



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, JUNE 3, 2015, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

| <u>ITEM</u> | <u>RECOMMENDATION</u> |
|--|-----------------------|
| 1. <u>CALL TO ORDER</u> | |
| 2. <u>SELF-INTRODUCTIONS</u> | |
| 3. <u>PUBLIC COMMENTS – NON-AGENDA ITEMS</u> Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes. | RECEIVE COMMENTS |
| 4. <u>APPROVAL OF MINUTES – MAY 6, 2015 COMMITTEE MEETING (P.3)</u> | APPROVE |
| 5. <u>CASH FLOW PROJECTIONS (P.7)</u> | RECEIVE AND FILE |
| 6. <u>QUARTERLY CAPITAL STATUS (P.9)</u> | RECEIVE AND FILE |
| 7. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.10)</u> | RECEIVE AND FILE |
| 8. <u>AUTHORIZATION TO RENEW REVENUE AGREEMENT # 15-023 WITH THE CITY OF RIVERSIDE (CITY) FOR THE CITY EMPLOYEE PASS (CITY PASS) PROGRAM (P.17)</u> | APPROVE |
| 9. <u>AUTHORIZATION TO RENEW COOPERATIVE AGREEMENT NO. 12-027 WITH SUNLINE TRANSIT AGENCY FOR JOINT FUNDING OF SUNLINE ROUTE 220 (P.19)</u> | APPROVE |

Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

| <u>ITEM</u> | <u>RECOMMENDATION</u> |
|---|-----------------------|
| 10. <u>AUTHORIZATION TO AWARD AGREEMENT NO. 15-010 TO MERCURY TECHNOLOGY GROUP TO PROVIDE ORACLE HOSTING AND SUPPORT SERVICES (P.21)</u> | APPROVE |
| 11. <u>AUTHORIZATION TO AWARD AN AGREEMENT TO CREATIVE BUS SALES, INC. FOR 36 AEROTECH 12-PASSENGER VEHICLES (P.24)</u> | APPROVE |
| 12. <u>AUTHORIZATION TO EXERCISE 23 OPTIONS WITH GILLIG, LLC (GILLIG) FOR 40-FOOT REVENUE TRANSIT BUSES FOR IMPLEMENTATION OF NEW SERVICE (P.27)</u> | APPROVE |
| 13. <u>BOARD MEMBER COMMENTS AND REMARKS</u> | |
| 14. <u>ANNOUNCEMENTS</u> | |
| 15. <u>NEXT MEETING</u> BOARD BUDGET AND FINANCE COMMITTEE MEETING WEDNESDAY, JULY 1, 2015 2:00 P.M. RTA HEADQUARTERS 1825 THIRD STREET RIVERSIDE, CA 92507 | |
| 16. <u>ADJOURN</u> | |

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
May 6, 2015

1. CALL TO ORDER

Committee Chairwoman Krupa called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on May 6, 2015, in the RTA Board Room.

2. ROLL CALL

Committee Members Attending

1. Committee Chair Linda Krupa, City of Hemet
2. Second Vice-Chairman Frank Johnston, City of Jurupa Valley
3. Director Brenda Knight, City of Beaumont
4. Director Randon Lane, City of Murrieta
5. Director Maryann Edwards, City of Temecula
6. Alternate Barry Busch, County of Riverside, District V

Committee Members Absent

1. Chairman Andrew Kotyuk, City of San Jacinto
2. Director Berwin Hanna, City of Norco

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board
3. Tom Franklin, Chief Operating Officer
4. Craig Fajnor, Chief Financial Officer
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Rohan Kuruppu, Director of Planning
7. Virginia Werly, Director of Contract Operations
8. Bob Bach, Director of Maintenance
9. Rick Kaczerowski, Director of Information Technologies
10. Natalie Zaragoza, Contracts Manager
11. Brad Weaver, Marketing Manager
12. Rosie Akopyan, Human Resources Manager
13. Eric Ustation, Government Affairs Representative
14. Mervin Acebo, Grants Manager
15. Leif Lovegren, Planning Analyst
16. Joan Hepworth, Deputy Clerk of the Board

Other Attendees:

1. Donna Johnston, County of Riverside District II

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – APRIL 1, 2015 COMMITTEE MEETING

M/S/C (JOHNSTON/EDWARDS) approving the April 1, 2015 committee meeting minutes.

The motion carried unanimously.

5. CASH FLOW PROJECTIONS

Mr. Fajnor presented the cash flow projections.

6. QUARTERLY INVESTMENT REPORT

Mr. Fajnor presented the Quarterly Investment report.

7. AUTHORIZATION TO RENEW COOPERATIVE AGREEMENT NO. C-5-3216 FOR COMMUTERLINK ROUTE 216 AND COOPERATIVE AGREEMENT NO. C-5-3217 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) FOR THE SHARING OF OPERATING EXPENSES FOR ROUTE 794

M/S/C (EDWARDS/BUSCH) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Cooperative Agreement No. C-5-3216 with the Orange County Transportation Authority for reimbursement of \$259,824, to continue the operation of RTA CommuterLink Route 216 from July 1, 2015 through June 30, 2016.
- Authorize staff to renew Cooperative Agreement No. C-5-3217 with the Orange County Transportation Authority in the amount of \$146,032, to cover the Agency's share of operating expenses for OCTA Route 794 from July 1, 2015 through June 30, 2016.

The motion carried unanimously.

8. AUTHORIZATION TO REQUEST FUNDING ADVANCE FROM ALLOCATED UNCLAIMED LOCAL TRANSPORTATION FUND (LTF) RESERVES HELD BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION (RCTC)

M/S/C (LANE/EDWARDS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to seek an advance of funds from RCTC in the amount of \$22,083,729 to cover the projected deficit through FY16 in the event that pending and future federal funding is not awarded and available for drawdown.
- Direct staff to discontinue pursuing this request in the event the aforementioned federal funding becomes available.

The motion carried unanimously.

9. REQUEST TO HOLD A PUBLIC HEARING ON THE FISCAL YEAR 2015/2016 (FY16) OPERATING BUDGET, CAPITAL BUDGET, AND SHORT RANGE TRANSIT PLAN (SRTP) AND ADOPT THE FY16 SRTP AND BUDGET

M/S/C (LANE/EDWARDS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Hold a public hearing on the FY16 Operating budget, FY16 Capital budget, and the FY16 – FY18 SRTP, and adopt the SRTP and budgets at the May 28, 2015 Board of Directors meeting.
- Authorize staff to amend all necessary contractual documents affected by the adopted budget as appropriate and in accordance with Agency Procurement Policies.

The motion carried unanimously.

10. BOARD MEMBER COMMENTS AND REMARKS

None.

11. ANNOUNCEMENTS

None.

12. NEXT MEETING

Board Budget and Finance Committee Meeting
Wednesday, June 3, 2015,
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

13. MEETING ADJOURNMENT

The meeting was adjourned at 2:38 p.m.

DRAFT

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late May 2015 with projections through July 2015. This reporting period covers the end of FY15 and the beginning of FY16.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY15 Cash Flow Projection**

| | Actual | | | | | | | | | | | |
|----|---|-----------|-----------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|-------------|-----------|
| 1 | General Account | 5/22/2015 | 5/29/2015 | 6/5/2015 | 6/12/2015 | 6/19/2015 | 6/26/2015 | 7/3/2015 | 7/10/2015 | 7/17/2015 | 7/24/2015 | 7/31/2015 |
| 2 | Est. Cash, Beg Balance (Book) | 7,401 | (253,030) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 3 | Receipts: | | | | | | | | | | | |
| 4 | LTF Operating - recurring | | | | | | | | | | 4,080,909 | |
| 5 | LTF OPEB | | | | | | | | | | 150,000 | |
| 6 | RIN's Credit | | | 10,000 | | | | | | 8,000 | | |
| 7 | LCFS | 28,674 | | | | | | | | | | |
| 8 | CalPERS CERBT Disbursement | | | | 1,010,119 | | | | | 90,000 | | |
| 9 | Farebox | 190,583 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| 10 | Total Other Farebox | 98,061 | 24,582 | 64,924 | 26,980 | 72,068 | 15,158 | 42,544 | 19,355 | 260,503 | 69,596 | |
| 11 | Total Other Local | 5,826 | 4,000 | 20,000 | 1,000 | 1,000 | 1,000 | 30,000 | 2,000 | 2,000 | 8,000 | 25,000 |
| 12 | FTA Operating | | | | 74,158 | | 958,065 | | 52,000 | | | |
| 13 | Capital - Local, State | | | | | | 101,070 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 14 | Echo - FTA Capital | 14,030 | 89,929 | 60,000 | 60,000 | 60,000 | 60,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| 15 | Transfer from Investment to Gen Acct. | 5,130 | 1,224,721 | 2,264,306 | | 195,912 | 1,043,706 | 2,159,984 | 875,645 | | | 751,125 |
| 16 | Disbursements: | | | | | | | | | | | |
| 17 | Payroll = Net+Tax | (99) | (735,000) | | (740,000) | | (745,000) | | (910,000) | | (750,000) | |
| 18 | A/P Wires | (197,025) | (220,201) | (2,334,230) | (22,000) | (165,560) | (349,000) | (2,222,528) | (29,000) | (316,905) | (29,000) | (766,125) |
| 19 | A/P Checks | (133,759) | (145,000) | (145,000) | (145,000) | (145,000) | (145,000) | (155,000) | (155,000) | (155,000) | (155,000) | (155,000) |
| 20 | Capital Expenditures | (271,852) | (90,000) | (90,000) | (90,000) | (168,420) | (90,000) | (70,000) | (70,000) | (70,000) | (70,000) | (70,000) |
| 21 | Transfer to Investment from Gen | | | | (325,257) | | | | | (33,598) | (3,519,505) | |
| 22 | Transfer to OPEB Trust Acct. | | | | | | (1,000,000) | | | | | |
| 23 | Actual Ending Book Balance / Targeted Minimum Balance | (253,030) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

24 LAIF Account:

| | | | | | | | | | | | | |
|----|-------------------------------|-----------|-------------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|
| 25 | Beginning balance | 9,485,000 | 9,485,000 | 8,438,279 | 6,173,973 | 6,509,230 | 6,313,318 | 5,269,611 | 3,109,627 | 2,233,982 | 2,283,709 | 5,803,214 |
| 26 | Quarterly Interest Income | | | | | | | | | 6,130 | | |
| 27 | Transfers to/from Gen Acct. | (5,130) | (1,224,721) | (2,264,306) | 325,257 | (195,912) | (1,043,706) | (2,159,984) | (875,645) | 33,598 | 3,519,505 | (751,125) |
| 28 | Transfers to/from County Pool | 5,130 | 178,000 | - | 10,000 | - | - | - | - | 10,000 | - | 10,000 |
| 29 | Ending balance | 9,485,000 | 8,438,279 | 6,173,973 | 6,509,230 | 6,313,318 | 5,269,611 | 3,109,627 | 2,233,982 | 2,283,709 | 5,803,214 | 5,062,089 |

30 County Pool Account:

| | | | | | | | | | | | | |
|----|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 31 | Beginning balance | 9,559,668 | 9,554,538 | 9,376,538 | 9,376,538 | 9,370,536 | 9,370,536 | 9,370,536 | 9,370,536 | 9,372,852 | 9,362,852 | 9,362,852 |
| 32 | Quarterly Interest Income | | | | 3,998 | | | | 2,317 | | | |
| 33 | Transfers to/from Gen Acct. | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Transfers to/from LAIF | (5,130) | (178,000) | - | (10,000) | - | - | - | - | (10,000) | - | (10,000) |
| 35 | Ending balance | 9,554,538 | 9,376,538 | 9,376,538 | 9,370,536 | 9,370,536 | 9,370,536 | 9,370,536 | 9,372,852 | 9,362,852 | 9,362,852 | 9,352,852 |

Avg Operating expenses per month = 4,925,000 4,925,000 4,925,000 4,925,000 4,925,000 4,925,000 5,475,256 5,475,256 5,475,256 5,475,256 5,475,256
 No. of months Oper Cash On Hand = 1.63 1.48 1.02 1.09 1.05 1.08 0.58 0.42 0.43 1.04 0.91

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Quarterly Capital Status

Summary: The Agency has, at any one time, a multitude of capital projects in progress or pending as circumstances and funding dictate. These capital projects are funded through a variety of funding sources including, but not limited to, Federal, State, and Local grants. Capital items funded with these grants include, but are not limited to, Revenue and Non-Revenue Vehicles, Transit Facilities, Operating Facility Improvements, and Information Systems.

Depending on the nature of the project, it can take multiple years to accumulate the required funding to complete the project. It can also take multiple years to complete the project once it has commenced. Examples of such a scenario are the next generation Intelligent Transportation System (ITS) project and the directly-operated revenue vehicle fleet replacement/expansion.

The Agency will always have capital needs due to replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as ITS and transit facilities to serve the needs of our customers. As such, the Agency should always have a backlog of open projects that preserve the future of the Agency.

A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from March through May 2015. The Agency is required to provide quarterly reporting to the Federal Transportation Administration (FTA) and the Riverside County Transportation Commission (RCTC) one month after the end of each quarter. This reporting was submitted.

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Quarterly Natural Gas Procurement Status Report

Background: Prior to August 1, 2013, the Agency had always purchased its natural gas (converted to compressed natural gas or CNG) requirements for fueling revenue and non-revenue vehicles from the southern California Gas Company (SoCal Gas). The cost of the gas from SoCal Gas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

In May 2013, the Board authorized staff to enter into a multi-year contract with GHI LLC for the Agency's natural gas commodity requirements for conversion to CNG. The highlights of the GHI contract are as follows:

- GHI provides a fixed 4% discount off the SoCal Gas commodity cost (in the contract base years; 1-3)
- GHI provides the Agency with 5% of the total Renewable Identification Number (RINs) Credit earned
- GHI will both opt-in on the Agency's behalf for the California Air Resources Board (CARB) Low Carbon Fuel Standards (LCFS) Credit program and financially administer the Agency's LCFS Credits
- GHI provides the Agency with 100% of the LCFS Credit value earned
- GHI will provide a fixed 6% discount off of the SoCal Gas commodity cost (in the contract option years; 4-5)

The current Board approved Agency Investment Policy includes language regarding the purchase of natural gas requirements for conversion to CNG. In summary, the natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles, whether from

SoCal Gas or an approved Energy Services Provider (ESP). The policy also includes language that describes the discipline to purchase a long-term fixed price-per-therm contract provided certain parameters are met. The policy also states that if the Agency buys its CNG requirements from an entity other than SoCal Gas, then staff would prepare a quarterly report for the Board regarding the performance results under the new purchase arrangement and provide a performance comparison to the prior purchase arrangement.

Summary: Attachment A to this staff report identifies the cost savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCal Gas. The savings are calculated and depicted for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credit earned by the Agency under its natural gas purchase arrangement with GHI. RINs credits are earned and paid monthly. As a reminder, no such opportunity existed with SoCal Gas nor was it offered by the other responsible and responsive bidder during the formal procurement process.

Attachment C to this staff report identifies the LCFS Credits earned by the Agency under its natural gas purchase arrangement with GHI. LCFS credits are earned monthly but paid quarterly. As a reminder, no viable means to provide this credit to the Agency was offered by the other responsible and responsive bidder during the formal procurement process.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether or not the Agency should convert from the current monthly floating index cost per therm purchase arrangement to a longer-term fixed price per therm purchase arrangement per the Investment Policy. The statistics are kept to follow and enact, if applicable, the discipline installed as part of the annual investment policy.

It should be noted that, based on the investment policy discipline and market conditions, the Agency did execute a contract purchase of three months of natural gas requirements (80%) commencing in April. The contract period covers April, May and June 2015.

Fiscal Impact:

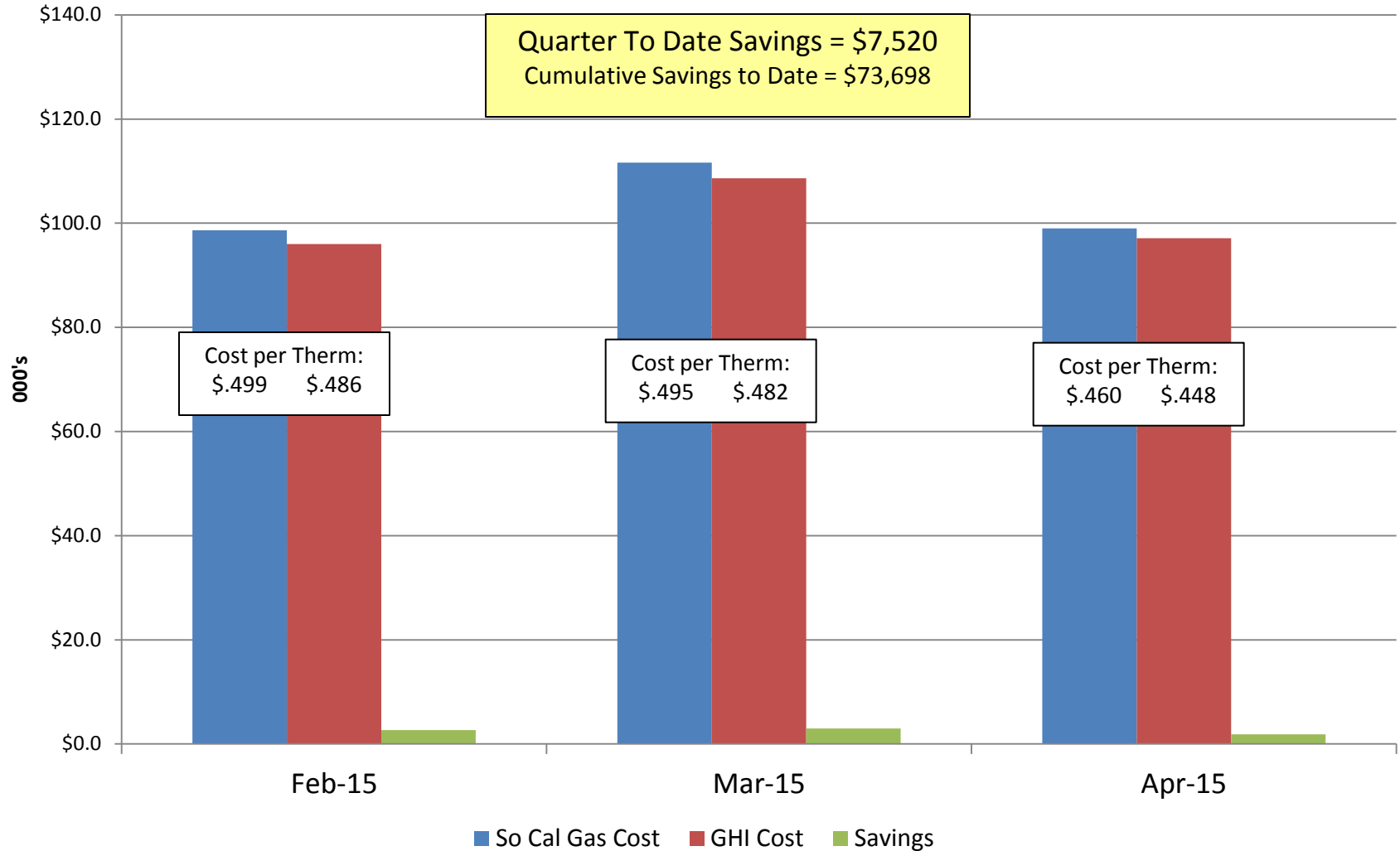
Under the current purchase arrangement with GHI, the Agency experienced \$7,520 of cost savings in the quarter covering February - April 2015 for its natural gas commodity requirements. In addition, the Agency earned a total of \$59,561 of combined revenue from the Federal RINs and State LCFS Credits' programs.

Recommendation:

Receive and file.

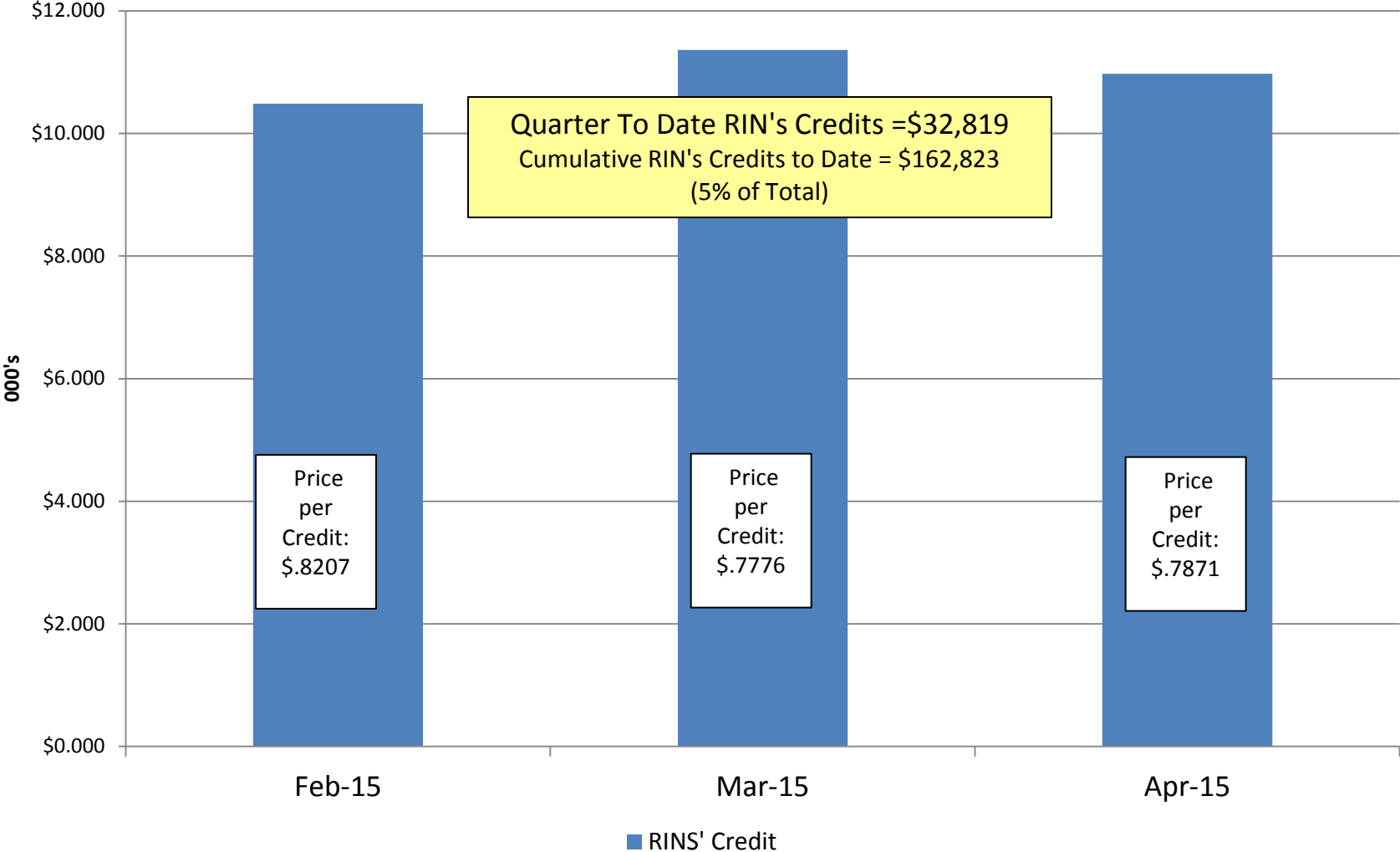
Attachment A

CNG Cost Savings - So Cal Gas vs. GHI



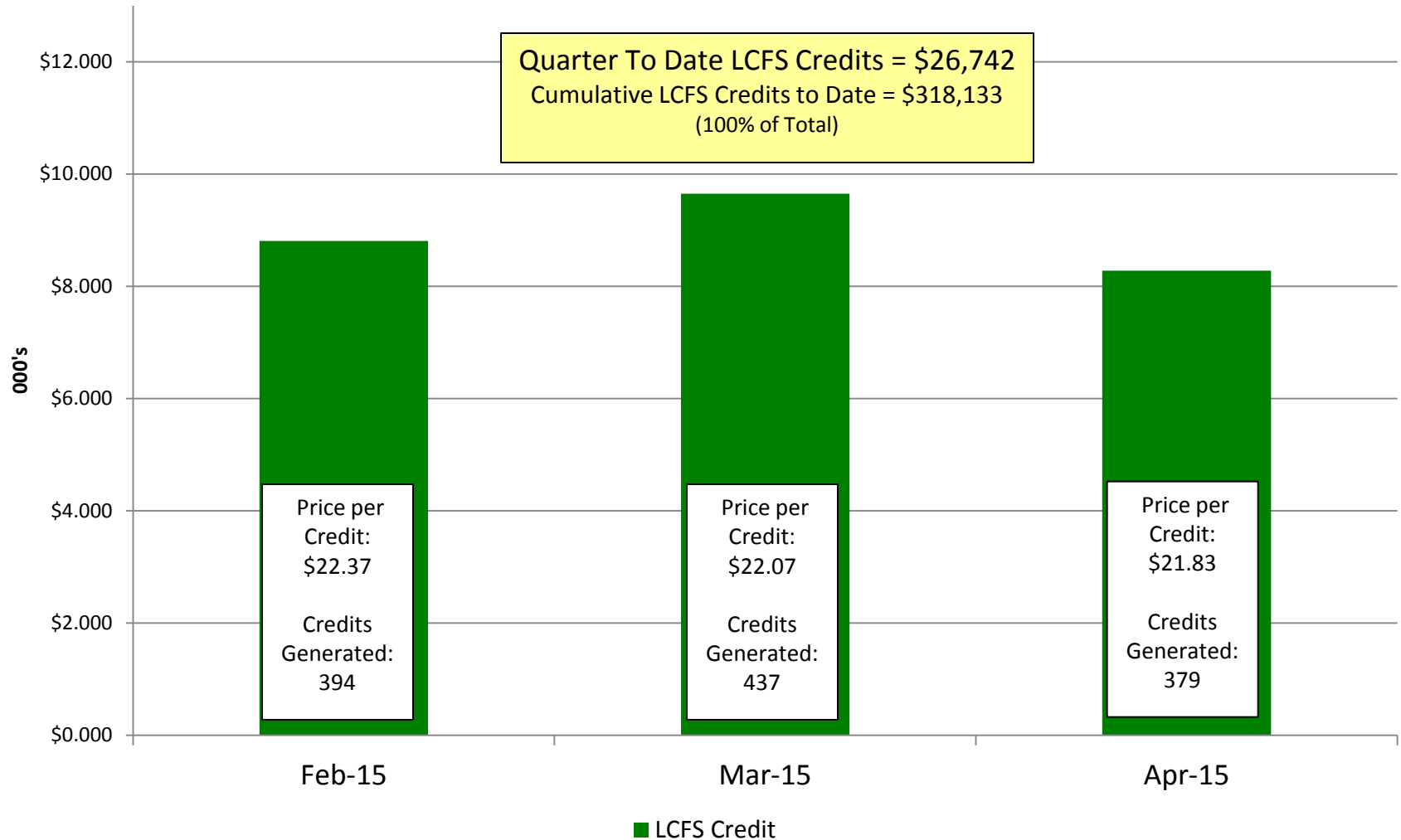
Attachment B

Renewable Identification Number (RIN's) Credit



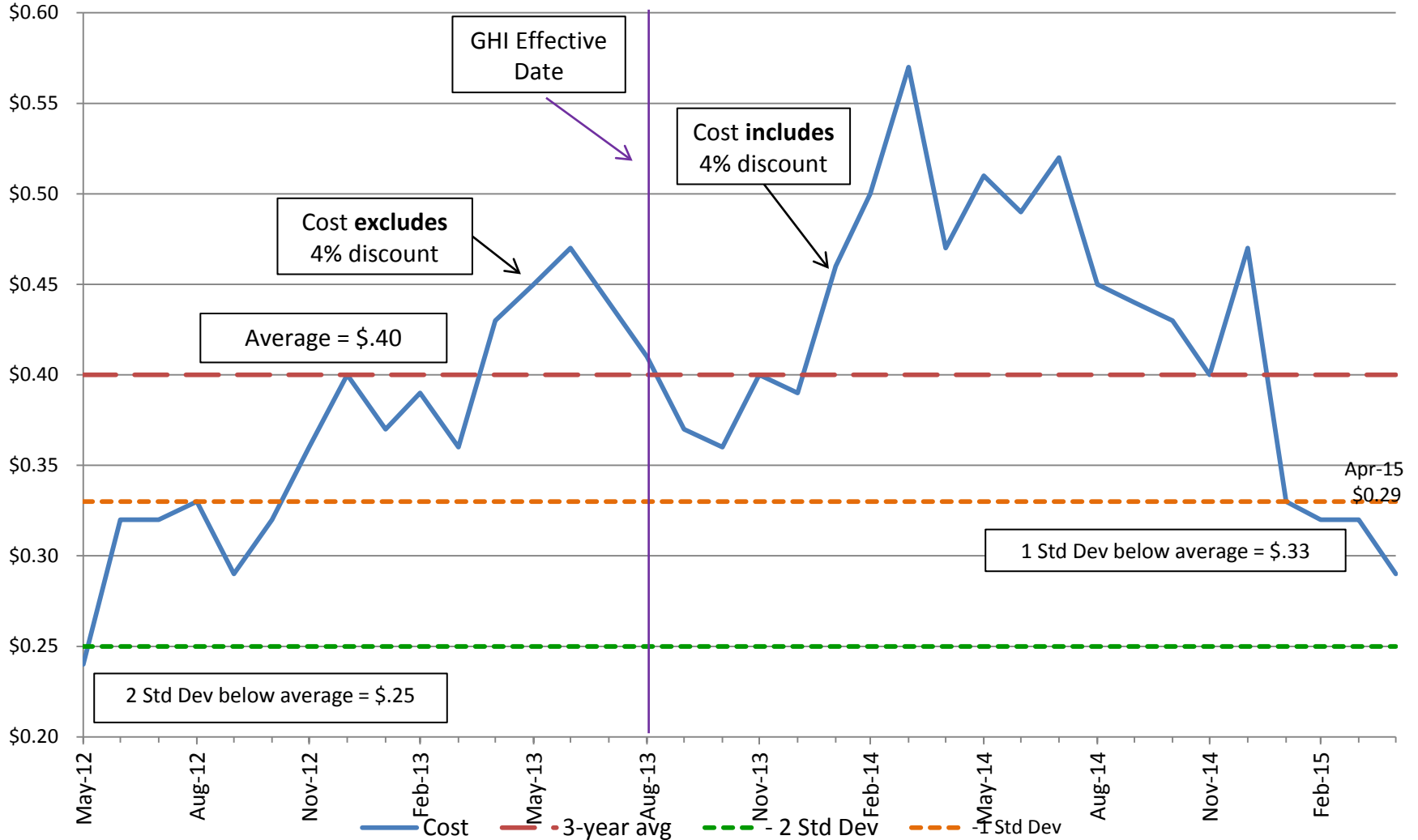
Attachment C

Low Carbon Fuel Standards (LCFS) Credit



Attachment D

CNG Cost per Therm Trailing 3 Years (commodity cost only)



RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Revenue Agreement # 15-023 with the City of Riverside (City) for the City Employee Pass (City Pass) Program

Summary: Since FY09, the Agency and the City have partnered in a City Pass program that allows City employees to ride the Agency's fixed-route transit network at no cost to the employee. The existing agreement between the Agency and the City is due to expire on June 30, 2015. Renewal of the program has been discussed with City staff and funds are being allocated to continue the program for the next fiscal year.

The City Pass was launched in January 2009 as a pilot program and continues to maintain its popularity with City employees. The program was designed to encourage City employees to use public transit by offering an affordable and convenient alternate mode of transportation. Ridership has remained steady over the last couple of years averaging about 13,000 passengers annually. Based on trend data, staff projects ridership will be slightly higher in FY16.

The City Pass Agreement enables City employees with valid identification (ID) cards to board any RTA fixed-route or CommuterLink bus by using their City issued ID cards. City employees are not charged a fare while boarding, and the Agency is reimbursed by the City at a discounted fare with the revenue generated from the program based on actual ridership.

The following table illustrates the monthly average and total ridership figures since the program began in FY09.

| | Monthly Average | Total |
|-------------------|------------------------|--------------|
| FY 09 * | 745 | 4,467 |
| FY 10 | 830 | 9,956 |
| FY 11 | 945 | 11,344 |
| FY 12 | 1,015 | 12,182 |
| FY 13 | 1,059 | 12,711 |
| FY 14 | 1,084 | 13,006 |
| FY 15 ** | 1,119 | 13,422 |
| FY 16 (Projected) | 1,158 | 13,893 |

* - six months only

** - actuals/projections (thru April 2015 – ten months)

If approved, the new agreement would become effective July 1, 2015 and run through June 30, 2016.

Fiscal Impact:

Based on projected ridership for FY16, staff anticipates the City Pass program will generate approximately \$18,600 in fare revenue.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Revenue Agreement No. 15-023 with the City of Riverside for reimbursement of up to \$18,600 in fare revenue for the City Employee Pass Program from July 1, 2015 through June 30, 2016.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Cooperative Agreement No. 12-027 with SunLine Transit Agency for Joint Funding of SunLine Route 220

Summary: Since FY13, the Agency and the SunLine Transit Agency (SunLine) have partnered in a cost sharing agreement for express bus service between Palm Desert and Downtown Riverside utilizing federal Job Access and Reverse Commute (JARC) and New Freedom (NF) funds. The existing agreement between the Agency and SunLine is due to expire on September 30, 2015.

SunLine launched express Route 220 service in September of 2012 at the request of the Riverside County Transportation Commission. The express service was designed to address unmet transportation needs as required by the Federal Transit Administration JARC and NF funding programs. Since a portion of SunLine Route 220 would overlap the Agency's Route 210 service between Banning and downtown Riverside, the Board authorized staff to eliminate three duplicative trips on RTA Route 210 and apply the associated savings towards the Agency's share of operating expenses for SunLine Route 220.

Ridership on Route 220 remains steady averaging approximately 1,100 passengers per-month. The following table illustrates the monthly average and total ridership figures since service began in FY13.

| | Monthly Average | Total |
|----------|------------------------|--------------|
| FY 13 * | 1,287 | 12,868 |
| FY 14 | 1,188 | 14,258 |
| FY 15 ** | 1,079 | 12,953 |

* - ten months only

** - actuals/projections (thru March 2015 – nine months)

The Route 220 originates at Town Center Way and Hahn in Palm Desert and travels to the Downtown Riverside Transit Terminal with two westbound morning trips and two eastbound afternoon trips. This service is operated Monday through Friday and serves nine stops along the way in Palm Desert, Thousand Palms, Casino Morongo, Beaumont, Moreno Valley, University of California at Riverside, Riverside Downtown Metrolink Station, and ends at the downtown Riverside Transit Terminal. SunLine dedicates vehicles to this service that are equipped with reclining coach seats, luggage racks, bike racks, and complimentary Wi-Fi technology.

Renewal of the cost sharing agreement has been discussed with SunLine staff and funds are being allocated to continue the service for a 12-month period. If approved, the new agreement would become effective October 1, 2015 and run through September 30, 2016. This agreement may be renewed annually upon mutual consent of both agencies.

Fiscal Impact:

The agreement renewal is structured so that the Agency reimburses SunLine for its proportionate share, approximately 66 percent, of the annual net operating expenses for those miles operated within the Agency's service area. Based on this cost sharing arrangement, the Agency's expenses for this renewal period will be \$118,351.10. Funding for this agreement was included in the Agency's FY16 operating budget.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Cooperative Agreement No. 12-027 with SunLine Transit Agency in the amount of \$118,351.10 for the Agency's share of operating expenses for the SunLine Route 220 from October 1, 2015 through September 30, 2016.

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Vince Rouzaud, Chief Procurement and Logistics Officer
SUBJECT: Authorization to Award Agreement No. 15-010 to Mercury Technology Group to Provide Oracle Hosting and Support Services

Summary: Since October of 2005, the Agency has used the services of an outside vendor to administer and maintain its Oracle databases, Oracle business applications and the operating systems that support our Enterprise Resource Planning (ERP) environment. A sampling of the services contained in the Scope of Work include 24/7 system monitoring, making configuration and system adjustments and applying bug fixes and patches when necessary. The vendor is also required to host the Agency's servers at a secure data center to provide redundancy for data recovery in the event of a major disaster. Outsourcing these services enables the Agency to get the highest level of support at the lowest possible cost. The current agreement with Mercury Technology Group (MTG) is due to expire on October 31, 2015.

Historically, for these services, the Agency has provided the vendor with the required hardware and equipment to host these services at their data center. However, for this procurement, staff chose to have prospective vendors propose on two different options. Option 1 would continue to require the vendor to provide these services at their data center on Agency owned hardware and equipment. Option 2 would require the vendor to host these services at their data center in a virtual environment (cloud based) with the vendor providing all necessary hardware and equipment. Staff would then determine, based on the proposals received, which solution would be the most cost advantageous for the Agency.

On March 24, 2015, the Agency issued Request for Proposal (RFP) No. 15-010. The RFP was publicly advertised in a newspaper of general circulation and a notice was posted on the Agency's website along with a copy of the RFP document. The Agency also sent notices of the contracting opportunity to the local Chambers' of Commerce of those cities that are members of the Joint Powers Agreement.

On April 23, 2015, the Agency received proposals from the following four vendors:

- Data Intensity, Bedford, MA
- Mercury Technology Group, Irvine, CA
- MIS Sciences Corporation, Burbank, CA
- Oracle America, Inc., Irvine, CA

An evaluation committee representing staff from the purchasing and information technology departments evaluated the technical proposals in accordance with the criteria listed in the RFP. Firms were rated in three general areas; qualifications and related experience, staffing and project organization and an understanding of the Agency's requirements.

During the course of the technical evaluation, it became clear to the committee that Option 2, hosting the Agency's Oracle system in a virtual environment, was the most beneficial and effective approach for the Agency. The benefits of a virtual environment include:

- More efficient and effective to back-up and replicate.
- Computing capacity can be quickly scaled up or down as requirements change.
- Administrative, engineering and other technical support services are readily available.
- Costs are reduced by increasing infrastructure utilization.
- Reduced likelihood of system failure.
- Resuming operations from a system failure is easier and quicker.
- Saves money by eliminating the need for the Agency to upgrade and replace system hardware.

Upon completion of the technical review, Mercury Technology and MIS Sciences Corporation were ranked number one and two respectively.

Staff then reviewed the price proposals. The results are represented in the table below:

Table 1

| Firm Name | Base Term | Opt. Yr. 1 | Opt. Yr. 2 | Opt. Yr. 3 | 5 Yr. Total |
|----------------------|-----------|------------|------------|------------|-------------|
| MIS Sciences Corp. | \$125,232 | \$65,747 | \$69,034 | \$72,486 | \$332,499 |
| Mercury Technology | \$139,080 | \$69,540 | \$69,540 | \$69,540 | \$347,700 |
| Data Intensity | \$246,226 | \$118,188 | \$118,188 | \$118,188 | \$609,790 |
| Oracle America, Inc. | \$536,348 | \$229,978 | \$229,275 | \$231,887 | \$1,227,489 |

In the table above, pricing to host the Oracle software in a virtual environment (Option 2) will cost the Agency approximately \$24,000 more over the full five-year period. However, in addition to the technical benefits realized from the virtual environment, in selecting Option 2, the Agency would save approximately \$45,000 to \$50,000 every five years in capital expenditures to replace and update its servers. Thus, it was clear to the committee that Option 2, hosting the Agency's Oracle system in a virtual environment, was also the most cost effective approach.

Based on the overall evaluation process (technical review, price analysis, reference checks), it was the evaluation committee's determination that MTG is the most technically responsive and responsible vendor and provides the best value to the Agency.

The following are key points of the evaluation committee's analysis:

- MTG's core business is hosting and maintaining Oracle databases and Oracle business applications. MIS Sciences Corp. specializes in hosting software in general.
- MTG has experienced personnel specializing in managing Oracle databases and business applications. MIS Sciences Corp. would have to hire an experienced individual.
- As the incumbent vendor, MTG has demonstrated their technical ability and expertise to perform these services.

Staff is recommending approval of a two-year agreement with three one-year option periods to MTG for Oracle hosting and support services.

Fiscal Impact:

Funding for Oracle hosting services has been included in the Agency's FY16 operating budget. Funding for these services beyond the current fiscal year will be included in future fiscal year budget requests.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 15-010 to Mercury Technology Group for Oracle Hosting and Support Services for a two-year base period with three one-year options in the amount not-to-exceed \$347,700.00.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Award an Agreement to Creative Bus Sales, Inc. for 36 Aerotech 12-Passenger Vehicles

Summary: Staff is requesting authorization to award an agreement to Creative Bus Sales, Inc., of Chino, CA, to purchase 36 Aerotech vehicles that will be used in the Agency's Dial-a-Ride (DAR) operations. Twenty-six of these vehicles will replace vehicles that have met their useful service life based on accumulated mileage as defined by the Federal Transit Administration (FTA). The additional 10 vehicles will expand the DAR fleet to meet increasing demand for DAR service.

The vehicles would be manufactured by El Dorado National and are available through the California Association for Coordinated Transportation/ Morongo Basin Transit Authority (CalACT/ MBTA) Vehicle Cooperative Purchasing Agreement ("Cooperative Agreement"). Historically, the Agency had purchased its DAR vehicles through the State of California's Department of General Services, however, the State discontinued providing this service in 2008.

The Cooperative Agreement covers vehicle requirements for publicly funded agencies, city transit systems and other non-profit organizations performing governmental services within the State of California. The FTA Best Practices Procurement Manual encourages grantees to consider combining procurement efforts to obtain better pricing through economies of scale. By using the Cooperative Agreement, the Agency is able to procure vehicles at a more competitive price than it could with an independent procurement. The Cooperative Agreement meets all of the FTA's requirements governing third party contracting.

The Aerotech seats up to 12-passengers and is equipped with three wheelchair positions. This vehicle meets American with Disabilities Act (ADA) regulations and operates on unleaded fuel in compliance with the South Coast Air Quality Management District's Rule 1192 governing

paratransit vehicles.

Over the years, the Agency has purchased DAR vehicles with a suspension system upgrade called Mor-Ryde. The Mor-Ryde suspension reduces the vehicle's stiffness creating a smoother ride for passengers. While the Mor-Ryde system improved the ride for passengers, for this procurement, staff is recommending that one vehicle be purchased with a new suspension system called Liquid Spring. The new Liquid Spring product utilizes a different technology to achieve an even smoother ride. The Liquid Spring vehicle will be used as a test vehicle to determine if this technology can further improve the comfort for the Agency's DAR passengers, many of whom are disabled and/or senior.

If approved by the Board, staff anticipates the new vehicles can be delivered beginning in December, 2015.

Fiscal Impact:

Under the CalACT MBTA Purchasing Cooperative Agreement, the per-vehicle pricing is as follows:

| Description | Quantity | Unit Cost | Amount |
|----------------------------|----------|-------------|-----------------------------|
| Aerotech 220 | 35 | \$83,753.08 | \$2,931,357.80 |
| Aerotech 220/Liquid Spring | 1 | \$91,858.08 | \$91,858.08 |
| Contingency | | | \$75,580.39 |
| Total | | | ¹ \$3,098,796.27 |

¹ Includes \$75,580.39 contingency amount

The above costs include the base vehicle, optional equipment, sales tax, delivery and the CalACT procurement fee. The Liquid Spring test vehicle is \$8,105 more than the standard version equipped with the Mor-Ryde suspension.

Staff recommends the agreement include a 2.5 percent contingency amount of \$75,580.39 for technical changes, modifications or upgrades that may be required prior to production.

This procurement was planned to be fully funded with a combination of Federal Transit Administration Section 5307 funds and State Transit Assistance (STA) funds. Ninety percent of the federal funds for this purchase is currently delayed by the PEPR/Section 13(c) stalemate. Should these funds continue to be held up, these vehicles will be funded through the advance of funds from RCTC approved at last month's Board meeting.

Delaying this vehicle procurement is not recommended for two reasons. First, the expansion vehicles are needed to increase DAR services to coincide with the recently approved COA service enhancements. Second, while the existing vehicles have been well maintained, they are in need of replacement. The FTA's definition of useful service life for light-duty transit vehicles is 100,000 miles. Of the 25 vehicles needing replacement, the average vehicle mileage is 258,298 miles.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award an agreement to Creative Bus Sales, Inc. for the purchase of 36 Aerotech vehicles under the CalACT/MBTA Vehicle Cooperative Purchasing Agreement in an amount not to exceed \$3,098,796.27 which includes a 2.5 percent contingency.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 3, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Exercise 23 Options with Gillig, LLC (Gillig) for 40-Foot Revenue Transit Buses for Implementation of New Service

Summary: In January 2015, the Board of Directors approved the Agency's Comprehensive Operational Analysis and 10-year Transit Network Plan (COA). The goal of this two-year study was to identify and prioritize operational and capital recommendations that will improve efficiencies of existing RTA services and provide a blueprint for future transit needs. Due to the long lead-time to purchase and receive buses (18-24 months), in order to implement the COA's recommendations, the Board had previously authorized the purchase of 25 expansion buses in January 2014. Under the original plan, the expansion buses would support increased frequencies on several existing routes, the implementation of Route 1 RapidLink service and the implementation of feeder service for the new Metrolink Perris Valley Line (PVL) extension.

The PVL and RapidLink service originally scheduled for launch in FY15, were postponed until first quarter 2016 and 2017, respectively, because of construction delays with PVL and infrastructure improvements needed along the University/Magnolia corridor. Delaying the introduction of PVL and RapidLink service afforded the Agency the opportunity to accelerate other COA recommendations and make network improvements to several existing routes. With delivery of 11 of the 25 expansion buses, significant upgrades to service frequencies for the Agency's most productive and growing routes were possible. Several of the service enhancements that went into effect in January 2015 were in addition to those originally planned when staff sought authorization for the original 25 options. The following is a detailed list of service improvements that went into effect with the January 2015 service change:

- Route 1 (UCR – Riverside – Corona): One additional bus to increase weekday afternoon service frequency from 18 to 15 minutes.
- Route 3 (Eastvale – Norco – Corona): Weekday service frequency increased from 50 to 30 minutes. Added 60 minute Sunday service.
- Route 15 (Riverside – Arlington – La Sierra): Two additional buses to increase the weekday service frequency from 45 to 30 minutes and improved weekend service frequency from 55 to 45 minutes.
- Route 16 (Riverside – UCR– Moreno Valley): Weekend service frequency increased from 40 to 30 minutes.
- Route 19 (Perris – Moreno Valley): Two additional buses to increase both weekday and weekend service from 45-55 to 30 minutes.
- Route 20 (Moreno Valley – Riverside via Alessandro Blvd): One additional bus to increase weekday frequency from 65 to 45 minutes.
- Route 22 (Lake Elsinore – Perris – Downtown Riverside): Weekend service frequency increased from 80 to 60 minutes.
- Route 27 (Hemet – Perris – Galleria Mall): One additional bus for 5 additional peak period trips on weekdays, weekend service frequency increased from 80 to 60 minute service.
- Route 29 (Eastvale – Jurupa Valley – Riverside): Weekday service frequency increased from 70 to 60 minutes.
- Route 49 (Jurupa Valley – Riverside): One additional bus to increase weekday service frequency from 70 to 50 minutes.
- Route 74 (San Jacinto – Hemet – Winchester – Sun City – Perris): Increased weekday service frequency from 80 to 60 minutes.
- Three spare buses to support the fleet expansion.

As noted above, 11 of the 25 original expansion buses have been used to fulfill service enhancements to existing routes. The remaining 14 options are on order with an anticipated delivery date of March 2016. Until these 14 options are delivered, 12 NABI buses from the Agency's contingency fleet will remain in service to meet PVL requirements and other COA recommendations. However, these 12 buses cannot be used in service beyond January 2017 due to the expiration of the compressed natural gas fuel tanks.

As noted previously, the start of RapidLink service has been rescheduled for January 2017. RapidLink service requires 14 buses and given the 18-24 month leadtime, these buses need to be ordered to meet the January 2017 implementation date.

Furthermore, the Riverside County Transportation Commission (RCTC) is nearing completion with major improvements along the SR-91 corridor (91 Project). The improvements will extend the two existing 91 express toll lanes

into Riverside County and will also construct one additional general purpose lane in each direction. The 91 Project will provide significant benefits to drivers, residents and businesses along this heavily traveled corridor. Once completed, these improvements are designed to reduce delays, offer a choice between regular lanes and express toll lanes and provide increased express bus service between Riverside and Orange County.

In partnership with RCTC, the 91 Project also includes the implementation of additional express bus service. This new service will augment RTA Route 216 and OCTA Route 794 which currently are the two public transit options for commuters traveling between Riverside with Orange County.

In order to implement the express bus service component of the 91 Project, five expansion buses will be needed. While the actual service characteristics of the new express bus route has yet to be fully defined, the long leadtime to acquire new buses requires the buses to be ordered to meet an estimated first quarter 2017 implementation date. All told, the total number of expansion buses needed for RapidLink service, 91 express bus service, COA service enhancements and required spares is 23.

The 23 additional expansion buses can be purchased using the Agency's existing contract with Gillig. The Gillig agreement, approved by the Board in September 2012, included provisions for the Agency to purchase up to 48 options over a four-year period. With this purchase all options from the Gillig contract will be exhausted.

Staff is recommending that this purchase move forward despite the United States Department of Labor (USDOL) delaying certification of its FY15 Federal 5307 grant based on 13(c) objections to the California Public Employees' Pension Reform Act (PEPRA). The reasons for this recommendation are as follows:

- Implementation of new service would be delayed as leadtime for new buses is 18-24 months after receipt of order.
- Completion of several capital projects currently underway would be impacted if delayed.
- Contract pricing is based on a PPI index which will increase the cost per bus between \$12,000 and \$14,000 if ordered after October 2015.
- Contract pricing will increase again by the PPI Index in October 2016 and the options will expire altogether in October 2017.
- Funding for this procurement is not impacted by PEPRA 13(c).

This item was discussed previously at the Board Executive Committee meeting of April 23, 2015. The Committee members concurred with staff's decision to move forward with the Agency's capital improvement and service

expansion plans.

If approved, the expansion buses will begin arriving in the fourth quarter of 2016.

Fiscal Impact:

Under terms of Agreement No. 11-034 with Gillig, the per-vehicle pricing by vehicle type is summarized in the table below:

| Vehicle Type | Quantity | Vehicle Cost | Extended Costs |
|---------------------|-----------------|---------------------|------------------------------------|
| Local Fixed Route | 17 | \$599,987.74 | \$10,199,791.58 |
| CommuterLink | 6 | \$616,450.17 | \$3,698,701.02 |
| Contingency | | | \$100,000.00 |
| | | Total | ¹\$13,998,492.60 |

The above costs include the base vehicle, optional equipment, spare parts, sales tax and delivery. Staff is recommending a \$100,000 contingency amount to cover technical changes, upgrades and modifications that may become necessary.

This procurement is funded with a combination of Congestion Mitigation and Air Quality (CMAQ), State Transit Assistance (STA) and Local Transportation Funds (LTF).

¹ Includes \$100,000 contingency amount

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to exercise 23 options with Gillig, LLC for 40-foot revenue transit buses for implementation of new service in an amount that shall not exceed \$13,998,492.60 which includes a \$100,000 contingency.