\$ (1,297,083)	June and July CPG billings; July CPG billings were lower than May
Other Current Liabilities	\$ 288,767	\$ 400,957	\$ 112,190	IC was under-recovered \$133K in July
Fixed Assets - Net Book Value	\$ 323,630	\$ 323,630	\$ -	No change
Total Assets	\$ 11,901,401	\$ 11,209,176	\$ (692,225)	
Accounts Payable	\$ (2,201,198)	\$ (739,693)	\$ 1,461,505	Year-end paydown of consultant invoices
Employee-related Liabilities	\$ (490,269)	\$ (485,578)	\$ 4,691	Minimal change
Deferred Revenue	\$ (539,909)	\$ (125,905)	\$ 414,004	FY13 dues were taken into income
Total Liabilities and Deferred Revenue	\$ (3,231,376)	\$ (1,351,176)	\$ 1,880,200	
Fund Balance	\$ 8,670,025	\$ 9,857,999	\$ 1,187,974	
WORKING CAPITAL				
Cash	\$ 4,381,760	\$ 4,874,428	\$ 492,668	FY12 dues collections
Accounts Receivable	\$ 6,907,244	\$ 5,610,161	\$ (1,297,083)	June and July CPG billings; July CPG billings were lower than May
Accounts Payable	\$ (2,201,198)	\$ (739,693)	\$ 1,461,505	Year-end paydown of consultant invoices
Employee-related Liabilities	\$ (490,269)	\$ (485,578)	\$ 4,691	Minimal change
Working Capital	\$ 8,597,537	\$ 9,259,317	\$ 661,780	

SCAG Contracts (Year to Date)



Overview
This chart shows the number of contracts administered by the Contracts division, by month, from July 2011 thru July 2012

■ Awarded Contracts
■ Closed Contracts
— Active Contracts



Summary

The chart shows that the Contract Division is managing 88 active consultant contracts. Twenty-two of these contracts are fixed price, 47 are Cost Plus Fixed Fee contracts, and the remaining 19 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Division anticipates issuing approximately 30 contracts for FY 2012/13. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.



GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive	6	5	1
Legal	3	2	1
Strategy, Policy & Public Affairs	23	19	3
Administration	47	34	2
Planning & Programs	67	63	4
Total	146	123	11

OTHER POSITIONS

GROUPS	Limited Term Positions	Temp Positions	Agency Temps
Executive	1	0	0
Legal	0	0	0
Strategy, Policy & Public Affairs	0	1	0
Administration	3	0	0
Planning & Programs	0	4	0
Total	4	5	0