

Thursday, June 21, 2007 9:00 A.M.

Agenda

Executive Management and Audit Committee Meeting

One Gateway Plaza
3rd Floor Boardroom

Call to Order

Directors

Gloria Molina, Chair
Pam O'Connor, Vice Chair
John Fasana
Antonio Villaraigosa
Zev Yaroslavsky
Doug Failing, non-voting member

Officers

Roger Snoble, Chief Executive Officer
Michele Jackson, Board Secretary
Karen Gorman, Ethics Officer
William Waters, Inspector General
County Counsel, General Counsel



Los Angeles County
Metropolitan Transportation Authority

Metro

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

The meetings of the Metropolitan Transportation Authority Board are open to the public. A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for up to 5 minutes per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary prior to the start of the meeting.

The public may also address the MTA on non-agenda items within the subject matter jurisdiction of the MTA during the public comment period, which will be held at the end of each meeting. Each person will be allowed to speak for one minute and may speak no more than once during the Public Comment period. Public Comment will last a maximum of 30 minutes, or as otherwise indicated by the Chair. Speakers will be called according to the order in which the speaker request forms are received until the Public Comment period has expired. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

At the discretion of the Chair, the Board may limit public input on any item, based on the number of people requesting to speak and the business of the Board.

In the interest of hearing from as many members of the public as possible, if at the time your name is called, your issue has been addressed or your opinion expressed by a previous speaker, please simply state that fact and your name for the record.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet.

Every meeting of the MTA Board of Directors is recorded on cassette tapes, and duplicate tapes are available for a nominal charge. A Spanish language translator is available at all Board Meetings. Translators for other languages must be requested 72 hours in advance. After each Board meeting, a record is prepared which indicates the actions taken by the Board. This record is available on the second business day following the meeting.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

HELPFUL PHONE NUMBERS

Copies of Agendas/Record of Board Action/Cassette Tapes of Meetings - (213) 922-4880 (Records Management Department)

General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - www.mta.net

TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

23. RECEIVE report of the Chief Executive Officer.
24. ADOPT the following position on Federal Legislation:
H.R. 1475 (McGovern) - A bill that amends the Internal Revenue Code to create parity between the parking and transit portions of the transportation tax benefit.
SUPPORT.
25. CONSIDER:
- A. receiving and filing report summarizing the proposed Metro Energy and Sustainability Policy; and
 - B. adopting the proposed Metro Energy and Sustainability Policy.
- (ALSO ON FINANCE AND BUDGET COMMITTEE)
26. AUTHORIZE the Chief Executive Officer to:
- A. exercise the second of two option years related to Memorandum of Understanding (MOU) No. TCP2610LASD; and
 - B. execute Modification No. 11 to MOU TCP2610LASD to provide funding for FY08 transit community policing services for an amount not to exceed \$62,524,538.52 for the period July 1, 2007 through June 30, 2008, revising the total contract value from \$223,892,411 to \$286,416,950.
27. CONSIDER:
- A. establishing a life-of-project budget for the UFS/TAP barrier gate analysis in the amount of \$999,663 and include the project in the FY08 capital program budget;
 - B. amending the FY08 budget to add in \$999,663 of expenditures and \$999,663 of Prop A 35% revenues for the gating project;

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- C. authorizing the Chief Executive Officer to execute Contract Modification No. 9 to Booz Allen Hamilton, Contract PS-4610-1026, to complete the Metro Gating Study for an amount not to exceed \$400,000, increasing the total contract value from \$9,025,250 to \$9,425,250; and
- D. monitoring progress of pending Proposition 1B funding.

(ALSO ON OPERATIONS COMMITTEE)

28. AUTHORIZE the Chief Executive Officer to award Contract No. PS0771401971, a five-year firm fixed price revenue contract inclusive of three one-year options effective January 1, 2008, to CBS Outdoor Group Incorporated for a license **to sell and display the following on the Metro Rail system:**
- A. Standard Exterior Rail Car Advertising, for a firm fixed revenue price of \$2,494,000 inclusive of three one-year options;
 - B. Wrapped Exterior Rail Car Advertising, for a firm fixed revenue price of \$2,668,000 inclusive of three one-year options;
 - C. Subway Station Prominence Displays, for a firm fixed revenue price of \$3,712,000 inclusive of three one-year options; and
 - D. Rail Station Back-lit Cases and Interior Rail Car Frame Advertising, for a firm fixed revenue price of \$2,726,000 inclusive of three one-year options;

For a total revenue amount to Metro of \$11,600,000. (HANDOUT)

29. AUTHORIZE the Chief Executive Officer to award Contract No. PS0771401970, a five-year firm fixed price revenue contract inclusive of three one-year options effective January 1, 2008, to CBS Outdoor Group Incorporated for a **license to sell and display the following on the Metro bus fleet**:
- A. Standard Exterior Advertising, for a firm fixed revenue price of \$106,049,000 inclusive of three one-year options;
 - B. Standard Interior Advertising, for a firm fixed revenue price of \$1,226,000 inclusive of three one-year options;
 - C. Enhanced Tail Advertising, for a firm fixed revenue price of \$3,065,000 inclusive of three one-year options; and
 - D. Exterior Wrapped Advertising, for a firm fixed revenue price of \$12,260,000 inclusive of three one-year options;

For a total revenue amount to Metro of \$122,600,000. (HANDOUT)

30. AUTHORIZE the Chief Executive Officer to approve:
- A. **MOU with the Gateway Cities Council of Government** for an amount not to exceed \$377,775 plus any percentage in annual salary increases that the Board approves for Metro non-represented employees, for five years; and
 - B. **MOU with South Bay Council of Government** for an amount not to exceed \$377,775 plus any percentage in annual salary increases that the Board approves for Metro non-represented employees, for five years.
31. AUTHORIZE the Chief Executive Officer to award an eight-year unit rate Contract No. PS625011 to Medtox Laboratories, Inc. for **drug testing laboratory analysis services** for an amount not to exceed \$670,000 inclusive of five one-year options, effective August 1, 2007.
32. AUTHORIZE the Chief Executive Officer to award a five-year firm fixed price Contract No. PS25141978 to LexisNexis for **database information subscription services** for an amount not to exceed \$467,400, effective July 1, 2007.

33. CONSIDER approving:
- A. the **scope for the audit of ASI**, which will be included in the Request For Proposal to obtain a contractor to perform the audit;
 - B. revising the date that the OIG reports the results of the audit back to the Board from October 18 to November 15, 2007. The report date is revised because the award of the contract will be delayed 1 month due to the cancellation of the regular May Committee and Board meetings; and
 - C. using up to \$120,000 from Board contingency funds to secure contractual services for the audit of ASI, and giving the OIG discretion to (1) use OIG funds or (2) seek additional Board funding should the contract cost exceed \$120,000.
34. **KNABE/LOWENTHAL/O'CONNOR MOTION** that the following change be made to the Formula Allocation Procedure (FAP).

FAP Funding Stability:

In the application of this FAP formula adjustment, all Operators' FAP dollar funding levels shall be held to a minimum of their FY 2007 dollar funding levels. Where necessary, funding to implement this provision shall come from the Proposition A 40% Discretionary Growth Over CPI Account. However, no additional funding will be allocated to an operator to mitigate against a reduction in funding from the fiscal year 2007 level, if this reduction is caused by a reduction in service level provided by that operator.

Application of FAP Formula:

- A. a new rule be added to the current FAP effective immediately for application to the FY 2009 Allocation Year (whose allocations are based on FY 2007 TPM data).

If an operator increases its base fare anytime from July 1, 2006 forward, their **fare units** will be frozen at that Operator's fare unit level during the last full fiscal year of the old lower fare. It will remain at this level, until the new fare unit calculation based on the new higher fare becomes greater than the frozen level. After that point, their fare units will be calculated normally.

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Example: If an Operator implements a fare increase on July 1, 2006, or anytime during FY 2007, their fare units will be frozen at the FY 2006 level until fare unit growth occurs. Thus the fare units utilized to calculate the FAP will be the higher of the fare units calculated using current TPM data or the fare units from the FAP calculation from the fiscal year prior to the fare increase.

If an Operator lowers their base fare anytime from July 1, 2006 forward, **their fare units will be frozen** at that Operator's fare unit level during the last full fiscal year of the old higher fare. Thus, an Operator could not trigger an increase in their fare units by lowering their base fare and would have no incentive to do so. Operators would be required to increase their base fare to an amount equal to or greater than the base fare established using FY 2006 TPM data to again calculate their fare units utilizing current TPM data.

- B. Los Angeles Department of Transportation's annual fare units calculation for the purpose of determining its annual FAP subsidy funded from the County's Proposition A Discretionary Growth Over CPI account be adjusted as described below.

Effective with the FY 2008 allocation year, the calculation of fare units for LADOT will be conducted utilizing a \$0.90 base fare for its eligible express services and a \$0.50 base fare for its eligible local services. LADOT's annual FAP subsidy allocation will continue to be funded from the County's Proposition A Discretionary Growth Over CPI account, which is the primary source of FAP funding designated by Metro for all Eligible Operators in the County. LADOT will also be subject to the proposed new FAP formula/distribution rules discussed above for all Included and Eligible Operators. This includes holding all of the other Eligible Operators to a minimum of their FY 2007 dollar funding levels.

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Continuation of Current Transit Operating Funds:

C. The LACMTA shall continue to allocate funds to the Included and Eligible Operators from the following sources for both the FAP and non-FAP programs:

- *Transportation Development Act, Article 4 (includes interest)
- *State Transit Assistance (includes interest)
- *Proposition A 40% Discretionary
- *Proposition A 40% Discretionary Interest
- *Proposition A 40% Discretionary Growth Over CPI
- *Proposition C 5% Security
- *Proposition C 40% Discretionary Municipal Operator Service Improvement Program (MOSIP)
- *Proposition C 40% Discretionary Transit Service Expansion (TSE)
- *Proposition C 40% Discretionary Bus System Improvement Plan (BSIP)/Overcrowding Relief
- *Proposition C 40% Discretionary Base Restructuring
- *Proposition C 40% Discretionary Foothill Transit Mitigation
- *Proposition C 40% Discretionary Interest

35. RECEIVE AND FILE the **second quarter FY 2007 report of Management Audit Services** for the period ending March 31, 2007.

36. **CLOSED SESSION:**

Conference with Legal Counsel - Pending Litigation- G.C. 54956.9(a):

1. Gary Spiegel v. LACMTA, Case No.: SC089123
2. Rutilio Rubalcava v. LACMTA, Case No.: TC019872
3. Kamira Barron V. LACMTA, Case No.: SC084448

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST
WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

ADJOURNMENT