



March 1, 2017  
2:00 p.m.

## AGENDA

**Board Budget and Finance Committee Meeting  
Riverside Transit Agency – Board Room  
1825 Third Street  
Riverside, CA 92507**

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 Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at [www.riversidetransit.com](http://www.riversidetransit.com) or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

### **ITEM**

### **RECOMMENDATION**

1. **CALL TO ORDER**
2. **SELF-INTRODUCTIONS**

<u>ITEM</u>	<u>RECOMMENDATION</u>
<b>3. PUBLIC COMMENTS – NON-AGENDA ITEMS</b> 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.	<b>RECEIVE COMMENTS</b>
<b>4. <u>APPROVAL OF MINUTES – FEBRUARY 1, 2017 COMMITTEE MEETING (P.4)</u></b>	<b>APPROVE</b>
<b>5. <u>CASH FLOW PROJECTIONS (P.7)</u></b>	<b>RECEIVE AND FILE</b>
<b>6. <u>QUARTERLY CAPITAL STATUS (P.9)</u></b>	<b>RECEIVE AND FILE</b>
<b>7. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.11)</u></b>	<b>RECEIVE AND FILE</b>
<b>8. <u>AUTHORIZE A YOUTH SUMMER FARE OF 25 CENTS PER BOARDING FROM JUNE 1, 2017 THROUGH SEPTEMBER 4, 2017 (P.18)</u></b>	<b>APPROVE</b>
<b>9. <u>AUTHORIZATION TO AMEND OPEN PURCHASE ORDERS AND CONTRACTS TO INCREASE SALES TAX AS A RESULT OF PASSAGE OF THE CITY OF RIVERSIDE'S MEASURE Z (P.21)</u></b>	<b>APPROVE</b>
<b>10. <u>AUTHORIZATION TO ENTER INTO AGREEMENT NO. 16-057 WITH YORK RISK SERVICES GROUP, INC. (YORK) FOR THIRD PARTY ADMINISTRATOR SERVICES OF LIABILITY AND VEHICLE PHYSICAL DAMAGE INSURANCE CLAIMS (P.23)</u></b>	<b>APPROVE</b>
<b>11. BOARD MEMBER COMMENTS</b>	
<b>12. ANNOUNCEMENTS</b>	

**ITEM**

**RECOMMENDATION**

**13. NEXT MEETING**

Wednesday, April 5, 2017, 2:00 p.m.  
Riverside Transit Agency  
1825 Third Street  
Riverside, CA 92507

**14. MEETING ADJOURNMENT**

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING  
Minutes  
February 1, 2017

**1. CALL TO ORDER**

Committee Chair Berwin Hanna called the Board Budget and Finance Committee meeting to order at 2:02 p.m., on February 1, 2017, in the RTA Board Room.

**2. SELF INTRODUCTIONS**

Self-introductions of those in attendance took place.

Committee Members Attending

1. Committee Chair Berwin Hanna, City of Norco
2. Director Linda Molina, City of Calimesa
3. Director Dawn Haggerty, City of Canyon Lake
4. Director Dick Haley, City of Corona
5. Board Chair Linda Krupa, City of Hemet
6. Director Anthony Kelly Jr., City of Jurupa Valley
7. Director Maryann Edwards, City of Temecula
8. Alternate Director Frank Johnston, County of Riverside, District II
9. Alternate Director Jeff Comerchero, County of Riverside, District III
10. Alternate Director Barry Busch, County of Riverside, District V

Committee Members Absent

1. Mark Orozco, City of Beaumont

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board of Directors
3. Tom Franklin, Chief Operating Officer
4. Craig Fajnor, Chief Financial Officer
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Laura Camacho, Chief Administrative Services Officer
7. Bob Bach, Director of Maintenance
8. Adam Chavez, Deputy Director of Maintenance
9. Jim Kneepkens, Director of Marketing
10. Rohan Kuruppu, Director of Planning
11. Natalie Zaragoza, Director of Contracts
12. Rick Kaczerowski, Director of Information Technologies
13. Brad Weaver, Marketing Manager
14. Eric Ustation, Government Affairs Manager

**3. PUBLIC COMMENTS – NON-AGENDA ITEMS**

None.

4. **APPROVAL OF MINUTES – JANUARY 11, 2017 COMMITTEE MEETING**

M/S/C (KRUPA/EDWARDS) approving the January 11, 2017 committee meeting minutes.

The motion carried with seven affirmative votes and two abstentions (MOLINA/JOHNSTON).

5. **CASH FLOW PROJECTIONS**

Mr. Fajnor presented the cash flow projections.

Alternate Director Barry Busch arrived to the meeting at 2:10 p.m.

6. **QUARTERLY INVESTMENT REPORT**

Mr. Fajnor presented the quarterly investment report.

7. **AUTHORIZATION TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH THE CITY OF RIVERSIDE FOR THE TRANSFER OF PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL NOS. 215-152-012 AND 215-152-019**

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

- Authorize staff to enter into a Purchase and Sale Agreement with the City of Riverside for the Transfer of Property identified as Assessor's Parcel Nos. 215-152-012 and 215-152-019.

The motion carried unanimously.

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

M/S/C (HAGGERTY/KRUPA) 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 \$10,000,000 to cover the projected deficit through mid-August 2017 in the event that federal funding is not awarded and available for drawdown by mid-May 2017.
- Direct staff to discontinue pursuing this request in the event the aforementioned federal funding becomes available.

The motion carried unanimously.

9. **BOARD MEMBER COMMENTS**

None.

10. **ANNOUNCEMENTS**

Larry Rubio made an announcement.

11. **NEXT MEETING**

Wednesday, March 1, 2017, 2:00 p.m.  
Riverside Transit Agency  
1825 Third Street  
Riverside, CA 92507

12. **MEETING ADJOURNMENT**

The meeting was adjourned at 2:29 p.m.

DRAFT

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

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 mid-February 2017 with projections through April 2017. This reporting period covers the first ten months of FY17.

There are no cash flow issues anticipated during this reporting period. However, the possibility of needing an advance of funds from the Riverside County Transportation Commission covering the period of mid-May through mid-August still exists.

Recommendation:

Receive and file.

**Riverside Transit Agency  
FY16/17 Cash Flow Projection**

	Actual											
1	General Account	2/17/2017	2/24/2017	3/3/2017	3/10/2017	3/17/2017	3/24/2017	3/31/2017	4/7/2017	4/14/2017	4/21/2017	4/28/2017
2	Est. Cash, Beg Balance (Book)	155,782	(216,924)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	<b>Receipts:</b>											
4	LTF Operating - recurring		348,698									
5	LTF OPEB											
6	FET Credit											
7	RIN's Credit	37,289				38,728				30,000		
8	LCFS	107,314										
9	CalPERS CERBT Disbursement		78,301				88,364				85,000	
10	Farebox	223,950	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
11	Total Other Farebox	32,437	299,798		82,009	3,405	33,342	404,157	62,295	4,250	68,583	50,784
12	Total Other Local	2,357	5,000	5,000	352,065	5,000	5,000	5,000	5,000	5,000	10,305	5,000
13	FTA Operating	42,377	12,861			28,399	11,116		27,500			
14	Capital - Local, State	15,350,330	98,207	5,000	17,339	125,782	5,000	125,782	5,000	5,000	5,000	5,000
15	Echo - FTA Capital	1,513,650	128,696	35,000	35,000	377,344	35,000	377,344	35,000	224,542	35,000	35,000
16	Transfer from Investment to Gen Acct.	1,806,541	51,065	3,556,236		2,011,605	205,723	4,852,230	154,035	2,621,676	108,152	1,471,216
17	<b>Disbursements:</b>											
18	Payroll = Net+Tax	(832,728)		(860,000)		(865,000)		(870,000)		(880,000)		(885,000)
19	A/P Wires	(15,625)	(224,881)	(2,567,000)	(282,409)	(17,000)	(293,545)	(2,642,000)	(198,830)	(17,000)	(222,040)	(592,000)
20	A/P Checks	(166,905)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
21	Capital Expenditures	(3,123,363)	(55,000)	(55,000)	(55,000)	(1,673,263)	(55,000)	(2,217,513)	(55,000)	(1,958,468)	(55,000)	(55,000)
22	Transfer to Investment from Gen Acct.	(15,350,330)	(440,822)	(84,236)	(114,004)							
23	Transfer to OPEB Trust Acct.											
24	Actual Ending Book Balance / Targeted Minimum Balance	(216,924)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

25	LAIF Account:											
26	Beginning balance	104,766	104,766	104,766	104,766	104,766	104,766	104,766	104,766	104,766	105,353	105,353
27	Quarterly Interest Income									587		
28	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-	-
29	Ending balance	104,766	104,766	104,766	104,766	104,766	104,766	104,766	104,766	105,353	105,353	105,353

30	County Pool Account:											
31	Beginning balance	6,433,814	5,828,753	5,828,753	5,828,753	5,828,753	4,723,630	4,723,630	3,064,242	3,065,248	1,407,185	1,407,185
32	Quarterly Interest Income					10,015			1,006			
33	Transfers to/from Gen Acct.	(605,061)	-	-	-	(1,115,138)	-	(1,659,388)	-	(1,658,063)	-	-
34	Ending balance	5,828,753	5,828,753	5,828,753	5,828,753	4,723,630	4,723,630	3,064,242	3,065,248	1,407,185	1,407,185	1,407,185

35	CalTrust Account:											
36	Beginning balance	39,077,443	53,226,292	53,616,049	50,171,111	50,285,115	49,388,648	49,182,925	45,990,083	45,864,622	44,901,009	44,792,857
37	Quarterly Interest Income			27,062					28,574			
38	Transfers to/from Gen Acct.	14,148,849	389,757	(3,472,000)	114,004	(896,467)	(205,723)	(3,192,842)	(154,035)	(963,613)	(108,152)	(1,471,216)
39	Ending balance	53,226,292	53,616,049	50,171,111	50,285,115	49,388,648	49,182,925	45,990,083	45,864,622	44,901,009	44,792,857	43,321,641

Restricted	45,483,821	45,432,756	45,534,278	45,616,448	44,501,310	44,501,310	42,841,922	42,863,752	41,205,689	41,205,689	41,205,689
Available for Operating	13,459,067	14,166,812	10,620,352	10,652,186	9,765,734	9,560,011	6,367,169	6,220,884	5,257,858	5,149,706	3,678,490
Avg Operating expenses per month =>	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000
No. of months Oper Cash On Hand =>	2.15	2.27	1.70	1.70	1.56	1.53	1.02	1.00	0.84	0.82	0.59



RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

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

Background: 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, 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 heavy-duty CNG bus fleet replacement/expansion and the Intelligent Transportation System (ITS) enhancement/expansion projects.

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 transit centers to serve the transportation needs of our customers. As such, the Agency should always have a backlog of open projects that preserve and enhance the future of the Agency.

Summary: A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from December 2016 through February 2017. The Agency is required to provide quarterly reporting to the Federal Transit Administration (FTA) one month after the end of each quarter. The Agency is required to provide quarterly reporting to the Riverside County Transportation Commission (RCTC) after the end of each quarter. This reporting was submitted.

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

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 (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. The Agency's contract with GHI commenced July 1, 2013 and natural gas purchases commenced in August 2013. The base period of the contract has been completed.

Highlights of the GHI contract are as follows:

- GHI provides a fixed 6% discount off the SoCal Gas commodity cost (in contract option years; years 4 and 5)
- 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

The current Board approved Agency Investment Policy includes language regarding the purchase of natural gas requirements for conversion to CNG. The natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles. The policy includes language describing the discipline to purchase a long-term fixed price-per-term contract provided certain parameters are met. The policy also states that, if the Agency buys its natural gas requirements from an entity other than SoCal Gas, 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 savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCal Gas. The costs are depicted for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credits 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 term purchase arrangement to a longer-term fixed price per term 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.

Based on the investment policy discipline and market conditions, the Agency does not currently have any executed contract purchases. The most recent contract, a three-month contract covering the period of October - December 2016, expired.

Fiscal Impact:

Under the current purchase arrangement with GHI, the Agency experienced \$21,840 of savings in the quarter covering November 2016 - January 2017 for its natural gas commodity requirements.

The Agency earned a total of \$217,925 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG.

Additionally, the Agency earned \$166,406 in Federal Excise Tax (FET) Credit for this quarterly period. This amount only considered November and December 2016 as the legislation allowing the credit expired December 31, 2016.

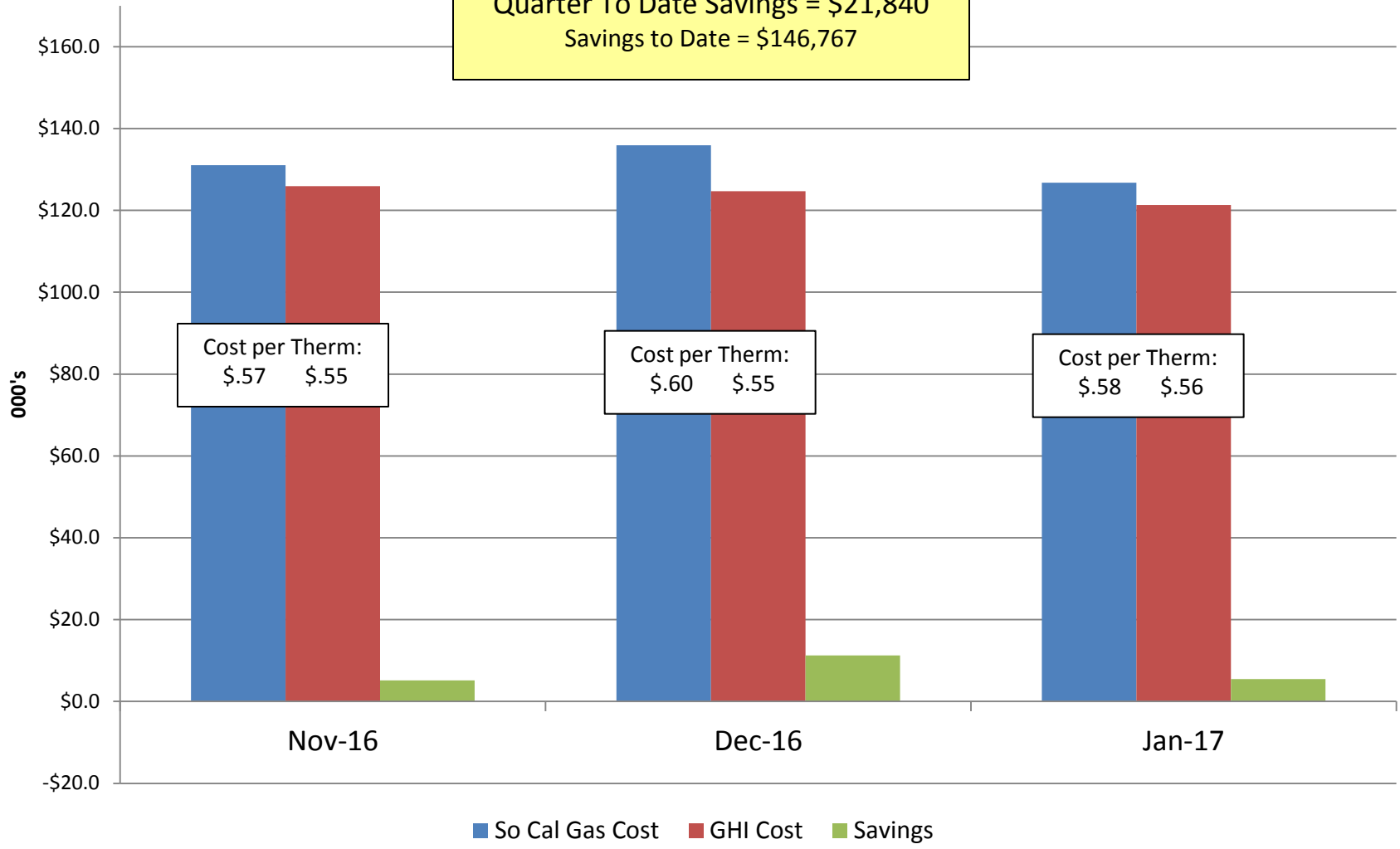
Recommendation:

Receive and file.

## Attachment A

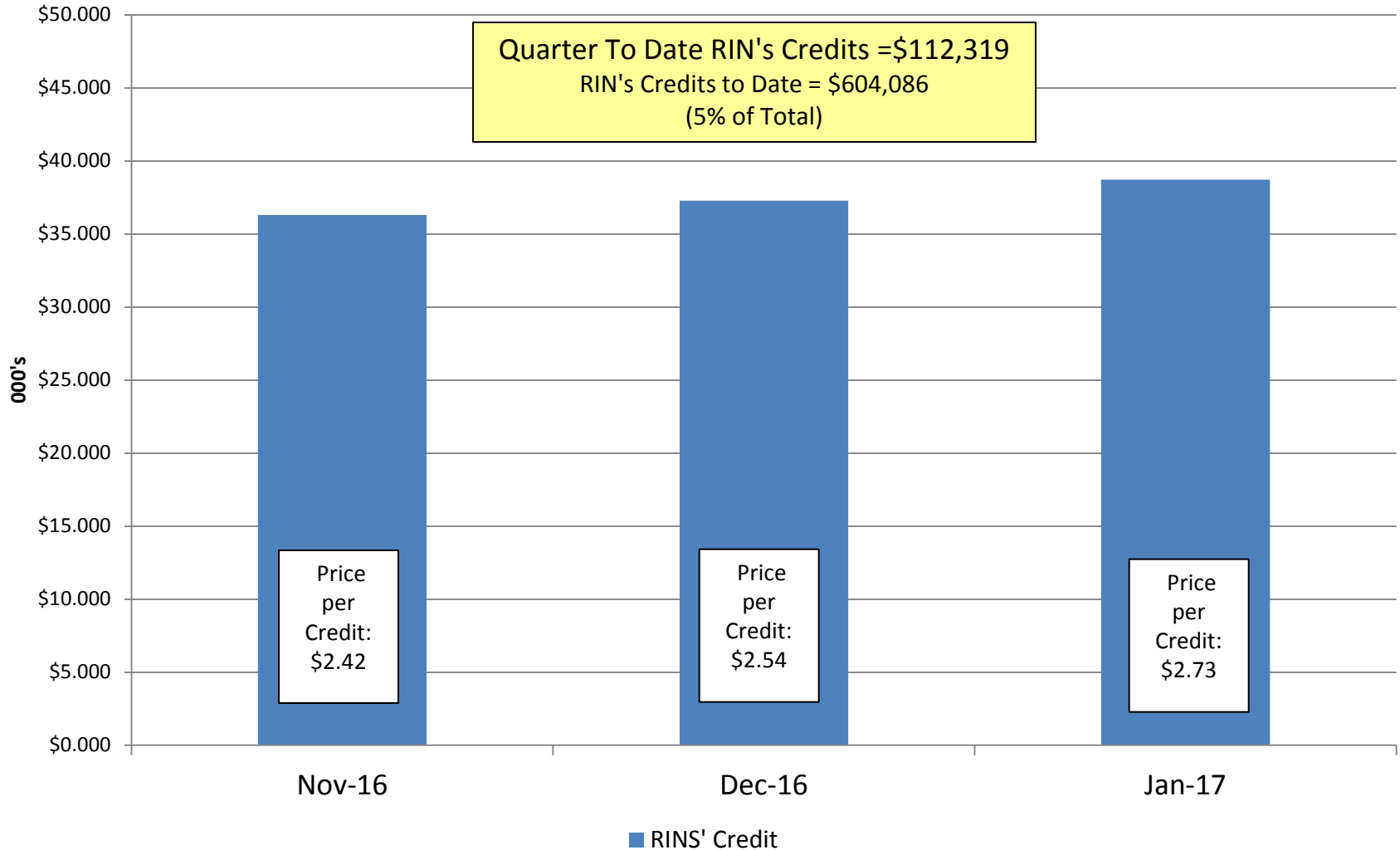
### CNG Cost Savings - So Cal Gas vs. GHI

Quarter To Date Savings = \$21,840  
 Savings to Date = \$146,767



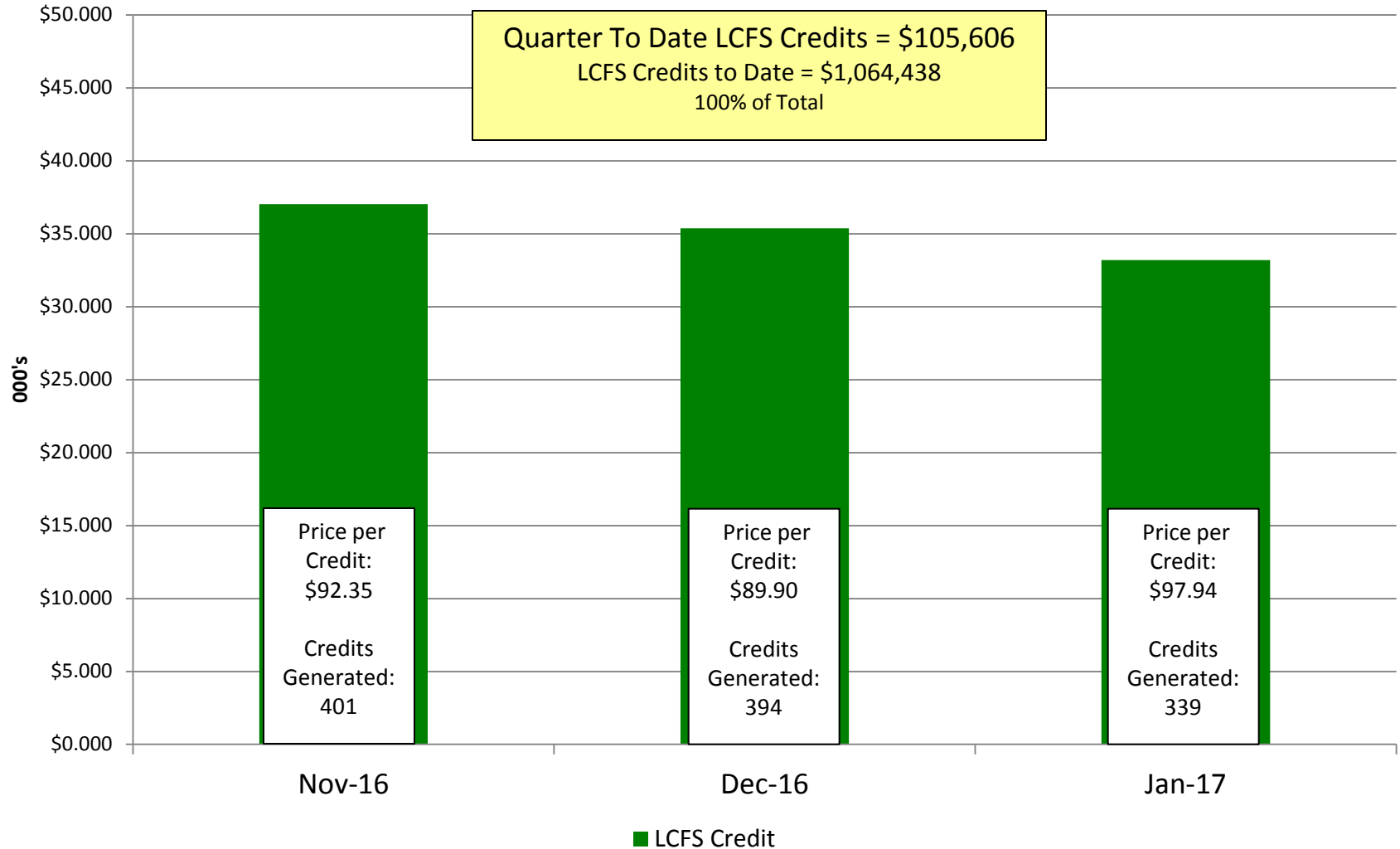
# Attachment B

## Renewable Identification Number (RIN's) Credit



## Attachment C

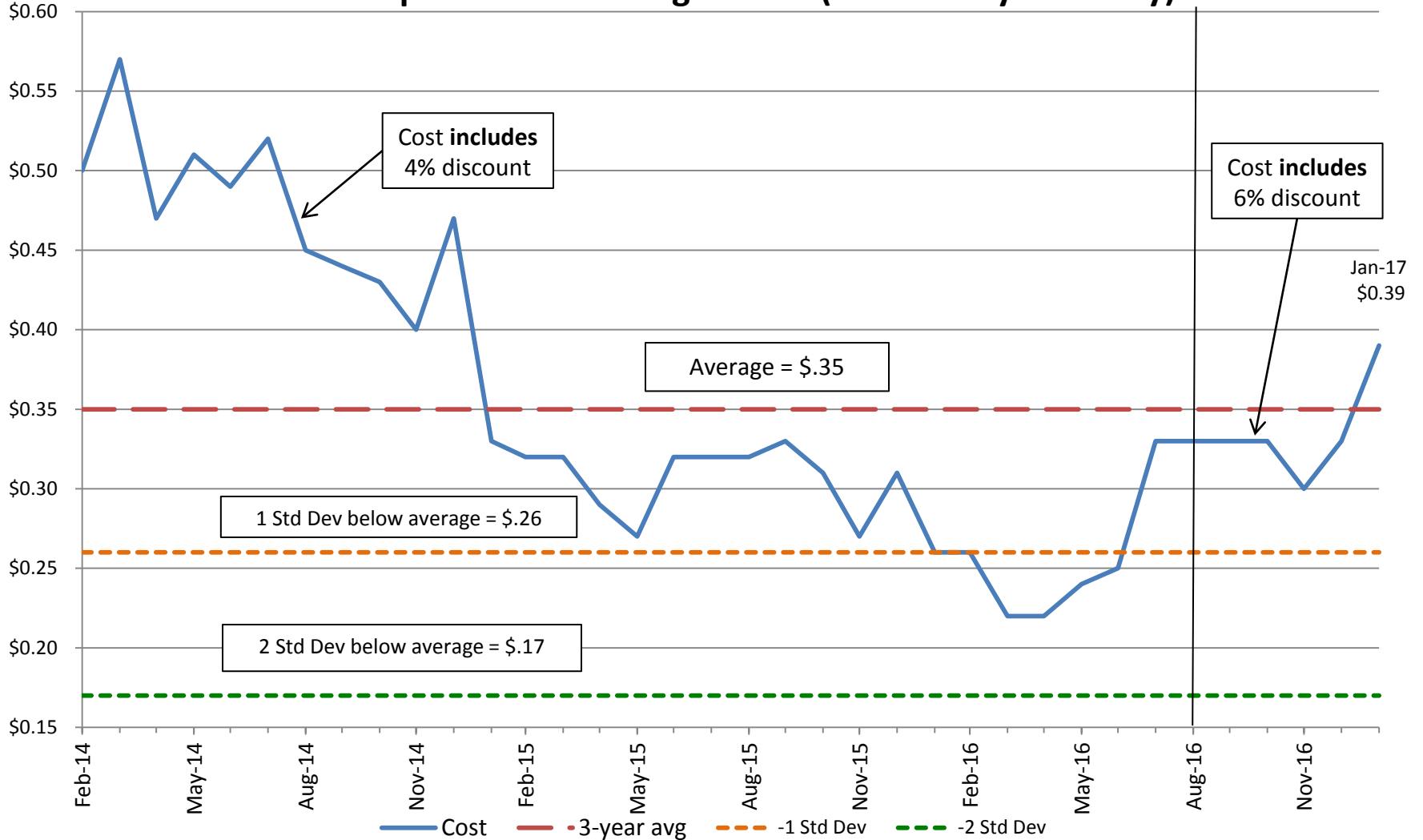
### Low Carbon Fuel Standards (LCFS) Credit





# Attachment D

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



RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Jim Kneepkens, Director of Marketing  
Craig Fajnor, Chief Financial Officer

SUBJECT: Authorize a Youth Summer Fare of 25 Cents per Boarding from June 1, 2017 through September 4, 2017

Summary: Historically, Riverside Transit Agency (RTA) bus ridership drops during the summer months. This begins in June, the end of the school year, as students stop riding the bus to get to local schools and colleges, commuters take vacations and warmer weather makes driving more comfortable.

With ridership expected to dip again this summer, staff believes now is an ideal time to reintroduce RTA as a viable summer transportation option. In an effort to promote public transportation and increase ridership during the summer for students in grades 1-12, staff proposes offering 25-cent rides for the entire summer. The promotion would run from June 1 through September 4. The 25-cent-per-boarding fare would be offered on any fixed-route bus including CommuterLink express buses. To qualify for the reduced fare, students would be required to show a school-issued student ID card from the most recent school year, an RTA Youth ID card, a California driver's license or state ID showing the student is 18 years old or younger.

On May 26, 2016, the RTA Board of Directors authorized a youth summer promotional fare of 25 cents per boarding for all fixed-route buses from June 1, 2016 through September 10, 2016. There were 148,000 boardings last summer utilizing the youth fare promotion. Staff estimates this represents approximately 38,000 more riders in the youth fare category than there would have been if there was no summer fare promotion.

Since the summer fare promotion was successful, on November 17, 2016, the RTA Board of Directors authorized a youth holiday fare of 25 cents per boarding from December 18, 2016 through January 8, 2017. There were 15,480 boardings last holiday utilizing the youth fare promotion. Staff estimates this represents approximately 6,200 more riders in the youth fare category than there would have been if there was no holiday fare promotion.

The 25-cent promotional youth summer fare presents an opportunity for significant savings to young customers. The regular youth fare on local bus service is \$1.50 per boarding, \$4 for a 1-day pass and \$35 for a 30-day pass. Youth CommuterLink fares are \$3 per boarding, \$7 for a 1-day pass and \$75 for a 30-day pass.

While some transit agencies offer students a discounted summer pass, RTA staff believes the proposed reduced cash fare is more advantageous. The 25-cent cash fare would eliminate the need for students to travel to a pass outlet or purchase a pass online, or have a pass that can be lost, stolen or damaged. The cash discount provides immediate savings and instant access to the bus. And, rather than spending money on bus fare, students can have more cash in their pockets at their destinations.

The promotional fare is designed to raise awareness and remind students and parents that public transportation is an available option during the summer. Long-term, the promotion is a way to establish continued bus ridership among students. During the promotion, staff expects an 11 percent increase in youth ridership over last year's promotion. Beyond the promotion, the goal is that new riders would continue to ride and current riders would become more frequent riders.

Marketing of the promotional fare will target both students and their parents, the latter often the decision-makers on how their children get around during the summer. Promotional materials will promote popular destinations accessible by bus --- the beach, the mall, the movies, or any place where they can hang out with friends --- all without bothering mom or dad for a ride. Marketing materials will also promote some of the benefits of riding the bus --- convenience, safety, reducing pollution, and time and money saved by the parents.

The promotional fare will be advertised on our website, social media, through email alerts, on-board brochures, rider alerts, and mailings directly to the schools and other local partners.

Fiscal Impact:

Although staff estimates an 11 percent increase in youth ridership during the promotion, a reduction in farebox revenue of less than \$83,000 is expected, resulting in an estimated .10 percent reduction of farebox recovery ratio.

Recommendation:

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

- Authorize Agency staff to implement a youth summer fare of 25 cents per boarding on all fixed-route buses from June 1 through September 4, 2017.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Amend Open Purchase Orders and Contracts to Increase Sales Tax as a Result of Passage of the City of Riverside's Measure Z

Summary: Sales tax in the City of Riverside (City) prior to January 1, 2017 was eight percent. On January 1, 2017 the State-wide sales tax rate was lowered by .25 percent due to the expiration of the tax increase under Proposition 30 which was approved by voters in 2012. Accordingly, the sales tax rate payable by the Agency for taxable goods since January 1, 2017 is 7.75 percent. Effective April 1, 2017, the City's Measure Z, approved by voters on November 8, 2016 established a one-cent Transaction and Use Tax.

For the Agency, the practical result is that purchases and/or deliveries made after April 1, 2017 will be subject to a new sales tax rate of 8.75 percent. This also effects transactions entered into prior to April 1, 2017 but with deliveries scheduled to occur on or after the April 1, 2017 effective date.

Staff reviewed the Agency's open purchase orders and contracts approved previously by the Board of Directors (BOD) and identified four that require amending as deliveries are anticipated to occur after April 1.

Lake Chevrolet, P.O. #39627 - Eight Heavy Duty Trucks

Purchase Order #39627 issued in the amount of \$499,028.00 was approved at the September 2016 BOD meeting. Delivery is scheduled on or about April 1; additional sales tax is calculated in the amount of \$3,463.50.

Genfare SPX, P.O. #40035 - Farebox Components

Purchase Order #40035 issued in the amount of \$634,331.23 was approved at the November 2016 BOD meeting. Delivery is scheduled on or about April 1; additional sales tax is calculated in the amount of \$4,392.41.

Tolar Manufacturing Company, P.O. #40537 - Bulk Bus Stop Amenities

Purchase Order #40537 issued in the amount of \$285,093 was approved at the November 2016 BOD meeting. Delivery is scheduled on or about April 1; additional sales tax is calculated in the amount of \$1,979.81.

Fritts Ford, P.O. #40235 - 10 Relief Vehicles

Purchase Order #40235 issued in the amount of \$184,668 was approved at the December 2016 BOD meeting. Delivery is scheduled on or about April 1; additional sales tax is calculated in the amount of \$1,281.84.

Fiscal Impact:

The total increase in sales tax for these four purchase orders is calculated to be \$11,117.56. There is sufficient funding in the Agency's capital and operating budgets to cover this increase.

Recommendation:

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

- Authorize staff to amend the above purchase orders to increase the sales tax as a result of passage of the City of Riverside's Measure Z.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 1, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Enter into Agreement No. 16-057 with York Risk Services Group, Inc. (York) for Third Party Administrator Services of Liability and Vehicle Physical Damage Insurance Claims

Summary: At the February 23, 2017 Board of Directors meeting, staff brought an item forward regarding the benefits of the Agency discontinuing its membership in the California Transit Indemnity Pool (CalTIP). CalTIP has provided the Agency's Liability and Vehicle Physical Damage insurance since the inception of the pool in 1987. Annual rising administrative costs for the pool and increasing insurance premiums prompted staff to investigate whether it would be beneficial to the Agency to discontinue its CalTIP membership and administrate its own Liability and Vehicle Physical Damage insurance program. The Board concurred with staff's recommendations and authorization was given to notify CalTIP that the Agency would cease participation in the insurance pool effective May 1, 2017.

Similar to the Agency's contract with its third party administrator for worker's compensation insurance, the successful provider under this Agreement will perform a variety of tasks, including the administration of Liability and Vehicle Physical Damage claims, advising staff on indemnity and expense reserve levels, monitoring and coordinating settlement of the Agency's claims and legal defense activities, and managing and maintaining records regarding claims history and losses.

As mentioned at last month's Board meeting, it was known early on during this process that, should the decision be made to exit from CalTIP, there would only be a small, sixty-day period of time in which to choose a new firm to bring to the Board for authorization to award a contract.

As a result, on November 14, 2016, the Agency issued Request for Proposal (RFP) No. 16-057. As is standard practice with all Agency procurements, the solicitation included a provision whereby the Agency reserved the right to withdraw the RFP at any time without prior notice if

the decision of the Board was to stay with CalTIP.

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. In addition, the Agency sent notices to the local Chambers’ of Commerce of those cities that are members of the Joint Powers Agreement (JPA). On December 19, 2016, staff received proposals from the following four firms.

Firm Name	Location
York Risk Services Group, Inc.	Parsippany, NJ
Carl Warren & Company	Phoenix, AZ
George Hills	Rancho Cordova, CA
Keenan & Associates	Torrance, CA

An evaluation committee representing staff from the purchasing, finance and risk management departments evaluated the proposals according to the criteria listed in the RFP. Firms were rated in four general areas: qualifications, related experience, references, staffing and project organization, work plan and completeness of response.

Next, staff conducted a price analysis based on the average yearly costs of the General Liability and Vehicle Physical Damage Claim Services. The following table illustrates the total five-year cost for each vendor:

Firm Name	Base Term (Years 1-3)	Option Year 1	Option Year 2	Extended Amount
York Risk Services Group, Inc.	\$156,266	\$78,944	\$82,707	\$317,917
George Hills	\$185,374	\$73,000	\$73,000	\$331,374
Carl Warren & Company	\$276,000	\$105,600	\$112,800	\$494,400
Keenan & Associates	\$375,000	\$125,000	\$125,000	\$625,000

Of the four proposing firms, the evaluation committee scored York the highest in technical rankings. It should be noted that York currently provides the claims administration under both the Liability and Vehicle Physical Damage programs for the Agency through CalTIP so they are very familiar with the Agency’s requirements. Further, the proposal



submitted by York commits the same staff currently providing services to the Agency. Additional benefits of York's proposal is that there would be little to no transition of data from one provider to another, no disruptions to existing claims due to a service provider change, and the same firm will continue to provide the Agency's insurance needs so there will be no disruption to internal processes. As shown in the above table, York submitted the lowest cost proposal.

Based on the above, staff has determined that York is the most technically responsive and responsible vendor and will provide the best value to the Agency.

As such, staff is recommending approval of a three-year contract with two one-year options to York for a total not to exceed contract amount of \$317,917 for the five-year period. Staff also recommends approval of a 10-percent contingency amount of \$31,791 for use towards unforeseen needs occurring over the next five years.

Fiscal Impact:

Funding for these services is included in the Agency's FY17 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 enter into Agreement No. 16-057 with York Risk Services Group, Inc. for Third Party Administrator Services of The Agency's Liability and Vehicle Physical Damage Insurance Claims for a five-year period in the amount of \$349,708 which includes the contingency of \$31,791.