RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING AGENDA

Budget and Implementation Committee

Time: 9:30 a.m.

Date: November 24, 2025

Location: BOARD ROOM
County of Riverside Administration Center
4080 Lemon St, First Floor, Riverside, CA 92501

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM
City of Palm Desert
73510 Fred Waring Drive, Palm Desert, CA 92260

LARGE CONFERENCE ROOM
French Valley Airport
37600 Sky Canyon Drive, Murrieta, CA 92563

COMMITTEE MEMBERS

Linda Molina, **Chair** / Eric Cundieff, City of Calimesa
Valerie Vandever, **Vice Chair** / Alonso Ledezma, City of San Jacinto
Jeremy Smith / Kasey Castillo, City of Canyon Lake
Raymond Gregory / Mark Carnevale, City of Cathedral City
Denise Delgado / To Be Appointed, City of Coachella
Scott Matas / Dirk Voss, City of Desert Hot Springs
Bob Magee / Natasha Johnson, City of Lake Elsinore
Bob Karwin / Dean Deines, City of Menifee
Ulises Cabrera / Edward Delgado, City of Moreno Valley
Cindy Warren / Lisa DeForest, City of Murrieta
Jan Harnik / To Be Appointed, City of Palm Desert
David Ready / Grace Garner, City of Palm Springs
James Stewart / Brenden Kalfus, City of Temecula
Chuck Washington, County of Riverside, District III
Yxstian Gutierrez, County of Riverside, District V

STAFF

Aaron Hake, Executive Director
David Knudsen, Deputy Executive Director

AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight
Competitive Federal and State Grant Programs
Countywide Communications and Outreach Programs
Countywide Strategic Plan
Legislation
Public Communications and Outreach Programs
Short Range Transit Plans

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
BUDGET AND IMPLEMENTATION COMMITTEE
www.rctc.org

AGENDA*
**Actions may be taken on any item listed on the agenda*
9:30 a.m.
Monday, November 24, 2025

BOARD ROOM
County of Riverside Administrative Center
4080 Lemon Street, First Floor
Riverside, California 92501

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM	**LARGE CONFERENCE ROOM**
City of Palm Desert	***French Valley Airport***
73510 Fred Waring Drive, Palm Desert, California	***37600 Sky Canyon Drive, Murrieta, California***

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

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1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Committee may, either at the direction of the Chair or by majority vote of the Committee, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. Also, the Committee may terminate public comments if such comments become repetitious. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Committee shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. ADDITIONS/REVISIONS *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*

6. CONSENT CALENDAR - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – OCTOBER 27, 2025

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6B. QUARTERLY FINANCIAL STATEMENTS

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Quarterly Financial Statements for the three months ended September 30, 2025.

6C. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

Page 27

Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2025.

6D. MONTHLY INVESTMENT REPORT

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Monthly Investment Report for the month ended October 31, 2025.

6E. ANNUAL INVESTMENT POLICY

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Approve the revised annual Investment Policy (the Policy); and
2) Adopt Resolution No. 25-010, *"Resolution of the Riverside County Transportation Commission Regarding the Revised Investment Policy"*.

7. STATE AND FEDERAL LEGISLATIVE UPDATE

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Adopt the Commission's 2026 State and Federal Legislative Platform; and
2) Receive and file a state and federal legislative update.

8. ADOPT RESOLUTION NO. 25-009 RELATED TO PROCUREMENT POLICY MANUAL

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

1) Approve the revised Riverside County Transportation Commission (RCTC) and Western Riverside County Regional Conservation Agency (RCA) Procurement Policy Manual (PPM) for the procurement and contracting activities undertaken by the agencies, pursuant to legal counsel review as to conformance to state and federal law; and
2) Adopt Resolution No. 25-009, "*Resolution of the Riverside County Transportation Commission Regarding the Revised Procurement Policy Manual*".

9. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

10. EXECUTIVE DIRECTOR REPORT

11. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

12. ADJOURNMENT

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., December 22, 2025**.

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

BUDGET AND IMPLEMENTATION COMMITTEE

Monday, October 27, 2025

MINUTES

1. CALL TO ORDER

The meeting of the Budget and Implementation Committee was called to order by Chair Linda Molina at 9:35 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California 92501 and at the teleconference sites: Council Chamber Conference Room, City of Palm Desert, 73510 Fred Waring Drive, Palm Desert, California 92260, and the Large Conference Room, French Valley Airport, 37600 Sky Canyon Dr., Murrieta, California 92563.

2. ROLL CALL

Members/Alternates Present	Members Absent
Denise Delgado*****	Scott Matas
Ed Delgado	James Stewart
Raymond Gregory**	Valerie Vandever
Yxstian Gutierrez	
Jan Harnik**	
Bob Karwin	
Bob Magee	
Linda Molina	
David Ready**	
Jeremy Smith	
Cindy Warren*	
Chuck Washington*	

*Joined the meeting at French Valley.
**Joined the meeting at Palm Desert.
****Arrived after the meeting was called to order.*

3. PLEDGE OF ALLEGIANCE

Commissioner Edward Delgado led the Budget and Implementation Committee in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

M/S/C (Gutierrez/Edward Delgado) to approve the following Consent Calendar item(s):

6A. APPROVAL OF MINUTES – AUGUST 25, 2025

6B. SINGLE SIGNATURE AUTHORITY REPORT

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Single Signature Authority report for the first quarter ended September 30, 2025.

6C. QUARTERLY FINANCIAL STATEMENTS

1) Receive and file the Quarterly Financial Statements for the twelve months ended June 30, 2025.

6D. QUARTERLY SALES TAX ANALYSIS

1) Receive and file the sales tax analysis for Quarter 2, 2025 (Q2 2025).

6E. MONTHLY INVESTMENT REPORT

1) Receive and file the Monthly Investment Report for the month ended August 31, 2025.

6F. MONTHLY INVESTMENT REPORT

1) Receive and file the Monthly Investment Report for the month ended September 30, 2025.

6G. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY – SEPTEMBER 2025

1) Receive and file the Quarterly Public Engagement Metrics Report for July through September 2025.

7. STATE AND FEDERAL LEGISLATIVE UPDATE

Tyler Madary, Legislative Affairs Manager, presented an update for the state and federal legislative activities, highlighting the following:

- State update
  - ✓ Senate Bill 512 (Pérez)
  - ✓ Cap-and-Trade Extension
- State update: Cap-and-Trade
  - ✓ Assembly Bill 1207 (Irwin) and SB 840 (Limón)
- Transit and Intercity Rail Capital Program (TIRCP)
  - ✓ Currently: 10 percent of GGRF revenues
  - ✓ Proposed: $400 million annually
- Low Carbon Transit Operations Program (LCTOP)
  - ✓ Currently: 5 percent of GGRF revenues
  - ✓ Proposed: $200 million annually
- State update: Cap-and-Invest
  - ✓ SB 840 Expenditure Plan

At this time, Commissioner Denise Delgado joined the meeting.

Tyler Madary continued presenting the following areas:

- Federal update
  - ✓ The Government shutdown
  - ✓ Postponed Advocacy trip to Washington, D.C.

Chair Molina asked if that means the Washington, D.C. trip is off for this year.

Aaron Hake, Executive Director, replied that the calendar does not really allow them to go back this calendar year.

Chair Molina stated that it is an important trip, it is unfortunate.

M/S/C for the Committee to recommend the Commission take the following action(s):

1) Receive and file a state and federal legislative update.

8. 2026 STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECT RECOMMENDATIONS

David Knudsen, Deputy Executive Director, presented the 2026 State Transportation Improvement Program (STIP) project recommendations, highlighting the following areas:

- 2026 STIP
  - Covers Fiscal Years 2026/27 through 2030/31
  - Funding available in FYs 2029/30 and 2030/31
  - Riverside County share = $37 million
  - Distribution based on Measure A Taxable Sales
  - Past STIP cycles: Measure A Taxable Sales by Geographic area
- Intracounty Formula Distribution
- Coachella
  - ✓ CV Synch Phase IV in Rancho Mirage - $6,057,419 in FY 2029/30
- Blythe
  - ✓ $115,113 STIP trade with Measure A approved at its September 2025 Commission meeting
  - ✓ Amend the MOU with Blythe after CTC adoption in March 2026
- Programming Criteria for Western County
  - ✓ Western County Riverside + Palo Verde = $25,054,131
  - ✓ Completed project study report (PSR) or PSR equivalent
  - ✓ Funding limited to FYs 2029/30 and 2030/31
  - ✓ To add projects prior to FY 2029/30, need to push out another project
- Western County
  - ✓ I-10/Highland Springs Interchange – Adjust funding to $8,000,000 for design
  - ✓ Pennsylvania Avenue Grade Separation
    - Award balance to Pass Area
    - $6,698,000 for construction in FY 2026/27
  - ✓ Temescal Canyon
    - Construction reprogrammed to FY 2028/29
    - Swap $7,150,000 of federal Surface Transportation Block Grant (STBG) with STIP
  - ✓ I-15 Southern Extension
    - Add $17,904,131 for construction
- 2026 STIP Recommendations table
- Next steps

David Knudsen stated Jillian Guizado, Planning and Programming Director, would usually present this today but she is on a scheduled vacation. He is available to take any questions they may have.

Commissioner Bob Magee referred to slide no. 3 and stated it showed $1.6 million going to planning, programming and monitoring (PPM) he thought he heard David Knudsen state that it goes to the County. He clarified that money stays with RCTC.

David Knudsen replied that it is correct it stays with the Commission.

Commissioner Magee stated on the reassignment of funds he is thrilled additional money is going to Interstate 15 Express Lanes Project Southern Extension, but Temescal Canyon Road is parallel to the southern extension. He thought Temescal Canyon Road was going through and asked what happened.

Aaron Hake, Executive Director, replied it is scheduled delays, it is still moving forward.

Commissioner Magee clarified they have not found a pocket mouse or a Crotch's bumble bee.

Aaron Hake replied no, he will have to check with Riverside County Transportation and Lane Management Agency (TLMA) he is thinking that it is right of way. Their goal here is to make sure that the project remains funded because the timing on the federal funds that are currently on that project is not good for that scheduled delay. They are proposing to simply swap the funds because RCTC can use them on I-15. RCTC will use them, and they will give them the STIP funds which are a little more patient so that Temescal Canyon can eventually use it.

Commissioner Yxstian Gutierrez commended staff for thinking outside the box in terms of figuring out away to still fund the full design for I-10 Highland Springs Interchange, it is very important especially for the Pass Area. It is unfortunate the California Transportation Commission (CTC) said it is 2032/33 but at least they were able to find a way to still fund the full design. He thanked staff and Aaron Hake for doing that.

Chair Molina expressed appreciation for the Pennsylvania Avenue Grade Separation as it is such an important project for traffic in that area.

Commissioner Jan Harnik stated this is a brilliant moving of funds to make sure they take care of the projects that are ready to go, and she thanked staff for all of that. She asked about the $7.15 million STBG funds that qualify for a specific project now they are moving it around and if it is met with any pushback.

David Knudsen replied RCTC has some funds that are still left over prior to the decision that funds now have to be shifted through the approval process from Southern California Association of Governments (SCAG). These funds are the original funds that RCTC has the flexibility to move around since they fall outside of the Federal Highway Administration (FHWA) findings.

Commissioner Cindy Warren asked what happens if this goes through and the Commissioners approve all of this, and CTC says no.

David Knudsen replied that luckily RCTC staff have been working with the CTC to design a program that they think the CTC are going to sign off on. They are keeping the CTC, and their counterparts there, fully updated with the process they are taking here and the projects they are trying to fund.

Commissioner Warren stated well done she is very impressed with how staff are keeping the projects moving forward that are ready to go and allowing others to get ready to go and still have funding for them down the road.

Aaron Hake wanted to add to David Knudsen's comment what usually happens if the CTC cannot accept their nominations in full, the edits the CTC makes usually have to do with the fiscal year where the funds are programmed. He explained if all the agencies around the state ask for too much in FY 28 for instance, they may have to spread the funds across different years. If that happens, they would work with the project sponsors or in this case if it was an RCTC project to figure out how to keep that flow of funds working knowing that eventually they will come. That is usually the issue, but they have always been able to work it out.

M/S/C (Washington/Warren) for the Committee to recommend the Commission take the following action(s):

1) **Approve 2024 State Transportation Improvement Program (STIP) reprogramming and 2026 STIP programming of $25,054,131 Western Riverside County and Palo Verde Valley target share funding capacity on Interstate 10/Highland Springs (I-10/Highland Springs), Temescal Canyon Road Widening (Temescal), Pennsylvania Avenue Grade Separation (Pennsylvania), and Interstate 15 Express Lanes Project Southern Extension (I-15 ELPSE), and submit to the California Transportation Commission (CTC);**
2) **Include 2026 STIP programming of $6,057,419 Coachella Valley target share funding capacity on CV Sync regional signal synchronization program for Phase IV in Rancho Mirage per recommendation by the Coachella Valley Association of Governments (CVAG) and submit to the CTC;**
3) **Include programming Planning, Programming, and Monitoring (PPM) funds (5 percent of STIP target share programming capacity) in the amount of $1,637,450 in Fiscal Years 2026/27 through 2030/31;**
4) **Submit the Riverside County 2026 STIP to the CTC by the statutory deadline of December 15, 2025;**
5) **Forward the Riverside County 2026 STIP project recommendations to the Southern California Association of Governments (SCAG) to conduct**

regional performance measures analysis as required by the CTC STIP guidelines;

6) **Approve Agreement No. 07-71-028-06, Amendment No. 6 to Agreement No. 07-71-028-00, with the city of Blythe (Blythe) to trade 2026 STIP programming of $115,113 Palo Verde Valley target share funding capacity and 2024 Local Partnership Program (LPP) Formula programming of $41,462 with Measure A Western Riverside County Highway funds to facilitate delivery of local arterial projects for a revised total amount not to exceed $5,017,515; and**

7) **Authorize the Executive Director, pursuant to legal counsel review, to finalize and execute the amendment, on behalf of the Commission, upon CTC adoption of the 2026 STIP in March 2026.**

9. AGREEMENT FOR NEXT GENERATION MOTORIST ASSISTANCE PROGRAM STUDY

Hanan Sawalha, Senior Management Analyst, presented the Motorist Aid Program Study Services agreement award, highlighting the following:

- Motorist Aid System background
  - ✓ RCTC is the designated Service Authority for Freeway Emergencies (SAFE) for Riverside County
  - ✓ Implements and manages motorist aid operations – Roadside Call Boxes, Freeway Service Patrol (FSP), and 511 Traveler Information System
- Call Box Program decommissioning
- Next generation Motorist Aid Study
  - ✓ Comprehensive assessment of Riverside County's Motorist Assistance Program (MAP)
  - ✓ Identify modern, reliable roadside assistance alternatives
    - o Approximately 18 months to complete
    - o Develop a data-driven, technology-forward roadmap
- Scope of the study
- Procurement process
- ICF Resources, LLC
  - ✓ Recommended for award based on strong qualifications and scope alignment
  - ✓ 50+ years in transportation planning, program evaluation, and ITS modernization
  - ✓ Project manager local to Coachella Valley
  - ✓ Team skilled in data analysis, equity planning, and emerging technologies
  - ✓ Proven results with NYSDOT, FHWA, and SCAG
  - ✓ Robust engagement plan integrating CHP, Caltrans, and key partners

Commissioner Bob Karwin stated he knows that they sunsetted the Call Box program largely because the vendors for maintenance and operations were no longer there. He asked if that is the same case for counties throughout the state.

Hanan Sawalha replied yes, their partners in San Bernardino have also decommissioned their program as well as Ventura, and Ventura had bigger more extensive networks for their Call Box program. Other agencies have not yet taken that official step but in speaking with their staff they are either waiting for their maintenance contract to expire before they take that step or are currently preparing their items for their respective Boards.

Commissioner Karwin stated he wanted to understand when Hanan Sawalha stated that RCTC is at the forefront of this of all the counties that are decommissioning their call boxes which will ultimately be all the counties and nobody has an alternate plan in place yet.

Hanan Sawalha replied not yet this why this is the first of its kind. Motorist Aid has kind of been the same throughout there are three main programs across various agencies 511, FSP, and Call Box so it has not been explored yet. She asked Aaron Hake if he wanted to respond.

Aaron Hake stated that while their partners in San Bernardino County are exploring their options they have not done what RCTC is currently doing. They have not brought in a professional to look into it, but they are watching what RCTC is doing and RCTC is going to be watching what they are doing. If this gets approved, RCTC has taken the most action and San Bernardino is also looking actively at what are they going to do next.

Commissioner Karwin stated where he is a little bit stunned is that the large counties like Los Angeles and San Francisco nobody has a plan for what is going to happen when they finally decommission all their call boxes.

Aaron Hake stated at this time Los Angeles County still has a program, they are keeping their call boxes in place they do not have a sunset date yet as Hanan Sawalha stated they are trending that way.

Commissioner Karwin asked if there is a reason that this was not done in advance of RCTC sunsetting the Call Box program as opposed to achieving this gap in sunsetting the program and whatever the Commission ends up implementing.

Hanan Sawalha replied they would have liked to have this done prior to unfortunately the issues with the maintenance vendor kind of appeared towards the end of their contract and their decision to sunset. It became an issue where the safest option for RCTC was to remove the call boxes because they did not want to risk a motorist going to a call box and it was not working. Staff had been developing and intended to conduct this study, but the timeline just did not work out where it was done before.

Aaron Hake stated he prefers that there would be no gap. Their hands did get forced by the vendor if the vendor had been not such a problem and they were not in a situation where they had unattended unmaintained call boxes he would have recommended to the Commission that they continue the program for a few more years while they did this step. He thinks they could have done this sooner, but they also got forced into a situation they were not expecting.

Commissioner Karwin appreciated that Riverside County is taking the forefront on this and being the leader instead of waiting to see what other agencies do, and they can set the tone for it. He also appreciates the work of staff to recognize this problem and not be afraid to take the reins on it.

Chair Molina clarified from previous discussions it was because everyone uses cell phones and has many other apps to kind of fill in the gaps on Motorist Aid.

Aaron Hake replied that it plays into it.

Commissioner Raymond Gregory expressed appreciation for seeing this move forward because it certainly is a first step towards a promise that was made when the call boxes were taken out. He stated he can find a lot on ICF Resources, LLC as it was stated they are a very large corporation with many projects, but it was mentioned that the project manager was based locally in Coachella Valley. The contract mentions Matt Sylvester, but he cannot find anything on Matt Sylvester in the Coachella Valley and asked if that is the project manager.

Hanan Sawalha stated the project manager is Debbie Maus, and she thinks that Matt Sylvester may be an overall project overseer, but the main project manager is Debbie Maus, and she is based out of Coachella Valley.

Commissioner Gregory asked Hanan Sawalha if she knew anything more specifically about where in the Coachella Valley.

Hanan Sawalha stated she believes Debbie Maus is a resident of the Coachella Valley and works there. She does not have specifics on office location there, but she can look into it.

Commissioner Gregory suggested to include Debbie Maus in a staff report if staff are going to make reference that the project manager is working out of the Coachella Valley maybe they should identify who it is.

Commissioner Harnik suggested having a physical location as it would be helpful also. She looked up ICF Resources, LLC, there was a lot of great information, and they seem like they do great work, but it would be nice to have a little specificity about this organization because as Chair Molina brought up did they not say let's get rid of the call boxes because of phones and apps. In the Coachella Valley they were quite reluctant because when going out towards Blythe there is no cell coverage, and those mobile phones and apps do not work out there. They were reluctant because they wanted to make sure the people on I-10 going through Coachella Valley towards Blythe could have some safety fall back. It is a big issue for them in the Coachella Valley, and they have, as they all know, a huge number of cars and goods movement going through the Coachella Valley without any access or communication. They would like to know a little bit more about ICF Resources, LLC, if staff could help with that.

Hanan Sawalha replied yes absolutely.

Chair Molina stated to Aaron Hake that she recalls also that there was a big issue about the no cell area but if they were to call 911, they would be connected.

Hanan Sawalha replied if a caller was just going to make any call and their cell provider did not have service that call may not work but if it is an emergency call regardless of who your provider is it will connect to any tower.

Chair Molina stated that hopefully it will help the people out in the desert.

M/S/C (Karwin/Smith) for the Committee to recommend the Commission take the following action(s):

1) **Award Agreement No. 26-45-003-00 to ICF Resources, LLC for Next Generation Motorist Assistance Program Study services, for an eighteen-month term, in an amount not to exceed $249,889; and**
2) **Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission.**

10. CITIZENS AND SPECIALIZED TRANSIT ADVISORY COMMITTEE TRANSIT NEEDS PUBLIC HEARING UPDATE

Eric DeHate, Transit Manager, presented an update for the Citizens and Specialized Transit Advisory Committee (CSTAC) Transit Needs Public Hearing, highlighting the following areas:

- Background
  - Transportation Development Act PUC 99238.5
    - ✓ Establish a Citizen Participation Process
    - ✓ Hold one public hearing represented by Social Services Transportation Advisory Council
  - RCTC created CSTAC
    - ✓ 13 members of the public and two CTSAs
    - ✓ Assists the Commission in fulfilling its TDA regulations
- Public Hearing

- Public Hearing was held on August 11, 2025
  - ✓ Advertised by transit operators, specialized transit providers and other stakeholders
  - ✓ 30-day notice in *The Press Enterprise, The Desert Sun and The Palo Verde Times*
  - ✓ Comments were made by email or verbally at the hearing
- Comments and feedback
  - ✓ 22 public comments received

- A table of the summary of comments received

Commissioner Karwin asked of the 22 comments was that a disappointing amount or was that in line with what staff expected.

Eric DeHate replied that over the years they have received additional comments prior to the pandemic they would get one or two comments from the committee. Since the pandemic they have been getting upwards between 20 to 50 comments a year, which has been helpful for the transit operators as they plan for all their service improvements. This is in line with what they received last year although this year's focus was a little more on the rail side as opposed to last year it was much more related to the bus side. Overall, the comments are about the same as far as number quantity, but the comments have been more insightful, and they were provided to the transit operators.

Commissioner Karwin asked if there is a way as an additional method posting a QR Code right on the transportation source whether it is a bus or a train or anything like that where they could comment right there at the time of transportation.

Eric DeHate replied on the flyer itself it does have a QR Code on it so when they ask the bus operators to provide the information to all the public they put them in seat drops so they can put them in the buses and then people are able to with their phone grab the QR Code and it takes them right to the website.

At this time, Commissioner Smith left the meeting.

Commissioner Karwin replied it is great because more data helps. He asked based on those 22 comments received, do they have a tracking of what actions if any were taken.

Eric DeHate replied they ask the operators to provide staff with an update they also meet with them on a quarterly basis and annually through the Short Range Transit Plan (SRTP) process. They do look for the operators to incorporate those comments into their planning.

Commissioner Karwin asked if there is follow up to see that they do.

Eric DeHate replied that there is follow-up when they meet with the operators and there are times, they take them through their Comprehensive Operational Analysis (COA) process as well, so it does take a little bit longer to give a response to getting those comments included into their service area. He stated that when there are changes in frequencies, routes, or adding a bus stop if there is a high enough demand, they research that they do come back to RCTC and let them know they researched it, and it looks like if they just move a bus stop it will take care of their comment. Other times it may not be feasible at the moment so they may look at a future time to incorporate those comments.

Commissioner Karwin stated he wanted to make sure they were responding rather than just taking and collecting the data.

Eric DeHate stated that Riverside Transit Agency (RTA) has at least had a track record if he gives RTA the email addresses RCTC receives through the email portal RTA will email the people and let them know they received their comment and that they will look at it. RTA has done a great job.

Chair Molina stated Metrolink has information on the trains also and they are on Arrow as well.

Eric DeHate replied they do provide most of the information to their rail team to work with Metrolink on any improvements since they may also be at their stations as well, which would be RCTC's responsibility.

M/S/C for the Committee to recommend the Commission take the following action(s):

1) Receive and file an update on the Citizens and Specialized Transit Advisory Committee (CSTAC) Transit Needs Public Hearing.

11. PUBLIC TRANSIT – HUMAN SERVICES TRANSPORTATION COORDINATED PLAN 2025 UPDATE

Eric DeHate stated that Dennis Brooks, AMMA Transit Planning, the consultant project manager who helped lead this effort for the past 14 months, is here today. Eric DeHate then presented the Public Transit – Human Services Transportation Coordinated Plan (Coordinated Plan) 2025 update, highlighting the following:

- Background
  - ✓ Purpose of the Coordinated Plan
    - o Federally required for public transit operators and social service agencies to receive federal funds
    - o Measure A Specialized Transit funding
  - ✓ Required Coordinated Plan elements
    1) Existing conditions assessment
    2) Stakeholder engagement

3) Goals and strategies development

Dennis Brooks presented the Coordinated Plan's findings and its final direction, highlighting the following areas:

- Demographics and target population
  - ✓ Riverside County population – 2.49 million
  - ✓ 18 percent at 150 percent of federal poverty level (450,000)
    - o 16 percent of the population is age 65+
    - o 24 percent – Persons report some type of disability
    - o 18 percent – Persons living below 150 percent of the federal poverty line
- Outreach activities
- Themes from the Outreach Process:
  - ✓ **Transportation Information** – The lack of and need for easier access to existing transportation services and trip planning tools.
  - ✓ **Coverage** – Growth in population has led to pockets of housing without transit.
  - ✓ **Safety and Security** – Providers are concerned about vehicle theft and vandalism.
  - ✓ **Rider Experience** – Riders are seeking shorter ride times, reliable on-time performance, and greater efficiency in transfers.
  - ✓ **Service Frequency** – Riders want greater service levels for more travel options.
  - ✓ **Transit Infrastructure Amenities and Access** – Riders with mobility issues need improved access to bus stops and amenities.

At this time, Commissioner Denise Delgado left the meeting.

Dennis Brooks continued to present the following areas:

- Survey results: Challenges and difficulties
  - ✓ What human service agencies heard from clients
  - ✓ Transportation difficulties experienced over year by riders
- Survey results: Helpful improvements
  - ✓ Agencies' clients would find these very helpful
  - ✓ Transit improvements respondents wants to see
- Goals and strategies
  - ✓ Goal 1: Build Capacity of Specialized and Alternative Transportation
  - ✓ Goal 2: Improve the Promotion of Available Transit Resources
  - ✓ Goal 3: Enhance Transit Growth, Coverage and Connections
  - ✓ Goal 4: Improve Transit Infrastructure and Travel Access
- Implementation
  - ✓ Engage - Interested, willing & able partners

- ✓ Support - FTA 5310 grant applications and Measure A Specialized Transit Program
- ✓ Promote - Other grant & funding opportunities

Chair Molinia asked Commissioner Gutierrez if it would be possible to use some of the grant funding to make some of the public service announcements (PSAs) or if those are out of style now. She is aware that every transit system has a special App to navigate their use and all that data when buses and trains come. She stated having a PSA to tell everybody like a cross reference if that is something that they could do.

Commissioner Gutierrez replied to Chair Molina yes, depending on the cost and he knows that they have those electronic signs that they could possibly use.

Chair Molina stated that the theme is the same people do not have enough information, and they are not familiar with scheduling. She stated that when she rides the train and buses, she will ask people all the time if they know about this or that and they do not know. It is amazing how many people do not know what is out there.

Commissioner Warren clarified the Commissioners did not vote on the last item and it states this item is for the Committee to recommend the Commission take the following action(s), how could they recommend something if they do not vote on it so she would like to vote on Agenda Item 10, *"Citizens and Specialized Transit Advisory Committee Transit Needs Public Hearing Update"* before they move forward.

Chair Molina clarified that it is a receive and file.

Eric DeHate also clarified that Agenda Item 10, *"Citizens and Specialized Transit Advisory Committee Transit Needs Public Hearing Update"* was a receive and file.

Commissioner Warren clarified that this Committee does not need a vote to recommend to the full Commission.

Aaron Hake stated that they do not. Staff will put it on the agenda for the Commission, so the full Commission receives and files it, but they do not need an action of this Committee to do that.

M/S/C for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Public Transit-Human Services Transportation Coordinated Plan (Coordinated Plan) 2025 Update.

12. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

There were no items pulled from the Consent Calendar.

Chair Molina thanked all the Commissioners today for their participation and all the staff and presenters today.

13. EXECUTIVE DIRECTOR REPORT

Aaron Hake:

- Referred to the State and Federal Legislative Update agenda item that was presented today and wanted to highlight a couple of things. Since they just had two items about transit there is something particularly important to their transit operators in the state legislature's reauthorization of the Low Carbon Transit Operations Program (LCTOP). Their transit operators use that program to provide discounted fares to youth and other populations that have been very popular and helped with ridership. It was a priority of the transit agencies that that funding gets reauthorized and so that is one piece of good news that comes out of that legislative action to reauthorize that program. However, from their prospective there is a big imbalance in the Cap-and-Trade Program. There was a guaranteed commitment to the High-Speed Rail project and no commitment to the rail system in Southern California which does need significant investment. They will continue to advocate for that but unfortunately the program is locked in now by the new law that was signed. There is still opportunity for RCTC to get transit funds down here but not nearly in the way that they had hoped.
- Referred to SB 512 that was vetoed by the Governor. There could be a citizen's initiative that takes shape for a future ballot it could be 2026 or it could be beyond that this Commission will not be involved in. If the citizens do put a measure on the ballot for transportation funding in the county, that bill was sort of a legal belt and suspenders to ensure that they can implement whatever initiative takes shape. Not only for RCTC this is happening in other counties throughout the state where initiatives are taking shape to direct funding to the transportation authorities in those counties. They feel confident that should one pass, the Commission should be able to implement it, but that bill was intended to make it abundantly clear that that was the legislature's intent. They will continue to monitor legislation around that issue and continue to monitor whether a citizens initiative files with the Registrar in the months ahead.

14. COMMISSIONER COMMENTS

14A. Commissioner Karwin invited everyone to the Menifee State of the City Address on November 7. The remarks given by him will start about 6:00 p.m. it is going to be at the Mount San Jacinto College Football Stadium in Menifee. There is a VIP reception before hand if they want to contact the city of Menifee or Chamber of Commerce to attend that.

Chair Molina wished everyone a happy and safe Halloween. Also, there is a time change this weekend.

15. ADJOURNMENT

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:34 a.m.

Respectfully submitted,

Tara S. Byerly

Tara S. Byerly
Deputy Clerk of the Board

AGENDA ITEM 6B

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	Jennifer Fuller, Deputy Director of Finance
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Quarterly Financial Statements

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Quarterly Financial Statements for the three months ended September 30, 2025.

BACKGROUND INFORMATION:

During the first three months of the fiscal year, staff monitored the revenues and expenditures of the Commission. The first quarter of the fiscal year is primarily directed toward completing fiscal year-end activities for the prior fiscal year along with the transactions between July 1st and September 30th. In the upcoming quarter, staff anticipates revenue and expenditure categories to present a more realistic outlook as more transactions take place.

The operating statement (Quarterly Budget to Actual) presents Measure A, Local Transportation Fund (LTF), State Transit Assistance, and State of Good Repair sales tax revenue for the quarter at seven percent of the budget. This is in line with the prior year. The California Department of Tax and Fee Administration collects Measure A and LTF funds and remits these funds to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. Accordingly, these financial statements reflect Measure A and LTF revenues related to collections only for July 2025. The State Transit Assistance revenues, including State of Good Repair for the first quarter, are expected to be received in the second quarter. Staff will continue to monitor the trends in the sales taxes and report to the Commission any necessary adjustments in revenue projections.

Federal, state, and local reimbursements are generally received on a reimbursement basis. The Commission will receive these revenues as eligible project costs are incurred and invoiced to the respective agencies. The negative revenue amounts for federal and state reimbursements reflect the reversal of FY 2024/25 accrued revenues at the beginning of FY 2025/26 in excess of amounts billed during the first quarter. Reimbursement invoices for expenditures for the first quarter will be prepared and submitted during the second quarter. The local reimbursements relate to funding from the Western Riverside Council of Governments (WRCOG) for State Route 79 Realignment and from RCA.

The Commission estimated Transportation Uniform Mitigation Fee (TUMF) revenues at $30 million for fiscal year FY 2025/26. The Commission did not receive any TUMF payments from WRCOG in the first quarter. Staff expect to receive payments related to the first quarter during the second quarter.

The RCTC 91 Express Lanes and 15 Express Lanes toll revenues, penalties, and fees are at $25,553,252 and $13,707,011, respectively, totaling $39,260,262 for the first quarter of FY 2025/26. The operating statement shows toll revenues, penalties, and fees at 27 percent of the budget. This reflects periodic toll rate changes made based on traffic volumes according to the approved toll policy. Staff will continue to monitor the toll transactions and/or trips and non-toll revenues.

During the FY 2025/26 budget process, the Commission estimated investment income at $44 million. The operating statement (Quarterly Budget to Actual) shows investment income, which includes net unrealized investment gains and losses at approximately $2.7 million or about 6 percent of budget. RCTC did not receive the information for the first quarter's interest income earned from the Riverside County Treasurer's Pool Investment Fund until the second quarter.

The expenditure/expenses and other financing sources/uses categories are in line overall with the expectations with the following exceptions:

- Salaries and benefits are under budget primarily due to unfilled positions.
- Professional services are under budget primarily due to unused budget authority related to timing differences as for many services only one or two monthly invoices had been received and paid by September 30th;
- Support Costs are about 33 percent of budget. These costs primarily include Commission leases expenses including office space, maintenance and repairs for Commission owned stations, and insurance costs. Costs are elevated during the first quarter as yearly insurance amounts are paid as well as four months of rent on the space leased in the County Administrative Center.
- Program operations are under budget due to unused budget authority for rail station security, toll operations, motorist and commuter assistance program operations, and highway and rail program management;
- The status of significant Commission capital projects (engineering, construction, design-build, and right of way/land – expenditure categories) with budget amounts exceeding $5 million is discussed within Attachment 2;
- Operating and capital disbursements are made as claims are submitted to the Commission by transit operators;
- Local street and roads expenditures are related to Measure A sales tax revenues;

- Engineering, design build, right of way/land, and regional arterials are all negative reflecting the reversal of FY 2024/25 accrued expenditures at the beginning of FY 2025/26 more than amounts spent during the first quarter. As more invoices are paid, this expenditure line will be more aligned with budget expectations.
- Regional arterial expenditures represent activity for the highway and regional arterial program administered by the Coachella Valley Association of Governments (CVAG);
- Principal payments are made annually on June 1 for commissioned owned debt, while debt service interest payments are made semiannually on both December 1 and June 1. In accordance with the applicable accounting standards related to the RCTC 91 and 15 Express Lanes Enterprise funds record accrued and compounded interest on its related debt such as the RCTC 91 Express Lanes 2021 Toll Refunding Bonds and 2013 Toll Revenue Bonds, and Series B capital appreciation bonds for the 91 Project.
- Capital outlay expenditures are under budget due to unused budget authority for office improvements; property improvements for station rehabilitation; toll operations equipment; smart freeways equipment; and Commission network, hardware, and software improvements;
- Transfers in and out include the first quarter administrative cost allocation, Measure A Sales Tax Bonds funding, and LTF disbursements for planning and programming activities.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachments:
1) Quarterly Financial Statements – September 2025
2) Quarterly Project Status – September 2025

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY BUDGET TO ACTUAL
1st QUARTER
FOR 3 MONTHS ENDED 09/30/2025

	FY 2025/26 BUDGET	1st QUARTER ACTUALS	REMAINING BALANCE	PERCENT UTILIZATION
Revenues				
Sales tax	443,936,200	33,122,263	410,813,937	7%
Federal reimbursements	82,643,100	(5,915,041)	88,558,141	-7%
State reimbursements	116,380,100	(6,916,584)	123,296,684	-6%
Local reimbursements	88,560,000	9,266,487	79,293,513	10%
Transportation Uniform Mitigation Fee	30,000,000	-	30,000,000	0%
Tolls, penalties, and fees	147,857,700	39,260,262	108,597,438	27%
Other revenues	949,900	327,491	622,409	34%
Investment income	44,392,100	2,722,790	41,669,310	6%
Total revenues	954,719,100	71,867,668	882,851,432	8%
Expenditures/Expenses				
Salaries and benefits	20,963,400	3,656,592	17,306,808	17%
Professional and support				
Professional services	34,551,200	2,767,134	31,784,066	8%
Support costs	23,593,700	7,879,837	15,713,863	33%
Total Professional and support costs	58,144,900	10,646,971	47,497,929	18%
Projects and operations				
Program operations	53,696,310	8,540,301	45,156,009	16%
Engineering	68,595,700	(507,726)	69,103,426	-1%
Construction	298,385,670	10,983,925	287,401,745	4%
Design Build	16,519,100	(60,410)	16,579,510	0%
Right of way/land	65,366,500	(2,712,946)	68,079,446	-4%
Operating and capital disbursements	278,980,900	68,094,346	210,886,554	24%
Special studies	7,098,800	399,233	6,699,567	6%
Local streets and roads	78,891,900	6,431,544	72,460,356	8%
Regional arterials	60,000,000	(11,218,659)	71,218,659	-19%
Total projects and operations	927,534,880	79,949,609	847,585,271	9%
Debt service				
Principal	40,690,000	-	40,690,000	0%
Interest	56,231,200	6,350,526	49,880,674	11%
Total debt service	96,921,200	6,350,526	90,570,674	7%
Capital outlay	7,926,100	130,617	7,795,483	2%
Depreciation	-	-	-	N/A
Loss on sale of land	-	-	-	N/A
Total Expenditures/Expenses	1,111,490,480	100,734,315	1,010,756,165	9%
Excess revenues over (under) expenditures/expenses	(156,771,380)	(28,866,648)	(127,904,732)	18%
Other financing sources/(uses)				
Transfer in	298,363,700	25,139,297	273,224,403	8%
Transfer out	(298,363,700)	(25,139,297)	(273,224,403)	8%
Total financing sources/(uses)	-	-	-	N/A
Net change in fund balances	(156,771,380)	(28,866,648)	(127,904,732)	18%
Fund balance July 1, 2025	1,805,547,000	1,744,561,253	1,805,547,000	97%
Fund balance September 30, 2025	1,648,775,620	1,715,694,606	1,677,642,268	104%

Fund Balance (actual) at July 1, represents Governmental Activities (fund balance) amounts and Enterprise Cash and Restricted investments at 6/30/2025

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY
BUDGET TO ACTUAL BY FUND
1st QUARTER
FOR 3 MONTHS ENDED 09/30/2025

			SPECIAL REVENUE FUNDS											
			MEASURE A SALES TAX			TRANSPORTATION DEVELOPMENT ACT								
	GENERAL FUND	FSP/SAFE	WESTERN COUNTY	COACHELLA VALLEY	PALO VERDE VALLEY	LOCAL TRANSPORTATION FUND	STATE TRANSIT ASSISTANCE	STATE OF GOOD REPAIR	SB 125 - TIRCP	TRANSPORTATION UNIFORM MITIGATION FEE (TUMF)	COACHELLA VALLEY RAIL	OTHER AGENCY PROJECTS	REGIONAL CONSERVATION	SB132
Revenues														
Sales tax	$ -	$ -	$ 17,249,588	$ 3,946,774	$ 70,381	$ 11,855,521	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal reimbursements	(868,710)	-	(5,046,331)	-	-	-	-	-	-	-	-	-	-	-
State reimbursements	128,830	112,292	(7,157,706)	-	-	-	-	-	-	-	-	-	-	-
Local reimbursements	-	-	(191,925)	-	-	-	-	-	-	8,113,848	-	(22,568)	1,325,192	-
Transportation Uniform Mitigation F	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tolls, penalties, and fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	19	-	294,024	-	-	-	-	-	-	7,000	-	-	-	-
Investment income	50,479	-	544,307	75,831	-	-	151,662	-	-	151,662	-	-	-	-
Gain on sale of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	(689,382)	112,292	5,691,956	4,022,605	70,381	11,855,521	151,662	-	-	8,272,510	-	(22,568)	1,325,192	-
Expenditures/Expenses														
Salaries and benefits	1,539,587	30,857	647,126	-	-	-	-	-	6,323	95,904	28,643	12,823	652,959	-
Professional and support														
Professional services	738,089	3,637	230,242	1,665	-	-	3,333	-	-	40,793	6,640	-	824,620	-
Support costs	2,094,901	14,939	1,331,040	-	-	-	-	-	-	-	-	-	407,626	-
Total Professional and support costs	2,832,990	18,576	1,561,282	1,665	-	-	3,333	-	-	40,793	6,640	-	1,232,246	-
Projects and operations														
Program operations	-	683,442	1,951,017	-	-	-	-	-	11,377	55,921	20,221	8,221	8,494	-
Engineering	-	-	(1,528)	-	-	-	-	-	-	(536,289)	108	9,788	-	-
Construction	-	-	12,019,175	-	-	-	-	-	-	(61,303)	-	-	-	-
Design Build	-	-	(339,872)	-	-	-	-	-	-	-	-	-	-	-
Right of way/land	-	-	(2,839,738)	-	-	-	-	-	10,400	99,149	-	(29,893)	47,136	-
Operating and capital disbursement	1,216,142	-	675,992	1,750,000	-	69,873,876	(3,337,716)	(2,083,948)	-	-	-	-	-	-
Special studies	261,980	-	(1,397)	-	-	-	-	-	-	-	-	-	-	-
Local streets and roads	-	-	4,979,792	1,381,371	70,381	-	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	(11,218,659)	-	-	-	-	-	-	-	-	-	-
Total projects and operations	1,478,122	683,442	16,443,440	(8,087,288)	70,381	69,873,876	(3,337,716)	(2,083,948)	21,777	(442,522)	20,329	(11,884)	55,630	-
Debt service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	(198,413)	-	127,774	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures/Expenses	5,652,286	732,875	18,779,622	(8,085,623)	70,381	69,873,876	(3,334,383)	(2,083,948)	28,100	(305,825)	55,612	939	1,940,835	-
Excess revenues over (under) expenditures/e	(6,341,668)	(620,583)	(13,087,666)	12,108,228	-	(58,018,356)	3,486,045	2,083,948	(28,100)	8,578,335	(55,612)	(23,507)	(615,643)	-
Other financing sources/(uses)														
Transfer in	7,843,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out	(496,400)	(84,500)	(18,612,397)	(149,900)	(5,200)	(4,514,900)	(200)	-	-	(99,900)	(22,400)	-	(611,500)	-
Total financing sources/(uses)	7,346,600	(84,500)	(18,612,397)	(149,900)	(5,200)	(4,514,900)	(200)	-	-	(99,900)	(22,400)	-	(611,500)	-
Net change in fund balances	1,004,932	(705,083)	(31,700,064)	11,958,328	(5,200)	(62,533,256)	3,485,845	2,083,948	(28,100)	8,478,435	(78,012)	(23,507)	(1,227,143)	-
Fund balance July 1, 2025	41,638,227	14,700,623	532,829,032	66,767,816	-	388,170,511	161,469,466	14,720,939	-	180,545,350	2,364,134	62,808	51,647	2,914,807
Fund balance September 30, 2025	$ 42,643,159	$ 13,995,541	$ 501,128,968	$ 78,726,144	$ (5,200)	$ 325,637,255	$ 164,955,311	$ 16,804,887	$ (28,100)	$ 189,023,785	$ 2,286,123	$ 39,301	$ (1,175,496)	$ 2,914,807

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	ENTERPRISE FUND		CAPITAL PROJECTS FUNDS			
	15 EXPRESS LANES	91 EXPRESS LANES	COMMERCIAL PAPER	SALES TAX BONDS	DEBT SERVICE	COMBINED TOTAL
Revenues						
Sales tax	$ -	$ -	$ -	$ -	$ -	$ 33,122,263
Federal reimbursements	-	-	-	-	-	(5,915,041)
State reimbursements	-	-	-	-	-	(6,916,584)
Local reimbursements	-	41,940	-	-	-	9,266,487
Transportation Uniform Mitigation F	-	-	-	-	-	-
Tolls, penalties, and fees	13,707,011	25,553,252	-	-	-	39,260,262
Other revenues	26,448	-	-	-	-	327,491
Investment income	-	1,494,910	143,239	21,318	89,382	2,722,790
Gain on sale of land	-	-	-	-	-	-
Total revenues	13,733,458	27,090,101	143,239	21,318	89,382	71,867,668
Expenditures/Expenses						
Salaries and benefits	259,288	383,083	-	-	-	3,656,592
Professional and support						
Professional services	316,355	601,760	-	-	-	2,767,134
Support costs	2,166,530	1,864,801	-	-	-	7,879,837
Total Professional and support costs	2,482,885	2,466,561	-	-	-	10,646,971
Projects and operations						
Program operations	1,750,341	4,051,267	-	-	-	8,540,301
Engineering	68,133	(47,938)	-	-	-	(507,726)
Construction	-	(973,947)	-	-	-	10,983,925
Design Build	265,565	13,897	-	-	-	(60,410)
Right of way/land	-	-	-	-	-	(2,712,946)
Operating and capital disbursement	-	-	-	-	-	68,094,346
Special studies	-	138,651	-	-	-	399,233
Local streets and roads	-	-	-	-	-	6,431,544
Regional arterials	-	-	-	-	-	(11,218,659)
Total projects and operations	2,084,039	3,181,930	-	-	-	79,949,609
Debt service						
Principal	-	-	-	-	-	-
Interest	-	6,350,526	-	-	-	6,350,526
Cost of issuance	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Total debt service	-	6,350,526	-	-	-	6,350,526
Capital outlay	100,628	100,628	-	-	-	130,617
Depreciation	-	-	-	-	-	-
Loss on sale of land	-	-	-	-	-	-
Total Expenditures/Expenses	4,926,841	12,482,728	-	-	-	100,734,315
Excess revenues over (under) expenditures/e	8,806,618	14,607,373	143,239	21,318	89,382	(28,866,648)
Other financing sources/(uses)						
Transfer in	-	-	-	-	17,296,297	25,139,297
Transfer out	(229,600)	(312,400)	-	-	-	(25,139,297)
Total financing sources/(uses)	(229,600)	(312,400)	-	-	17,296,297	-
Net change in fund balances	8,577,018	14,294,973	143,239	21,318	17,385,679	(28,866,648)
Fund balance July 1, 2025	72,879,517	237,355,368	11,847,729	2,790,423	13,452,855	1,744,561,253
Fund balance September 30, 2025	$ 81,456,535	$ 251,650,341	$ 11,990,969	$ 2,811,741	$ 30,838,534	$ 1,715,694,606

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY PROJECT STATUS
1st QUARTER
FOR Three MONTHS ENDED 09/30/2025

Project Description	FY 2025/26 through 1st Quarter Revised Budget	Expenditures through 1st Quarter Actuals	Project Status
91 Express Lanes (P009103 & P009104) These projects provide pavement repair of SR-91 express lanes, the modification of the median barrier wall, the replacement of the active traffic management system, as well as the implementation of dynamic pricing, the occupancy detection system, and various miscellaneous software changes. ***The FY 2025/26 adopted budget amount is $7,362,800.***	$1,916,018	$54,350	The underrun of the FY 2025/26 budget in the first quarter is due to the following for each project: • Project 9103: The underrun is due to Preliminary Engineering and Construction for the remaining straight-line Q1 portion. The pavement rehab construction will be completed during the second quarter of FY 2025/2026 ($0.6 million). • Project 9104: The 91 Express Lanes dynamic pricing system was completed in the third quarter of FY 2024/25. The underrun in Construction ($1.9 million) was due to an unbilled accrual that was offset by the overrun in Toll Services ($0.7 million), that includes occupancy detection system, advanced traffic management system, and data warehouse.
Coachella Valley Rail – Tier II (P004203) This project proposes daily intercity passenger rail service between Los Angeles and the Coachella Valley, spanning approximately 144 miles with up to nine stations across Los Angeles, Orange, San Bernardino, and Riverside counties. With Tier 1 environmental clearance certified in July 2022, RCTC and Caltrans are pursuing funding for the Tier II/Project-Level environmental analysis. ***The FY2025/26 adopted budget amount is $10,711,700.***	$2,671,925	$52,306	The underrun of the FY 2025/26 budget in the first quarter is due to Preliminary Engineering ($2.5 million) that isn't scheduled to commence until the third quarter of FY2025/2026.
I-15 Express Lanes Southern Extension (P153044) The project will add express lanes between SR-74 and Cajalco Road. The estimated project cost is $544 million with the Project Approval and Environmental Document (PA/ED) phase of work funded by federal Congestion Mitigation and Air Quality (CMAQ) funds and Measure A. ***The FY2025/26 adopted budget amount is $16,989,800.***	$4,247,450	$669,787	The underrun of the FY 2025/26 budget in the first quarter is due to a PDB procurement delay to allow the draft environmental document to circulate for public comment resulting in a deferral of work for the project construction manager ($2.7 million), preliminary engineering ($0.3 million) of PA&E contract authority that was budgeted to respond to

Project Description	FY 2025/26 through 1st Quarter Revised Budget	Expenditures through 1st Quarter Actuals	Project Status
			potential DED challenges that were not received, and other professional services ($0.2 million)
Mid County Parkway (MCP) (P002302, P002317, P002320, P002324, & P002328) The environmental document for a new corridor from I-215 to SR-79 was approved in April 2015. The first design package is under construction. Construction of this new facility is scheduled for completion over multiple years as funding becomes available; the total project cost is estimated at $1.3 to $2.1 billion. ***The FY2025/26 budget amount is $77,303,700.***	$19,295,425	($856,125)	The underrun of the FY 2025/26 budget for the first quarter is primarily due to the following for each project: • MCP: The minimal underrun is due to ROW support services ($0.07 million). • MCP I-215/Placentia Interchange: The minimal underrun for this project was due to ROW support services ($0.02 million). • MCP Mitigation: The first year of plant establishment was completed during the beginning of the third quarter in FY 2020/21 and the underrun in the first quarter of FY 2025/26 was due to ROW support services ($ 0.5 million). • MCP2 and MCP3: The Commission approved the shift from MCP2 to MCP3 at the May 2022 Commission meeting. The underrun on MCP2 was due to ROW acquisition/support services ($1.5 million) and the underrun on MCP3 was due to construction ($15.4 million) and construction management/support ($1.4 million) that isn't scheduled to start until the third quarter of FY2025/26.
71/91 Connector Project (P003021) The project includes ROW acquisition, utility relocation, and environmental revalidation work for improvements to the 71/91 connector. The estimated project cost is $118 million. ***The FY2025/26 adopted budget amount is $9,539,700.***	$2,384,925	$2,031,080	The minimal underrun of the FY 2025/26 budget for the first quarter is due to final design ($0.3 million).

Project Description	FY 2025/26 through 1st Quarter Revised Budget	Expenditures through 1st Quarter Actuals	Project Status
SR-79 Project (P003003, P005127, P005146, P005147, and P005148) The project includes the preliminary engineering environmental document, which was approved in October 2016, ROW activities for the mitigation of the project, and Segment 3 design of a new county expressway (approximately 2.7 miles), including ROW acquisition. ***The FY 2025/26 adopted budget amount is $44,383,600.***	$ 11,093,125	$293,897	The underrun of the FY2025/26 budget in the first quarter is primarily due to the following for each project: • SR-79 Realignment Study: The underrun was due to special studies ($0.2 million). • SR-79 Realignment ROW: The minimal overrun was due to ROW Support ($0.01 million) for the project. • SR-79 Re-Alignment Segment 3 & Segment 1: The underrun in ROW acquisitions ($5.8 million) is due to ongoing acquisition negotiations with property owners for Segment 3 and ($3.5 million) for Segment 1.
Smart Freeways (P003051) The project includes environmental clearance, design, and commence construction of a pilot project to install a smart freeway system on northbound I-15 in the city of Temecula. ***The FY2025/26 adopted budget amount is $9,400,800.***	$5,350,200	$5,285,214	The minimal underrun of the FY 2025/26 budget is due to unbilled accruals for construction support services ($1.5 million) that was offset by an overrun in construction (1.5 million) that is scheduled to complete in the second quarter of FY2025/2025.
Santa Ana River Trail Extension (SART) (P007201 & P007202) The Commission provides support to the Riverside County Regional Park and Open Space District (District) for the projects under a cooperative planning and development agreement. The district is the lead agency for environmental compliance for NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction. The projects are a joint effort with between public and private agencies including the county of Orange and the United States Army Corps of Engineers. The district is responsible for 100% of costs. ***The FY2025/26 adopted budget amount is $14,361,800.***	$ 3,590,450	$939	The underrun of the FY 2025/26 budget is due to ROW acquisition/support ($1.0 million), construction ($2.0 million), and construction management ($0.3 million) for SART 2 that are not scheduled to commence until FY 2026/27. The minimal underrun in SART 1 is due ROW support ($0.02 million) and final design ($0.01 million) in preparations of project ramp down for circulation of environmental documents for the public. Project is contingent on funding from Riverside County Parks.

Project Description	FY 2025/26 through 1st Quarter Revised Budget	Expenditures through 1st Quarter Actuals	Project Status
South Perris Station and Layover Facility (P003837) The South Perris Station and Layover Facility Project is the result of the combined efforts between the Commission and SCRRA, to improve the existing loading platform, along the Metrolink Perris Valley Line. The improvements, along with other added amenities, will add 1,100 feet of new track which will service 2 additional passenger trains for loading and deboarding services. In addition, the project includes a 4th layover track at the south layover maintenance yard for various operations of the track. ***The FY 2025/26 adopted budget amount is $15,087,100.***	$ 3,771,775	$79,706	The underrun of the FY 2025/26 budget in the first quarter is due to construction ($2.7 million) that is not scheduled to commence until the fourth quarter of FY 2025/26, construction management ($0.4 million), and construction support services ($0.5 million).
EB 91 COP (P913055) This project will add an operational lane approximately 3 miles in length in the eastbound direction on SR-91 from the SR-241 general purpose connector to the SR-71 connector auxiliary lane. ***The FY 2025/26 adopted budget amount is $6,143,800.***	$1,816,700	$338,844	The underrun of the FY 2025/26 budget in the first quarter is due to construction ($0.3 million) not being utilized and the extension of the RFQ release date, which resulted in underutilized project construction manager ($0.9 million) and special legal services ($0.3 million).

This list discusses the significant capital projects (i.e., total budgeted costs more than $5 million) and related status. Capital project expenditures are affected by lags in invoices submitted by contractors and consultants, as well as issues encountered during certain phases of the projects. The capital projects budgets tend to be based on aggressive project schedules.

AGENDA ITEM 6C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	John Tarascio, Senior Capital Projects Manager
THROUGH:	Erik Galloway, Project Delivery Director
SUBJECT:	Quarterly Reporting of Contract Change Orders for Construction Contracts

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2025.

BACKGROUND INFORMATION:

During the past quarter, July through September 2025, the Commission has had the following projects with open construction contracts:

1. SR-71 / SR-91 Interchange Project
2. MVMF Platform and Track Expansion
3. SR-60 Truck Lanes Project
4. I-15 SMART Freeways Project

DISCUSSION:

At the direction of the Executive Committee at its March 2021 meeting, a report will be filed for each quarter listing the construction contract change orders that were issued in the previous quarter. The following table summarizes the Contract Change Orders that occurred in the 3rd quarter (1st quarter of Fiscal Year 2025/26).

Contractor Change Orders executed in the 3rd Quarter of CY 2025

Project	CCO No.	Description	Amount
SR-71 / SR-91 Interchange Project		None	
MVMF Platform and Track Expansion	CCO 12	Drainage Modification	$0.00
	CCO 19	Detectable Warning Paver Modification	$0.00
	CCO 37-S1	Additional Punch List Work	($18,081.00)
SR-60 Truck Lanes Project		None	
I-15 SMART Freeways	CCO 2-S1	Ramp Metering Type 1C Processer Cards	$22,433.00
	CCO 6-S1	Additional Portable Changeable Message Signs (PCMS) & Detour Signs	$28,263.00
	CCO 9	Revised Plans & Specs - Rev 2	$109,687.00
	CCO 12	Time Extension (Non-Compensatory)	$0.00
	CCO 13	Revised Temecula Parkway Closure Duration	$92,250.00

FISCAL IMPACT:

The Contract Change Orders were executed using available contingency authorized with the construction contract for each project.

AGENDA ITEM 6D

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	Amy Weston, Accounting Supervisor Jennifer Fuller, Deputy Director of Finance
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Monthly Investment Report

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Receive and file the Monthly Investment Report for the month ended October 31, 2025.

BACKGROUND INFORMATION:

The Commission's investment reports reflect investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

The Commission engaged Payden & Rygel Investment Management to make specific investments for Commission operating funds. The Commission approved an initial agreement with Payden & Rygel in May 2013 following a competitive procurement and has extended the agreement through the annual recurring contracts process.

The monthly investment report for October 2025, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project, 2021 Financing and available operating cash. As of October 31, 2025, total cash and investments in the Commission's portfolio totaled approximately $1.94 billion and were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS [1]
Operating	$ 1,286,625,018
Trust	354,079,191
Commission-managed	297,271,165
Total	**$ 1,937,975,374**
Note: [1] Unreconciled and unaudited	

As of October 31, 2025, the Commission's cash and investments adhere to both the Commission's investment policy adopted on December 11, 2024, and permitted investments described in the indenture for the Commission's sales tax revenue bonds and the master indenture for the

Commission's toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

<u>FISCAL IMPACT</u>:

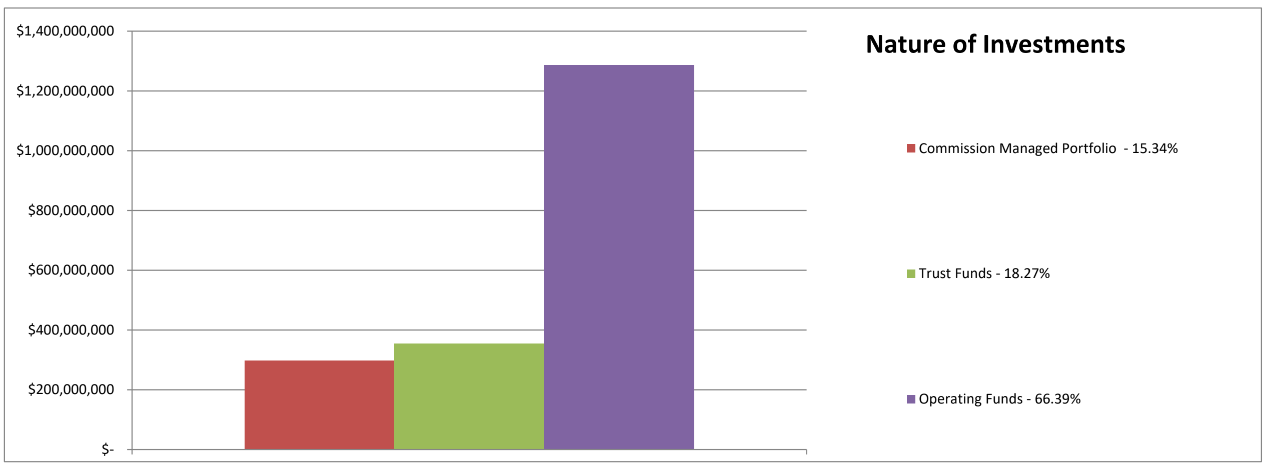
This is an information item. There is no fiscal impact.

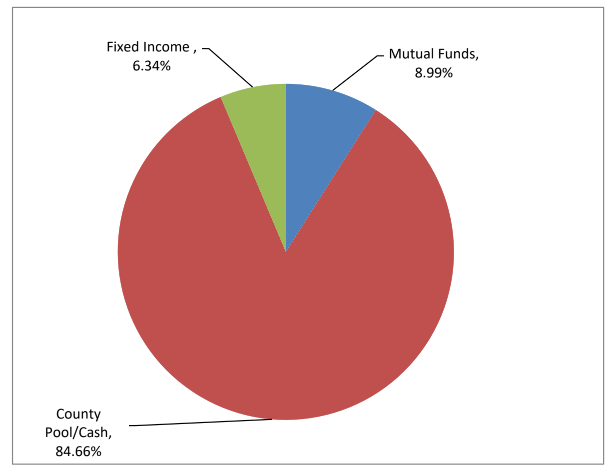
Attachment: Investment Portfolio Report

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: October 31, 2025

	STATEMENT BALANCE [1]	FINANCIAL INSTUTION	STATEMENTS	RATING MOODYS / S&P	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
OPERATING FUNDS												
City National Bank Deposits	45,049,336	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	1,241,575,682	County Treasurer	Available upon request	Aaa-bf								
Subtotal Operating Funds	1,286,625,018											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund:												
Local Transportation Fund	354,079,191	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	354,079,191											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	61,260,214	US Bank	Available upon request					Available upon request				
2013 Series A & Series B Reserve Fund	13,167,429	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	40,472,224	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	8,062,718	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	174,308,580	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	297,271,165											
TOTAL All Cash and Investments	**$ 1,937,975,374**											

Notes:
[1] Unreconciled and unaudited





AGENDA ITEM 6E

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	Jennifer Fuller, Deputy Director of Finance
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Annual Investment Policy

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Approve the revised annual Investment Policy (the Policy); and
2) Adopt Resolution No. 25-010, *"Resolution of the Riverside County Transportation Commission Regarding the Revised Investment Policy"*.

BACKGROUND INFORMATION:

In accordance with state law, staff annually submit a resolution to the Commission recommending approval of the Commission's Investment Policy. The Investment Policy outlines the following primary investment objectives in priority order:

- To provide safety of principal;
- To provide sufficient liquidity; and
- To maximize return on investments.

DISCUSSION:

Section XIV of the Policy requires an annual investment policy review and specifically states that the *"Chief Financial Officer shall annually render to the Commission a statement of investment policy, which the Commission must consider at a public meeting. Any changes to the policy shall also be considered by the Commission at a public meeting."*

Therefore, staff reviewed the Investment Policy approved by the Commission in December 2024 and consulted with legal counsel to consider changes to the policy. Additionally, throughout the year staff consulted with the Commission's investment managers and County Treasurer's Office to determine an appropriate level of changes primarily affecting the Commission's operating investment portfolio.

The following is an overview of the recommended changes to the Investment Policy:

Proposed changes

- Adding the sentence *"Both fixed and floating or variable rate securities are eligible investments"* in Section VI to conform with California Government Code.
- Adding the Inter-American Development Bank to Section VI.1.C. to conform with California Government Code.

FISCAL IMPACT:

There is no fiscal impact related to the approval and adoption of this Policy.

Attachments:
1) Resolution No. 25-010
2) Investment Policy (red-line draft)
3) Investment Policy (clean)

RESOLUTION NO. 25-010

**RESOLUTION OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
REGARDING THE REVISED INVESTMENT POLICY**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of the Riverside County Transportation Commission (the "Commission") may invest surplus monies not required for the immediate necessities of the Commission in accordance with the provisions of California Government Code Section 53600 *et seq*.; and

WHEREAS, the Commission has previously developed and adopted its Investment Policy (the "Policy"); and

WHEREAS, Section 53646 of the California Government Code allows local agencies to annually approve at a public meeting a Statement of Investment Policy prepared by the treasurer or chief fiscal officer of such local agency; and

WHEREAS, pursuant to California Government Code Section 53646(a)(2), any changes to the Commission's Policy shall be considered by the governing body at a public meeting; and

WHEREAS, the governing body has been presented with a Statement of Investment Policy, attached hereto as Exhibit A and incorporated by reference, which includes updates to the Policy; and

WHEREAS, the governing body, with the aid of its staff, has reviewed the Statement of Investment Policy and now wishes to approve the same and renew the delegation of authority.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Riverside County Transportation Commission as follows:

1. The above recitals are true and correct, and the governing body of the Commission so finds and determines.

2. The Statement of Investment Policy, as provided in Exhibit A hereto, is hereby approved and adopted, including the updates to the Policy therein.

3. The Commission hereby renews its delegation of authority for management responsibility of the Commission's investment program to the Chief Financial Officer in consultation with the Executive Director for a one-year period.

4. This Resolution shall take effect immediately after its adoption on the date hereof.

PASSED, APPROVED, AND ADOPTED by the Riverside County Transportation Commission this 10th day of December 2025, by the following vote:

By: ___________________________________
Karen Spiegel, Chair
Riverside County Transportation Commission

ATTEST:

By: __________________________________
Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission

EXHIBIT A

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
INVESTMENT POLICY

[ATTACHED]

Riverside County Transportation Commission

INVESTMENT POLICY

I. Introduction

The purpose of this Investment Policy (this "Policy") is to identify policies and procedures that enhance opportunities for a prudent investment program and to organize and formalize investment-related activities of the Riverside County Transportation Commission (the "Commission").

II. Scope

It is intended that this Policy cover all funds (except retirement funds) and investment activities under the direction of the Commission serving as the Commission's governing board. Investment activities may be classified between operating and bond/debt portfolios.

III. Delegation of Authority

The Commission's management responsibility for the investment program is hereby delegated for a one-year period to the Chief Financial Officer in consultation with the Executive Director who shall monitor and review all investments for consistency with this Policy. Subject to review, the Commission may renew the delegation of authority pursuant to this section each year. The Commission may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow this Policy and such other written instructions as are provided.

IV. Prudence

All persons authorized to make investment decisions on behalf of the Commission are subject to the prudent investor standard. Investments shall be made with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Commission that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Commission.

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion.

V. Objective

The Commission's primary investment objectives, in priority order, shall be:

1. **Safety**. Safety of principal is the foremost objective of the investment program. Investments of the Commission shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2. **Liquidity**. The investment portfolio of the Commission will remain sufficiently liquid to enable the Commission to meet its cash flow requirements.

3. **Return on Investment.** The investment portfolio of the Commission shall be designed with the objective of maximizing return on its investments, but only after ensuring safety and liquidity.

The Commission may from time to time sell securities that it owns in order to better reposition its portfolio assets in accordance with updated cash flow schedules, yield opportunities existing between market sectors, or simply market timing.

VI. Investments

California Government Code Section 53601 governs the investments permitted for purchase by the Commission. Within the investments permitted by Code, the Commission seeks to further restrict eligible investments to the investments listed in Section VI.1 below. Both fixed and floating or variable rate securities are eligible investments. Percentage limitations, where indicated, apply *at the time of purchase*. Unless otherwise noted below, no security shall be purchased in accordance with this Policy that has a term remaining to maturity in excess of five years. Percentage holdings with any one non-U.S. Government issuer or non-Federal Agency issuer are further restricted to a maximum of 10% (direct and indirect commitments), except as otherwise noted. Rating requirements where indicated, apply *at the time of purchase*. The term or remaining maturity of a security purchased in accordance with this Policy shall be measured from the settlement date to final maturity. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding forty-five (45) days from the time of investment. In the event a security held by the Commission is subject to a rating change that brings it below the minimum specified rating requirement, the Chief Financial Officer shall be authorized to act immediately and to notify the Commission of any actions taken in regard to the security. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rating drop, prognosis for recovery or further rating drops, and the market price of the security.

1. **Eligible Investments**

A. **U.S. Government Issues**. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

B. **Federal Agency Securities.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

C. **Supranational Obligations. United States dollar denominated senior unsecured unsubordinated** obligations issued, or unconditionally guaranteed, by the following supranational institutions:

1. International Bank for Reconstruction and Development; ~~and~~
2. International Finance Corporation; and
~~2.~~3. Inter-American Development Bank.

Such securities must have a maximum maturity of four (4) years and ratings from at least one Nationally Recognized Statistical Rating Organization (NRSRO) as follows: at least "Aa/AA/or AA" which denotes "Aa2" by Moody's Investors Service (Moody's), or "AA" by S&P Global Ratings (S&P), or "AA" by Fitch Ratings (Fitch); or as otherwise approved by the Commission. Investments in supranational obligations are limited to a maximum of 20% of Commission funds which may be invested with no more than 10% of funds invested in any one supranational institution.

D. **Municipal Bonds.**
Registered treasury notes or bonds of any of the other 49 United States, in addition to California, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other 49 United States, in addition to California. Such securities must have a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least "A1/A+/or A+"; or as otherwise approved by the Commission.

Registered general obligation treasury notes or bonds of any of the 50 United States. Such securities must have a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least "A1/A+/or A+" or as otherwise approved by the Commission.

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California with a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least “A1/A+/or A+” (the minimum rating shall apply to the local agency, irrespective of any credit enhancement), including bonds, notes, warrants, or other evidences of indebtedness payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within this state.

Investments in municipal bonds are further limited to 25% of the Commission’s funds.

E. **Tri-Party Repurchase Agreements.** Tri-party repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The Commission may enter into tri-party repurchase agreements with primary government securities dealers rated “A” or better by two NRSROs. Counterparties should also have (i) a short-term credit rating of at least P-1/A-1/ or F-1; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in V.1 A and B, will be acceptable collateral. All securities underlying tri-party repurchase agreements must be delivered to the Commission's custodian or fiscal agent bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each tri-party repurchase agreement must equal or exceed 102% of the total dollar value of the money invested by the Commission for the term of the investment. For any tri-party repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

The Commission or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to tri-party repurchase agreement. The Commission shall have properly executed a PSA agreement with each counterparty with which it enters into tri-party repurchase agreements.

F. **U.S. Corporate Debt.** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Eligible investment shall be rated at least "A1/A+/ or A+" by at least one NRSRO. Investments in U.S. Corporate Debt are further limited to 30% of the Commission's funds that may be invested, and no more than 10% of total investment assets may be invested in any single issuer.

G. **Commercial Paper.** Commercial paper of "prime" quality rated in the highest category by one or more nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars ($500,000,000), and (C) Has debt other than commercial paper, if any, that is rated "A" or its equivalent or higher by at least one NRSRO.
(2) The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company, (B) Has program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit, or surety bond, and (C) Has commercial paper that is rated at least "A-1", or the equivalent, by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Investments in commercial paper are limited to a maximum of 25% of the Commission's funds.

H. **Banker's Acceptances.** Banker's acceptances issued and accepted by commercial banks. Purchases of banker's acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more nationally recognized rating service. Investments in banker's acceptances are further limited to 40% of the Commission's funds with no more than 30% of the Commission's funds invested in the banker's acceptances of any one commercial bank.

I. **Money Market Mutual Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, *et seq*.) and that invest solely in U.S. treasuries, obligations of the U.S. Treasury, and repurchase agreements relating to such treasury obligations.

The Commission may invest in shares of beneficial interest issued by a company that shall have met either of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized rating services, or (2) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. Investments in Money Market Mutual Funds are also limited to 20% of the Commission's funds.

J. **Riverside County Pooled Investment Fund ("RCPIF").** The Commission may invest in the Riverside County Pooled Investment Fund (maximum maturity upon demand). As on-going due diligence, the Chief Financial Officer shall obtain the information listed below:

- A description of eligible investment securities and a written statement of investment policy.
- A description of the interest calculation, the frequency of interest distributions, and the treatment of gains and losses in the portfolio.
- A description of how often the securities are priced, how the securities are safeguarded, and the audit arrangements.
- A description of who may invest in the program, how often they may invest, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- A fee schedule, and when and how fees are assessed.
- The composition of the investment fund for each reporting period.

K. **State of California Local Agency Investment Fund ("LAIF").** The Commission may invest in LAIF (maximum maturity upon demand). As on-going due diligence, the Chief Financial Officer shall obtain the information listed below:

- A description of eligible investment securities and a written statement of investment policy.
- A description of the interest calculation, the frequency of interest distributions, and the treatment of gains and losses in the portfolio.

- A description of how often the securities is priced, how the securities are safeguarded, and the audit arrangements.
- A description of who may invest in the program, how often they may invest, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- A fee schedule, and when and how fees are assessed.
- The composition of the investment fund for each reporting period.

L. Certificates of Deposit.

Negotiable Certificates of Deposit (NCD's): The Commission may invest in NCDs issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or a state or federal credit union. They must specify that a sum of money has been deposited, payable with interest to the bearer of the certificates on a certain date. All purchases must be from institutions rated the highest letter and number rating (e.g., P-1/A-1/or F-1) as provided for by at least one NRSRO, as designated by the U.S. Securities and Exchange Commission. The maturity of NCDs shall not exceed one (1) year to maturity, and purchases of NCDs shall not exceed 30% of the Commission's investment portfolio. NCDs shall be evaluated in terms of the creditworthiness of the issuing institution, as these deposits are uninsured and uncollateralized promissory notes.

FDIC-insured Certificates of Deposit: The principal amount of the investment must be federally insured through the Federal Deposit Insurance Corporation (FDIC). No more than the prevailing FDIC insured coverage amount may be invested with any one deposit. Certificates of Deposit placed through the Certificate of Deposit Account Registry Service (CDARS) shall be considered fully insured, assuming that the total amount invested with any participating bank is limited to the prevailing FDIC insured coverage amount. Interest on the principal must be paid to the Commission at least annually. The placement of Certificates of Deposit with local banks that qualify in accordance with Government Code section 53601(h) is encouraged. The Commission, at its discretion, may invest a portion of its funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union using a private sector entity to assist in the placement of such certificates, provided that it complies with Government Code Section 53601.8. Such investments may not exceed in total 20% of the Commission's funds invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one (1) year from the date of the deposit.

Collateralized Certificates of Deposit: For investments exceeding $100,000, there will be a waiver of collateral for the first $100,000 deposited and protected by FDIC insurance. The remainder of the deposit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities less than five years. The Commission must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Section 53652 of the Government Code. Additionally, a statement of the collateral shall be provided to the Commission on a monthly basis. Such investments may not exceed in total 15% of the Commission's funds invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one (1) year from the date of the deposit.

M. **Time Deposits.** Federal Deposit Insurance Corporation insured money market savings accounts or time deposits which are deposited through depository institutions which are participants of the Money Market Insured Deposit Account Service ("MMIDAS"), and in compliance with Government Code Section 53601.8.

N. **Mortgage and Asset-backed Securities.** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond of a maximum maturity of five (5) years.

Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better (excluding U.S. Government/Agency-backed structured products which will be permitted with their prevailing ratings even if those ratings are below the rating category of "AA") by at least one NRSRO.

Purchase of these securities may not exceed 20% of the Commission's operating investment portfolio. Mortgage and asset-backed securities issued or guaranteed by the United States, its federal agencies and/or government-sponsored enterprises do not count when calculating the 20% maximum portfolio exposure to mortgage and asset-backed securities.

2. Eligible Investments for Bond Proceeds

Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

With respect to maximum maturities, the Policy authorizes investing bond reserve fund proceeds beyond the five (5) years if prudent in the opinion of the Chief Financial Officer.

3. Ineligible Investments

The Commission shall not invest any funds in the types of securities as provided in California Government Code Section 53601.6.

The purchase of any security not listed in Section VI.1 above, but permitted by the California Government Code, is prohibited unless the Commission approves the investment either specifically or as a part of an investment program approved by the Commission.

VII. Maximum Maturities

Maturities of investments will be selected to provide necessary liquidity, minimize interest rate risk, and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five (5) years.

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security. The purchase of a security with a forward settlement date cannot exceed 45 days from the time of investment.

VIII. Performance Standards

The Chief Financial Officer shall continually monitor and evaluate the portfolio's performance.

IX. Reporting

The Chief Financial Officer in consultation with the Executive Director shall prepare and provide to the Commission a monthly report, within 30 days following the end of the month, which includes the following information:

- Type of investment;
- Issuer name;
- Date of maturity;
- Dollar amount invested in all securities, and investments and monies held by the local agency;
- A description of the funds, investments, and programs (including lending programs) managed by contracted parties;
- Current market value of securities;
- A statement of compliance with the Policy or an explanation for non-compliance; and
- A statement denoting the ability of the Commission to meet its liquidity requirements for the next six months, or provide an explanation as to why sufficient money, shall or may not be available.

X. Investment Procedures

The Chief Financial Officer, as the Commission's designee, is responsible for ensuring compliance with the Commission's investment policies and establishing written procedures and internal controls for the operation of the investment program. No person may engage in investment transactions except as provided under the terms of this Policy and the written procedures established by the Chief Financial Officer. The written procedures should address delegation of authority to subordinate staff members, control of collusion, separation of transaction authority from accounting and record keeping, written confirmations of transactions, reconciliation of custody statements, and wire transfer procedures and agreements. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies and procedures.

XI. Authorized Broker-Dealers and Financial Institutions

The Chief Financial Officer shall maintain a list of authorized broker-dealers and financial institutions which are approved for investment purposes. It shall be the Commission's policy to purchase securities only from those authorized institutions and firms (unless purchased directly from the issuer). Separate lists shall be maintained for broker-dealers and financial institutions approved for repurchase agreements and those approved for the purchase of other securities. If an investment advisor is used, they may use their own list of approved broker-dealers and financial institutions for investment purposes.

To be eligible, a firm must meet the following minimum criteria: (i) an institution licensed by the state as a broker-dealer (as defined in Section 25004 of the Corporations Code), or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank; and (ii) all broker-dealer firms and individuals must be properly registered with the FINRA and/or SEC to transact business in the relevant geographic locations and product sectors.

In addition, counterparties for Repurchase Agreements shall be limited to primary government securities dealers rated "A" or better by two NRSROs. Counterparties shall also have (i) a short-term credit rating of at least P-1/A-1/or F-1; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The Chief Financial Officer shall select broker-dealers and other financial institutions on the basis of the firm's expertise and creditworthiness. The Commission shall annually send a copy of the current investment policy to all securities professionals approved to do business with the Commission. Each securities professional, financial institution, or any other consultant providing investment advice, as determined in the sole discretion of the Executive Director or designee, which has been authorized by the Commission shall be required to submit and annually update a Questionnaire which includes the firm's most recent financial statements. The Chief Financial Officer shall maintain a file for each firm approved for investment purposes, which includes the most recent Questionnaire.

XII. Safekeeping and Custody

To protect the Commission's assets, all securities owned by the Commission shall be held in safekeeping in the Commission's name by a third-party bank trust department, acting as agent for the Commission under the terms of a custody agreement executed by the bank and the Commission. All securities will be received and delivered using standard delivery versus payment (DVP) procedures; the Commission's safekeeping agent will only release payment for a security after the security has been properly delivered.

Physical delivery securities shall be avoided whenever possible, as book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. In addition, delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

XIII. Ethics and Conflicts of Interest

The Commission adopts the following policy concerning conflicts of interest:

1. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

2. Officers and employees involved in the investment process shall disclose any material financial interest in any financial institution that conducts business with the Commission, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Commission's portfolio.

3. Officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

XIV. Investment Policy Review

The Chief Financial Officer shall annually render to the Commission a statement of investment policy, which the Commission must consider at a public meeting. Any changes to the policy shall also be considered by the Commission at a public meeting.

Riverside County Transportation Commission

INVESTMENT POLICY

I. Introduction

The purpose of this Investment Policy (this "Policy") is to identify policies and procedures that enhance opportunities for a prudent investment program and to organize and formalize investment-related activities of the Riverside County Transportation Commission (the "Commission").

II. Scope

It is intended that this Policy cover all funds (except retirement funds) and investment activities under the direction of the Commission serving as the Commission's governing board. Investment activities may be classified between operating and bond/debt portfolios.

III. Delegation of Authority

The Commission's management responsibility for the investment program is hereby delegated for a one-year period to the Chief Financial Officer in consultation with the Executive Director who shall monitor and review all investments for consistency with this Policy. Subject to review, the Commission may renew the delegation of authority pursuant to this section each year. The Commission may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow this Policy and such other written instructions as are provided.

IV. Prudence

All persons authorized to make investment decisions on behalf of the Commission are subject to the prudent investor standard. Investments shall be made with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Commission that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Commission.

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion.

V. Objective

The Commission's primary investment objectives, in priority order, shall be:

1. **Safety**. Safety of principal is the foremost objective of the investment program. Investments of the Commission shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2. **Liquidity**. The investment portfolio of the Commission will remain sufficiently liquid to enable the Commission to meet its cash flow requirements.

3. **Return on Investment.** The investment portfolio of the Commission shall be designed with the objective of maximizing return on its investments, but only after ensuring safety and liquidity.

The Commission may from time to time sell securities that it owns in order to better reposition its portfolio assets in accordance with updated cash flow schedules, yield opportunities existing between market sectors, or simply market timing.

VI. Investments

California Government Code Section 53601 governs the investments permitted for purchase by the Commission. Within the investments permitted by Code, the Commission seeks to further restrict eligible investments to the investments listed in Section VI.1 below. Both fixed and floating or variable rate securities are eligible investments. Percentage limitations, where indicated, apply *at the time of purchase*. Unless otherwise noted below, no security shall be purchased in accordance with this Policy that has a term remaining to maturity in excess of five years. Percentage holdings with any one non-U.S. Government issuer or non-Federal Agency issuer are further restricted to a maximum of 10% (direct and indirect commitments), except as otherwise noted. Rating requirements where indicated, apply *at the time of purchase*. The term or remaining maturity of a security purchased in accordance with this Policy shall be measured from the settlement date to final maturity. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding forty-five (45) days from the time of investment. In the event a security held by the Commission is subject to a rating change that brings it below the minimum specified rating requirement, the Chief Financial Officer shall be authorized to act immediately and to notify the Commission of any actions taken in regard to the security. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rating drop, prognosis for recovery or further rating drops, and the market price of the security.

1. Eligible Investments

A. U.S. Government Issues. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

B. Federal Agency Securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

C. Supranational Obligations. United States dollar denominated senior unsecured unsubordinated obligations issued, or unconditionally guaranteed, by the following supranational institutions:

1. International Bank for Reconstruction and Development;
2. International Finance Corporation; and
3. Inter-American Development Bank.

Such securities must have a maximum maturity of four (4) years and ratings from at least one Nationally Recognized Statistical Rating Organization (NRSRO) as follows: at least “Aa/AA/or AA” which denotes “Aa2” by Moody’s Investors Service (Moody’s), or “AA” by S&P Global Ratings (S&P), or “AA” by Fitch Ratings (Fitch); or as otherwise approved by the Commission. Investments in supranational obligations are limited to a maximum of 20% of Commission funds which may be invested with no more than 10% of funds invested in any one supranational institution.

D. Municipal Bonds.
Registered treasury notes or bonds of any of the other 49 United States, in addition to California, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other 49 United States, in addition to California. Such securities must have a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least “A1/A+/or A+”; or as otherwise approved by the Commission.

Registered general obligation treasury notes or bonds of any of the 50 United States. Such securities must have a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least “A1/A+/or A+” or as otherwise approved by the Commission.

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California with a maximum maturity of five (5) years and ratings from at least one NRSRO as follows: at least "A1/A+/or A+" (the minimum rating shall apply to the local agency, irrespective of any credit enhancement), including bonds, notes, warrants, or other evidences of indebtedness payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within this state.

Investments in municipal bonds are further limited to 25% of the Commission's funds.

E. **Tri-Party Repurchase Agreements.** Tri-party repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The Commission may enter into tri-party repurchase agreements with primary government securities dealers rated "A" or better by two NRSROs. Counterparties should also have (i) a short-term credit rating of at least P-1/A-1/ or F-1; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in V.1 A and B, will be acceptable collateral. All securities underlying tri-party repurchase agreements must be delivered to the Commission's custodian or fiscal agent bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each tri-party repurchase agreement must equal or exceed 102% of the total dollar value of the money invested by the Commission for the term of the investment. For any tri-party repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

The Commission or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to tri-party repurchase agreement. The Commission shall have properly executed a PSA agreement with each counterparty with which it enters into tri-party repurchase agreements.

F. **U.S. Corporate Debt.** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Eligible investment shall be rated at least "A1/A+/ or A+" by at least one NRSRO. Investments in U.S. Corporate Debt are further limited to 30% of the Commission's funds that may be invested, and no more than 10% of total investment assets may be invested in any single issuer.

G. **Commercial Paper.** Commercial paper of "prime" quality rated in the highest category by one or more nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars ($500,000,000), and (C) Has debt other than commercial paper, if any, that is rated "A" or its equivalent or higher by at least one NRSRO.
(2) The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company, (B) Has program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit, or surety bond, and (C) Has commercial paper that is rated at least "A-1", or the equivalent, by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Investments in commercial paper are limited to a maximum of 25% of the Commission's funds.

H. **Banker's Acceptances.** Banker's acceptances issued and accepted by commercial banks. Purchases of banker's acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more nationally recognized rating service. Investments in banker's acceptances are further limited to 40% of the Commission's funds with no more than 30% of the Commission's funds invested in the banker's acceptances of any one commercial bank.

I. **Money Market Mutual Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, *et seq*.) and that invest solely in U.S. treasuries, obligations of the U.S. Treasury, and repurchase agreements relating to such treasury obligations.

The Commission may invest in shares of beneficial interest issued by a company that shall have met either of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized rating services, or (2) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. Investments in Money Market Mutual Funds are also limited to 20% of the Commission's funds.

J. **Riverside County Pooled Investment Fund ("RCPIF").** The Commission may invest in the Riverside County Pooled Investment Fund (maximum maturity upon demand). As on-going due diligence, the Chief Financial Officer shall obtain the information listed below:

- A description of eligible investment securities and a written statement of investment policy.
- A description of the interest calculation, the frequency of interest distributions, and the treatment of gains and losses in the portfolio.
- A description of how often the securities are priced, how the securities are safeguarded, and the audit arrangements.
- A description of who may invest in the program, how often they may invest, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- A fee schedule, and when and how fees are assessed.
- The composition of the investment fund for each reporting period.

K. **State of California Local Agency Investment Fund ("LAIF").** The Commission may invest in LAIF (maximum maturity upon demand). As on-going due diligence, the Chief Financial Officer shall obtain the information listed below:

- A description of eligible investment securities and a written statement of investment policy.
- A description of the interest calculation, the frequency of interest distributions, and the treatment of gains and losses in the portfolio.

- A description of how often the securities is priced, how the securities are safeguarded, and the audit arrangements.
- A description of who may invest in the program, how often they may invest, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- A fee schedule, and when and how fees are assessed.
- The composition of the investment fund for each reporting period.

L. Certificates of Deposit.

Negotiable Certificates of Deposit (NCD’s): The Commission may invest in NCDs issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or a state or federal credit union. They must specify that a sum of money has been deposited, payable with interest to the bearer of the certificates on a certain date. All purchases must be from institutions rated the highest letter and number rating (e.g., P-1/A-1/or F-1) as provided for by at least one NRSRO, as designated by the U.S. Securities and Exchange Commission. The maturity of NCDs shall not exceed one (1) year to maturity, and purchases of NCDs shall not exceed 30% of the Commission’s investment portfolio. NCDs shall be evaluated in terms of the creditworthiness of the issuing institution, as these deposits are uninsured and uncollateralized promissory notes.

FDIC-insured Certificates of Deposit: The principal amount of the investment must be federally insured through the Federal Deposit Insurance Corporation (FDIC). No more than the prevailing FDIC insured coverage amount may be invested with any one deposit. Certificates of Deposit placed through the Certificate of Deposit Account Registry Service (CDARS) shall be considered fully insured, assuming that the total amount invested with any participating bank is limited to the prevailing FDIC insured coverage amount. Interest on the principal must be paid to the Commission at least annually. The placement of Certificates of Deposit with local banks that qualify in accordance with Government Code section 53601(h) is encouraged. The Commission, at its discretion, may invest a portion of its funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union using a private sector entity to assist in the placement of such certificates, provided that it complies with Government Code Section 53601.8. Such investments may not exceed in total 20% of the Commission’s funds invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one (1) year from the date of the deposit.

Collateralized Certificates of Deposit: For investments exceeding $100,000, there will be a waiver of collateral for the first $100,000 deposited and protected by FDIC insurance. The remainder of the deposit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities less than five years. The Commission must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Section 53652 of the Government Code. Additionally, a statement of the collateral shall be provided to the Commission on a monthly basis. Such investments may not exceed in total 15% of the Commission's funds invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one (1) year from the date of the deposit.

M. **Time Deposits.** Federal Deposit Insurance Corporation insured money market savings accounts or time deposits which are deposited through depository institutions which are participants of the Money Market Insured Deposit Account Service ("MMIDAS"), and in compliance with Government Code Section 53601.8.

N. **Mortgage and Asset-backed Securities.** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond of a maximum maturity of five (5) years.

Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better (excluding U.S. Government/Agency-backed structured products which will be permitted with their prevailing ratings even if those ratings are below the rating category of "AA") by at least one NRSRO.

Purchase of these securities may not exceed 20% of the Commission's operating investment portfolio. Mortgage and asset-backed securities issued or guaranteed by the United States, its federal agencies and/or government-sponsored enterprises do not count when calculating the 20% maximum portfolio exposure to mortgage and asset-backed securities.

2. **Eligible Investments for Bond Proceeds**

Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

With respect to maximum maturities, the Policy authorizes investing bond reserve fund proceeds beyond the five (5) years if prudent in the opinion of the Chief Financial Officer.

3. Ineligible Investments

The Commission shall not invest any funds in the types of securities as provided in California Government Code Section 53601.6.

The purchase of any security not listed in Section VI.1 above, but permitted by the California Government Code, is prohibited unless the Commission approves the investment either specifically or as a part of an investment program approved by the Commission.

VII. Maximum Maturities

Maturities of investments will be selected to provide necessary liquidity, minimize interest rate risk, and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five (5) years.

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security. The purchase of a security with a forward settlement date cannot exceed 45 days from the time of investment.

VIII. Performance Standards

The Chief Financial Officer shall continually monitor and evaluate the portfolio's performance.

IX. Reporting

The Chief Financial Officer in consultation with the Executive Director shall prepare and provide to the Commission a monthly report, within 30 days following the end of the month, which includes the following information:

- Type of investment;
- Issuer name;
- Date of maturity;
- Dollar amount invested in all securities, and investments and monies held by the local agency;
- A description of the funds, investments, and programs (including lending programs) managed by contracted parties;
- Current market value of securities;
- A statement of compliance with the Policy or an explanation for non-compliance; and
- A statement denoting the ability of the Commission to meet its liquidity requirements for the next six months, or provide an explanation as to why sufficient money, shall or may not be available.

X. Investment Procedures

The Chief Financial Officer, as the Commission's designee, is responsible for ensuring compliance with the Commission's investment policies and establishing written procedures and internal controls for the operation of the investment program. No person may engage in investment transactions except as provided under the terms of this Policy and the written procedures established by the Chief Financial Officer. The written procedures should address delegation of authority to subordinate staff members, control of collusion, separation of transaction authority from accounting and record keeping, written confirmations of transactions, reconciliation of custody statements, and wire transfer procedures and agreements. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies and procedures.

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The Chief Financial Officer shall maintain a list of authorized broker-dealers and financial institutions which are approved for investment purposes. It shall be the Commission's policy to purchase securities only from those authorized institutions and firms (unless purchased directly from the issuer). Separate lists shall be maintained for broker-dealers and financial institutions approved for repurchase agreements and those approved for the purchase of other securities. If an investment advisor is used, they may use their own list of approved broker-dealers and financial institutions for investment purposes.

To be eligible, a firm must meet the following minimum criteria: (i) an institution licensed by the state as a broker-dealer (as defined in Section 25004 of the Corporations Code), or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank; and (ii) all broker-dealer firms and individuals must be properly registered with the FINRA and/or SEC to transact business in the relevant geographic locations and product sectors.

In addition, counterparties for Repurchase Agreements shall be limited to primary government securities dealers rated "A" or better by two NRSROs. Counterparties shall also have (i) a short-term credit rating of at least P-1/A-1/or F-1; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The Chief Financial Officer shall select broker-dealers and other financial institutions on the basis of the firm's expertise and creditworthiness. The Commission shall annually send a copy of the current investment policy to all securities professionals approved to do business with the Commission. Each securities professional, financial institution, or any other consultant providing investment advice, as determined in the sole discretion of the Executive Director or designee, which has been authorized by the Commission shall be required to submit and annually update a Questionnaire which includes the firm's most recent financial statements. The Chief Financial Officer shall maintain a file for each firm approved for investment purposes, which includes the most recent Questionnaire.

XII. Safekeeping and Custody

To protect the Commission's assets, all securities owned by the Commission shall be held in safekeeping in the Commission's name by a third-party bank trust department, acting as agent for the Commission under the terms of a custody agreement executed by the bank and the Commission. All securities will be received and delivered using standard delivery versus payment (DVP) procedures; the Commission's safekeeping agent will only release payment for a security after the security has been properly delivered.

Physical delivery securities shall be avoided whenever possible, as book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. In addition, delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

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The Commission adopts the following policy concerning conflicts of interest:

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3. Officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

XIV. Investment Policy Review

The Chief Financial Officer shall annually render to the Commission a statement of investment policy, which the Commission must consider at a public meeting. Any changes to the policy shall also be considered by the Commission at a public meeting.

AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	Andrew Sall, Senior Management Analyst, Legislative Affairs
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	State and Federal Legislative Update

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Adopt the Commission's 2026 State and Federal Legislative Platform; and
2) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

Draft 2026 State and Federal Legislative Platform

Each year, the Commission updates and adopts a legislative platform that serves as a framework for the policy positions the Commission will take on pieces of legislation, regulations, and administrative policies. The platform addresses broad themes critical to the Commission in both Sacramento and Washington, D.C. and allows staff, Commissioners, and the Commission's legislative advocates to communicate in a timely, effective manner with state and federal agencies and elected officials as issues arise.

The proposed 2026 State and Federal Legislative Platform builds on previously adopted platforms, with minor changes to content from the 2025 version. Recommended changes include, but are not limited to:

- Adding an introductory section to highlight anticipated key policy issues for engagement and advocacy across both the state and federal levels in 2026.
- Simplifying, consolidating, and reorganizing language where feasible to better align policy topics; and
- Eliminating or updating priorities that have either been addressed or are based on policies that are no longer in effect.

The proposed 2026 State and Federal Legislative Platform is attached, along with a copy that includes tracked changes highlighting additions and deletions in red text, while resequenced text is shown in green text.

State Update

The State Legislature will reconvene for the second year of the two-year legislative session on January 5, and Governor Gavin Newsom will unveil his proposed budget for Fiscal Year 2025-26 prior to the January 10, 2026, deadline.

On November 17, Senator Monique Limón (Santa Barbara) was sworn in as the President Pro Tempore of the California State Senate. She assumes the role from Senator Mike McGuire (Eureka), who served as President Pro Tempore since February 2024 and is in his final term in the California State Senate. It remains unclear if and when the change in leadership will result in changes to Senate committee chair and membership assignments, however, staff will continue to monitor for impacts to committees of interest to the Commission.

Federal Update

Following the Commission's postponed October trip to Washington, D.C., RCTC staff pivoted to scheduling in-district and virtual meetings with members of Riverside County's Congressional delegation. Thus far staff have met with Representative Ken Calvert on November 6, and Representative Young Kim on November 14, to discuss the Commission's surface transportation reauthorization proposals and priority projects, including the 15 Express Lanes Project Southern Extension and Coachella Valley Rail Project. Staff will continue to seek meetings with the remaining members of Riverside County's Congressional delegation, as well as key leaders at the Department of Transportation to elevate the Commission's priorities.

Fiscal Year 2026 Appropriations

On November 12, the House approved a Senate-passed Continuing Resolution (CR) to fund the federal government at Fiscal Year (FY) 2025 levels through January 30, 2026. The CR was signed into law by President Trump on November 12, ending the federal government shutdown. However, Congress must either approve full-year FY 2026 appropriations or another CR prior to January 31 to avert another shutdown. As previously reported, until a full FY 2026 appropriations package is approved, RCTC's Community Project Funding/Congressionally Directed Spending requests for FY 2026, including $5 million for the 15 Express Lanes Project Southern Extension, $3 million for the 91 Eastbound Corridor Operations Project, $850,000 for the Metrolink Double Track Project: Moreno Valley to Perris, and $850,000 for the Mead Valley Metrolink Station/Mobility Hub are on hold and not funded. Staff will continue to monitor and keep the Commission apprised of updates to the annual appropriations process, as well as any impacts to the Commission resulting from the shutdown.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachments:
1) Draft 2026 State and Federal Legislative Platform – Redline Version
2) Draft 2026 State and Federal Legislative Platform – Edits Accepted Version
3) Legislative Matrix – December 2025

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

RCTC State and Federal Legislative Platform

OBJECTIVE: The 2026 State and Federal Legislative Platform (Platform) serves as the framework that will guide Riverside County Transportation Commission's (RCTC or Commission) advocacy efforts for state and federal policy and funding decisions that enable the Commission to: implement Measure A, the ~~2024~~ Traffic Relief Plan (TRP), the Regional Transportation Plan (RTP), and other adopted plans and programs; comply with state and federal requirements; and improve ~~provide greater~~ mobility~~, equitable access, improved quality of living, operational excellence, and economic vitality in~~ for the people of Riverside County.

RCTC's State and Federal Legislative Platform offers positions on key policy issues which are likely to be the focus in the next legislative and congressional sessions.

Key Policy Issues for 2026

At the **state** level, RCTC will engage on the following issues in 2026:

- Streamline California Environmental Quality Act (CEQA) review and requirements for passenger rail projects, including the Coachella Valley Rail Project (CV Rail).
- Implementation of the Cap-and-Invest program (formerly known as Cap-and-Trade) to maximize discretionary funding opportunities from the Greenhouse Gas Reduction Fund to regional transportation projects and transit.
- Reforms to Vehicle Miles Traveled (VMT) mitigation requirements that reduce infrastructure project costs and improve project delivery timelines.
- Policies and funding that prioritize the advancement of commuter choice and transportation projects of all modes in Riverside County, including the 15 Express Lanes Project Southern Extension (15 ELPSE) and CV Rail.

RCTC's engagement and advocacy at the **federal** level in 2026 will include:

- Efforts to enhance the competitiveness of the 15 ELPSE and CV Rail Project for funding.
- Advancing RCTC's proposals for inclusion in surface transportation reauthorization legislation, including those related to local control of federal formula funding, improvements to rail programs, and increasing funding and resources for projects in rapidly growing communities.
- Submitting highly competitive applications for Community Project Funding/Congressionally Directed Spending in Fiscal Year 2027 for vital transportation improvements across the county.

Equity and Fairness

- Ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies.
- State and federal funding should be distributed equitably to Riverside County. This includes core formula funding as well as supplemental distributions.
- Governance structures should ensure equitable representation and decision-making authority is provided to Riverside County.
- Policies should be developed and implemented with regional variance to limit disproportionate impacts on regions with fast-growing populations, including low-income and disadvantaged communities priced out of coastal urban centers.

- Engage in policy discussions regarding the way public outreach and public meetings are conducted by public agencies.
- Support transportation projects and services that reconnect communities and/or expand access to jobs, educational opportunities, and vital services, regardless of transportation mode.
- Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Regional Control

- ~~Project selection and planning authority for state/federal funds should be as local as possible, preferably in the hands of the Commission.~~
- ~~State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration from regional transportation agencies.~~
- ~~Oppose efforts by non-elected, regulatory bodies and non-transportation interests to assert control over transportation funding and decision-making.~~
- ~~Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.~~
- ~~State and federal authority related to planning, programming, funding, clearing, or managing the performance of projects should align rather than conflict or duplicate, and should recognize mandates and responsibilities placed upon regional and local governments.~~

~~**Protect Our Authority and Revenue**~~

Protect Our Authority and Revenue

- Existing statutory authorities for the Commission should be preserved and protected.
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- Oppose efforts to infringe on the Commission's discretion in collecting and administering its revenue sources including, but not limited to: Measure A, tolls, and TUMF.
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- Oppose efforts to place mandates on agencies which could nullify RCTC mobility improvement priorities by driving up operating and project delivery costs.
- Oppose efforts to remove or reduce tax exemption of municipal bond interest to avoid increased costs to financed projects.
- Reinstate advanced refunding of municipal bond authority.
- Oppose legislation that restructures or interferes with governance of the Commission or other local and regional transportation agencies without the support and consent of the entity and member agencies affected.
- Oppose legislation that amends procurement law in a manner that increases the Commission's exposure to litigation, costs, decreased private sector competition, conflicts of interest, or deviation from best practices.
- Monitor legislation relating to tax collection for impacts on Measure A revenues or administration fees.
- ~~Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.~~
- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.
- Oppose policy changes that infringe on the ability of the Commission to receive maximum sales tax collections relative to state sales taxes on internet sales or any other change in policy.
- Support local control and policies that incentivize self-help counties' continued funding contribution to

transportation projects in California.

- Support legislation that clarifies that any initiative by the voters proposing to impose a sales tax using the Commission's authorizing statutes shall be implemented by the Commission.

Alignment of Responsibilities

- Support strong collaborative partnerships with state and federal agencies.
- State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration from regional transportation agencies.
- State and federal authority related to planning, programming, funding, clearing, or managing the performance of projects should align rather than conflict or duplicate, and should recognize mandates and responsibilities placed upon regional and local governments.
- Support policies that provide decision-making authority and flexibility to agencies bearing financial risk for projects. Oppose policies that place unfunded mandates and other undue burdens and restrictions on agencies that bear financial risk for projects.
- Support efforts by the state government to improve maintenance and operations of the state highway and interstate systems.
- Oppose efforts by the state government to negate their obligation to maintain the state and federal highway systems, or otherwise realign those costs and responsibilities to local and regional agencies.
- Oppose efforts by the state legislature to deflect responsibility for voting on revenue for statewide transportation to local voters.

~~**Innovation**~~

- ~~Support implementation and expansion of state and federal initiatives to expedite and advance innovative transportation policies, programs, and technologies.~~
- ~~Monitor studies, regulations, and legislation regarding the deployment and use of autonomous vehicles, intelligent transportation systems, and new technologies.~~

~~**Project Delivery Streamlining**~~

- ~~Support all efforts to reduce project delivery timelines and provide flexibility to meet planning requirements due to changing circumstances, while maintaining important environmental protections.~~
- ~~Support the availability of project delivery tools such as the design-build and progressive design-build project delivery methods, construction manager/general contractor (CM/GC, or construction manager at-risk) project delivery method, and public-private partnerships to the Commission, the State, federal agencies, and other infrastructure agencies. Oppose efforts to add barriers to effective implementation of such tools.~~
- ~~Support adjustments to SB 743 Steinberg (Chapter 386, Statutes of 2013) VMT modeling, analysis, and mitigation for highway and roadway projects in a manner that recognizes the varying feasibility of multimodal alternatives by region.~~
- ~~Support reciprocity of the California Environmental Quality Act (CEQA) for the National Environmental Protection Act (NEPA).~~
- ~~Support removing the statutory sunset on the NEPA Assignment program California participates in with the Federal Highway Administration which continues to benefit Commission projects.~~
- ~~Support efforts to modernize the CEQA, including but not limited to:~~
    - ~~Reduce the Commission's exposure to litigation;~~
    - ~~Increase accountability and disclosure for plaintiffs in CEQA cases;~~
    - ~~Limit courts' ability to invalidate an entire CEQA document when a writ of mandate can resolve discreet issues;~~
    - ~~Exempt illegal actions from CEQA review; and~~

    - ~~Prohibit "document dumping."~~
- ~~Support categorical exclusions for multimodal transit projects and for safety improvements on roads and highways.~~

Accountability

- Revenue derived from transportation sources should be spent exclusively on planning, development, and implementation of transportation projects. Support measures to strengthen the relationship between transportation revenue and expenditures; oppose measures that weaken them.
- Support efforts to ensure that all projects in a voter-approved sales tax measure expenditure plan are delivered to the public.
- Encourage the adoption of on-time, balanced state budgets, and federal appropriation and authorization legislation to ensure transportation projects are delivered without delay or costly stoppages, and that adequate planning for future projects can take place.
- Promote policies that ensure state and federal agencies have adequate funding in order to be responsive and accountable to Commission concerns when working on Commission projects.
- Oppose efforts by non-elected, regulatory bodies to dilute, reduce, or withhold transportation funds.
- Support maximum transparency of funding agencies through the clear scoring and evaluation of funding requests.

~~**Alignment of Responsibilities**~~

- ~~Support strong collaborative partnerships with state and federal agencies.~~
- ~~Support local control and policies that incentivize self-help counties' continued funding contribution to transportation projects in California.~~
- ~~Support policies that provide decision-making authority and flexibility to agencies bearing financial risk for projects. Oppose policies that place unfunded mandates and other undue burdens and restrictions on agencies that bear financial risk for projects.~~
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- ~~Oppose efforts by the state legislature to deflect responsibility for voting on revenue for statewide transportation to local voters.~~

Funding

- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.
- Support continued testing and analysis of California's road charge pilot program as a potential replacement of the state motor fuels excise tax as the primary funding mechanism for transportation and ensure that urban, suburban, and rural communities are treated in an equitable manner.
- Monitor the federal government's pilot program to explore potential replacement mechanisms for the federal gasoline excise tax.
- Support re-dedication of California truck weight fees to transportation accounts.
- Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding should be distributed by population share and air quality standards to county transportation commissions to facilitate expeditious project delivery and expenditure of funds.
- Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding, by:
    - Opposing efforts to tie distribution of transportation funding to ancillary policy matters, such as

housing.
    - Opposing efforts to deviate from legislative intent and existing statute.
    - Supporting efforts to adjust formula allocations to maximize funding decisions being made as locally as possible.
    - Ensuring program guidelines are as broad as possible with respect to mode, to the extent appropriate while adhering to legislative intent.

Regional Partnerships

- Collaborate with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the Inland Empire region.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of living in the Inland Empire region.
- Engage in legislative efforts impacting regional transportation agencies, particularly when the efforts have a nexus to the Commission.
- Support implementation of projects in other counties that are contained in the Southern California Association of Governments RTP/Sustainable Communities Strategy when requested by other counties and not in conflict with the Commission's interests.

Technology and Innovation

- Support implementation and expansion of state and federal initiatives to expedite and advance innovative transportation policies, programs, and technologies.
- Monitor studies, regulations, and legislation regarding the deployment and use of autonomous vehicles, intelligent transportation systems, and new technologies.

Project Delivery Streamlining

- Support all efforts to reduce project delivery timelines and provide flexibility to meet planning requirements due to changing circumstances, while maintaining important environmental protections.
- Support the availability of project delivery tools such as the design-build and progressive design-build project delivery methods, construction manager/general contractor (CM/GC, or construction manager at-risk) project delivery method, and public-private partnerships to the Commission, the State, federal agencies, and other infrastructure agencies. Oppose efforts to add barriers to effective implementation of such tools.
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    - Prohibit "document dumping."
- Support categorical exclusions for multimodal transit projects and for safety improvements on roads and highways.

Environment

- Encourage efforts to limit impacts to the climate, air quality, and habitats in a manner that promotes improved quality of living and equitable outcomes for residents of Riverside County, provided that these efforts are sufficiently funded and do not negatively impact the mission of RCTC.

Climate Action and Air Quality

- Support a greater share of state greenhouse gas (GHG) reduction funds under the Cap-and Invest program toward transportation investments in Riverside County to address the transportation sector's share of GHG emissions.
- Ensure criteria for defining disadvantaged communities and environmental justice areas of concern accurately represent Riverside County and enable the region to compete for funding.
- Oppose efforts to place new environmental criteria (such as GHG reduction or vehicle miles traveled reduction) on transportation projects and programs without commensurate funding for alternatives or flexibility for mitigation.
- Oppose legislative proposals or implementation measures (programming, funding, environmental review, etc.) associated with the Climate Action Plan for Transportation Infrastructure (CAPTI), Caltrans System Investment Strategy (CSIS), Executive Order N-19-19, Executive Order N-79-20, AB 32 Nunez (Chapter 488, Statutes of 2006), SB 375 Steinberg (Chapter 728, Statutes of 2008), SB 743 Steinberg (Chapter 386, Statutes of 2013), SB 32 Pavley (Chapter 249, Statutes of 2016), AB 1279 Muratsuchi (Chapter 337, Statutes of 2022), or other climate action goals that hinder a just transition to multimodal transportation systems in Riverside County.
- Support alternative metrics to Vehicle Miles Traveled (VMT) that balance consideration of environmental impacts with the population growth and social and economic needs of regions, such as improved transportation mobility.
- Support efforts that allow transportation agencies to receive credit for VMT-reducing projects that have been recently delivered or are included in future delivery plans.
- Oppose efforts that prevent or discourage the funding or development of transportation projects solely based on census tract screening tools in and around the project location, particularly if use of the screening tool for this purpose disregards external impacts that contribute to the indicators measured.
- Oppose legislation to authorize a multicounty revenue measure for environmental programs if the measure is not required to: (1) provide equitable funding to Riverside County, and (2) be developed through formal consultation with the Commission before and after passage, and (3) involve the Commission in expenditure of funds within Riverside County related to transportation projects, programs, and services; or if such a measure would negatively impact the Commission's ability to achieve voter approval of local transportation revenue.

Habitat Conservation

- Support efforts or initiatives that expedite the approval of Habitat Conservation Plans, Natural Community Conservation Plans, or Special Area Management Plans, or support the implementation of existing plans.
- Support funding for projects and programs that promote wildlife connectivity, if resources are not redirected from other transportation funding programs.
- Oppose legislation that limits the streamlining benefit of the Western Riverside County Multiple Species Habitat Conservation Plan or Coachella Valley Multiple Species Habitat Conservation Plan by impugning or duplicating requirements for analysis and remediation of impacts.

Projects and Programs

- Support programs and policies that ~~advantage~~ advance transportation projects in Riverside County.

- Oppose policies that inhibit the efficient, timely delivery of such projects.
- Support increased funding for Freeway Service Patrol (FSP) programs, which provide life-saving and cost-effective roadside assistance to motorists. Oppose legislation and rulemakings that inhibit the cost-effectiveness and operational efficiency of FSP programs.

Alternatives to Driving

- Support the continued development of a multimodal transit system in Riverside County that promotes equitable access through geographic reach and service frequency, commuter mobility choice, and environmental sustainability, as well as maximizes regional competitiveness for state and federal funding.
- Support integration of public transportation systems in southern California.

Ridesharing

- Support incentives to employers that enhance or create transit reimbursement or ridesharing programs.
- Oppose new mandates on employers or transportation agencies that would result in disruption of the Commission's ridesharing program.
- Support programs and policies that invest in and foster new technologies that promote ridesharing, traffic information, and commuter assistance.
- Support regional cooperation toward establishing transportation data standards and technological integrations.
- Support rideshare and vanpool program eligibility for state and federal transit funding, such as the Transportation Development Act.

Active Transportation

- Support maximum regional control of project selection for funding of active transportation projects.
- Support policies and programs that recognize when active transportation improvements are incorporated into other modal projects.

Transit

- Support all transit operators in Riverside County with legislative concerns impacting the operators' funding and operations.
- Support efforts to provide flexibility of funding between capital and operating budgets from state~~/~~ and federal programs for transit agencies.
- Support efforts to reevaluate transit performance measures in state and federal law.
- Support policies and funding programs that promote the establishment or expansion of express bus service that utilizes the Riverside Express Lanes.
- Support incentives for transit agencies that utilize alternative fuels and/or zero-emission buses.
- Support additional funding for specialized transit programs within state and federal programs.
- Support funding for micro-transit programs, as well as efforts to classify these programs as transit operations/transit operators within state and federal programs.
- Support funding and flexibility for transit operators to meet zero-emission fleet transition requirements.
- Support additional funding for transit rider and operator safety and security.
- Oppose unfunded mandates that would negatively impact the operating budgets of transit agencies.

Passenger Rail

- Support inclusion and prioritization of Coachella Valley Rail service in the California State Rail Plan, Federal

Corridor ID Program, and other state and federal plans and program pipelines.

- Support legislation to better enable the Coachella Valley Rail service to become part of California's intercity rail network, such as legislation to allow intercity rail joint powers authorities to expand their service areas.
- Support efforts to secure state and federal funding for the Coachella Valley Rail project and streamline its project delivery.
- Support LOSSAN Rail Corridor Agency and Metrolink with legislative and regulatory concerns impacting funding and operations.
- Support efforts to provide and equitable share of funding to west coast intercity rail systems as compared to the Northeast Corridor.
- Support Metrolink's policy and funding needs with regards to implementation of positive train control and other rail safety systems.
- Support Metrolink's SCORE implementation and encourage SCORE investments in Riverside County.
- Support efforts to prioritize high-speed rail funding for connectivity improvements to existing transit systems and infrastructure in California's urban areas. Ensure that funding is equitably distributed to southern California and maximize opportunities for regional rail improvements in Riverside County. In particular, support all efforts to ensure that funding is provided as soon as possible to projects included in the Memorandum of Understanding (MOU) between the California High Speed Rail Authority (CHSRA), the Southern California Association of Governments (SCAG), and the Commission.
- Ensure that the Commission's rights and interests in passenger rail in southern California are properly respected in state, federal, and regional plans and policies.
- Support efforts for improved enforcement of the Commission's rights and interests in passenger rail in southern California with host railroads. This includes protecting the Commission-negotiated rights of passengers to on-time passenger rail service that avoid excessive freight train delays.
- Support additional funding for safety and security operations at passenger rail stations in Riverside County.

Teleworking/Remote Working

- Engage in policy discussions that utilize teleworking as a method to reduce traffic congestion and improve local economic and public health by permanently increasing the number of Riverside County residents who telecommute or work remotely.

Tolling and Managed Lanes

- Support legislation that ensures the full and accurate capture of toll revenues, to protect the Commission's debt and congestion management obligations.
- Support legislation that authorizes toll agencies to pilot or deploy new technology to improve toll operations and mobility.
- Support legislation and policies that strengthen existing statutory authority for connecting toll segments to be implemented in an adjacent county with approvals by both authorized counties.
- Engage in legislation regarding privacy laws to ensure an appropriate balance between customer privacy, public safety, financial obligations, and practical operations is reasonably met.
- Oppose legislation increasing the type and/or number of vehicles subject to free or reduced toll rates, to protect the Commission's debt and congestion management obligations, and to reduce operational costs and complexity.
- Oppose ~~state and federal~~ policies which would dictate how tolling policy and rates are implemented on the Commission's tolled facilities.
- Engage in policy discussions that may involve legislation or regulatory efforts that add statutory barriers to expanding the use of tolling.
- Oppose policies that would dictate, limit use of, or create onerous requirements for utilizing toll revenue.
- Engage in legislation and monitor administrative policies relating to interoperability of business practices of

tolled facilities statewide, regionally, and nationally, in order to ensure technical feasibility, efficient and effective operations, cost reasonableness, and customer satisfaction.
- Support increased enforcement of managed lanes for improved travel time reliability and effective operation of express bus service.
- Support policies that recognize the role of pricing and managed lanes as an integral part of multi- modal corridor mobility and achieving environmental goals.
- Support initiatives and research that demonstrate the air quality improvements, VMT reduction, and economic benefits from the use of toll and managed lanes.

Goods Movement

- Policies should recognize the impact of goods movement from the Ports of Los Angeles and Long Beach and the U.S.-Mexico border on Riverside County.
- Support state and federal legislative action to continue dedicated funding for goods movement projects, inasmuch as the funding source:
  - Has a nexus to the user;
  - Does not reduce funding to existing highway and transit programs;
  - Provides funding to California, and southern California in particular, commensurate with this region and state's significance to interstate goods movement; and
  - Can be spent on grade separation projects.
- Advocate for accurate representation of Riverside County in the National Highway Freight Network or other national or statewide freight route designations.
- Advocate for freight funding from state and federal sources to be distributed based on a regional consensus, in consultation with state and federal agency's freight plans.
- Oppose increasing the capacity or intensity of freight movement in and near Riverside County without commensurate mitigation of impacts.
- Support legislation to ensure that the Commission is eligible to seek federal goods movement and freight program discretionary grant funding.
- Oppose policies that restrict the ability to deliver goods movement enhancements due to application of SB 743 or other VMT reduction or mitigation requirements.

~~**Projects and Programs**~~

- ~~Support programs and policies that advantage transportation projects in Riverside County.~~
- ~~Oppose policies that inhibit the efficient, timely delivery of such projects.~~
- ~~Support increased funding for Freeway Service Patrol (FSP) programs, which provide life-saving and cost-effective roadside assistance to motorists. Oppose legislation and rulemakings that inhibit the cost-effectiveness and operational efficiency of FSP programs.~~

~~**Funding**~~

- ~~Support continued testing and analysis of California's road charge pilot program as a potential replacement of the state motor fuels excise tax as the primary funding mechanism for transportation and ensure that both urban, suburban, and rural communities are treated in an equitable manner.~~
- ~~Monitor the federal government's pilot program to explore potential replacement mechanisms for the federal gasoline excise tax.~~
- ~~Support all efforts to maintain, at the very least, current level state/federal funding for transportation programs.~~
- ~~Support re-dedication of California truck weight fees to transportation accounts.~~
- ~~Monitor legislation relating to tax collection for impacts on Measure A revenues or administration fees.~~

- ~~Support maximizing Commission flexibility and discretion over funding decisions.~~
- ~~Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding should be distributed by population share to county transportation commissions to facilitate expeditious project delivery and expenditure of funds.~~
- ~~Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding, by:~~
  - ~~Opposing efforts to tie distribution of transportation funding to ancillary policy matters, such as housing.~~
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- ~~Collaborate with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the Inland Empire region.~~
- ~~Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of living in the Inland Empire region.~~
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RIVERSIDE COUNTY TRANSPORTATION COMMISSION

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- Oppose efforts to remove or reduce tax exemption of municipal bond interest to avoid increased costs to financed projects.
- Reinstate advanced refunding of municipal bond authority.
- Oppose legislation that restructures or interferes with governance of the Commission or other local and regional transportation agencies without the support and consent of the entity and member agencies affected.
- Oppose legislation that amends procurement law in a manner that increases the Commission's exposure to litigation, costs, decreased private sector competition, conflicts of interest, or deviation from best practices.
- Monitor legislation relating to tax collection for impacts on Measure A revenues or administration fees.
- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.
- Oppose policy changes that infringe on the ability of the Commission to receive maximum sales tax collections relative to state sales taxes on internet sales or any other change in policy.
- Support local control and policies that incentivize self-help counties' continued funding contribution to transportation projects in California.
- Support legislation that clarifies that any initiative by the voters proposing to impose a sales tax using the Commission's authorizing statutes shall be implemented by the Commission.

Alignment of Responsibilities

- Support strong collaborative partnerships with state and federal agencies.
- State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration from regional transportation agencies.
- State and federal authority related to planning, programming, funding, clearing, or managing the performance of projects should align rather than conflict or duplicate, and should recognize mandates and responsibilities placed upon regional and local governments.
- Support policies that provide decision-making authority and flexibility to agencies bearing financial risk for projects. Oppose policies that place unfunded mandates and other undue burdens and restrictions on agencies that bear financial risk for projects.
- Support efforts by the state government to improve maintenance and operations of the state highway and interstate systems.

- Oppose efforts by the state government to negate their obligation to maintain the state and federal highway systems, or otherwise realign those costs and responsibilities to local and regional agencies.
- Oppose efforts by the state legislature to deflect responsibility for voting on revenue for statewide transportation to local voters.

Accountability

- Revenue derived from transportation sources should be spent exclusively on planning, development, and implementation of transportation projects. Support measures to strengthen the relationship between transportation revenue and expenditures; oppose measures that weaken them.
- Support efforts to ensure that all projects in a voter-approved sales tax measure expenditure plan are delivered to the public.
- Encourage the adoption of on-time, balanced state budgets, and federal appropriation and authorization legislation to ensure transportation projects are delivered without delay or costly stoppages, and that adequate planning for future projects can take place.
- Promote policies that ensure state and federal agencies have adequate funding in order to be responsive and accountable to Commission concerns when working on Commission projects.
- Oppose efforts by non-elected, regulatory bodies to dilute, reduce, or withhold transportation funds.
- Support maximum transparency of funding agencies through the clear scoring and evaluation of funding requests.

Funding

- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.
- Support continued testing and analysis of California's road charge pilot program as a potential replacement of the state motor fuels excise tax as the primary funding mechanism for transportation and ensure that urban, suburban, and rural communities are treated in an equitable manner.
- Monitor the federal government's pilot program to explore potential replacement mechanisms for the federal gasoline excise tax.
- Support re-dedication of California truck weight fees to transportation accounts.
- Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding should be distributed by population share and air quality standards to county transportation commissions to facilitate expeditious project delivery and expenditure of funds.
- Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding, by:
    - Opposing efforts to tie distribution of transportation funding to ancillary policy matters, such as housing.
    - Opposing efforts to deviate from legislative intent and existing statute.
    - Supporting efforts to adjust formula allocations to maximize funding decisions being made as locally as possible.
    - Ensuring program guidelines are as broad as possible with respect to mode, to the extent appropriate while adhering to legislative intent.

Regional Partnerships

- Collaborate with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the Inland Empire region.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of living in the Inland Empire region.
- Engage in legislative efforts impacting regional transportation agencies, particularly when the efforts have a

nexus to the Commission.

- Support implementation of projects in other counties that are contained in the Southern California Association of Governments RTP/Sustainable Communities Strategy when requested by other counties and not in conflict with the Commission's interests.

Technology and Innovation

- Support implementation and expansion of state and federal initiatives to expedite and advance innovative transportation policies, programs, and technologies.
- Monitor studies, regulations, and legislation regarding the deployment and use of autonomous vehicles, intelligent transportation systems, and new technologies.

Project Delivery Streamlining

- Support all efforts to reduce project delivery timelines and provide flexibility to meet planning requirements due to changing circumstances, while maintaining important environmental protections.
- Support the availability of project delivery tools such as the design-build and progressive design-build project delivery methods, construction manager/general contractor (CM/GC, or construction manager at-risk) project delivery method, and public-private partnerships to the Commission, the State, federal agencies, and other infrastructure agencies. Oppose efforts to add barriers to effective implementation of such tools.
- Support adjustments to SB 743 Steinberg (Chapter 386, Statutes of 2013) VMT modeling, analysis, and mitigation for highway and roadway projects in a manner that recognizes the varying feasibility of multimodal alternatives by region.
- Support reciprocity of CEQA for the National Environmental Protection Act (NEPA).
- Support removing the statutory sunset on the NEPA Assignment program California participates in with the Federal Highway Administration which continues to benefit Commission projects.
- Support efforts to modernize the CEQA, including but not limited to:
    - Reduce the Commission's exposure to litigation;
    - Increase accountability and disclosure for plaintiffs in CEQA cases;
    - Limit courts' ability to invalidate an entire CEQA document when a writ of mandate can resolve discreet issues;
    - Exempt illegal actions from CEQA review; and
    - Prohibit "document dumping."
- Support categorical exclusions for multimodal transit projects and for safety improvements on roads and highways.

Environment

- Encourage efforts to limit impacts to the climate, air quality, and habitats in a manner that promotes improved quality of living and equitable outcomes for residents of Riverside County, provided that these efforts are sufficiently funded and do not negatively impact the mission of RCTC.

Climate Action and Air Quality

- Support a greater share of state greenhouse gas (GHG) reduction funds under the Cap-and Invest program toward transportation investments in Riverside County to address the transportation sector's share of GHG emissions.
- Ensure criteria for defining disadvantaged communities and environmental justice areas of concern accurately represent Riverside County and enable the region to compete for funding.
- Oppose efforts to place new environmental criteria (such as GHG reduction or vehicle miles traveled reduction) on transportation projects and programs without commensurate funding for alternatives or

flexibility for mitigation.

- Oppose legislative proposals or implementation measures (programming, funding, environmental review, etc.) associated with the Climate Action Plan for Transportation Infrastructure (CAPTI), Caltrans System Investment Strategy (CSIS), Executive Order N-19-19, Executive Order N-79-20, AB 32 Nunez (Chapter 488, Statutes of 2006), SB 375 Steinberg (Chapter 728, Statutes of 2008), SB 743 Steinberg (Chapter 386, Statutes of 2013), SB 32 Pavley (Chapter 249, Statutes of 2016), AB 1279 Muratsuchi (Chapter 337, Statutes of 2022), or other climate action goals that hinder a just transition to multimodal transportation systems in Riverside County.
- Support alternative metrics to Vehicle Miles Traveled (VMT) that balance consideration of environmental impacts with the population growth and social and economic needs of regions, such as improved transportation mobility.
- Support efforts that allow transportation agencies to receive credit for VMT-reducing projects that have been recently delivered or are included in future delivery plans.
- Oppose efforts that prevent or discourage the funding or development of transportation projects solely based on census tract screening tools in and around the project location, particularly if use of the screening tool for this purpose disregards external impacts that contribute to the indicators measured.
- Oppose legislation to authorize a multicounty revenue measure for environmental programs if the measure is not required to: (1) provide equitable funding to Riverside County, and (2) be developed through formal consultation with the Commission before and after passage, and (3) involve the Commission in expenditure of funds within Riverside County related to transportation projects, programs, and services; or if such a measure would negatively impact the Commission's ability to achieve voter approval of local transportation revenue.

Habitat Conservation

- Support efforts or initiatives that expedite the approval of Habitat Conservation Plans, Natural Community Conservation Plans, or Special Area Management Plans, or support the implementation of existing plans.
- Support funding for projects and programs that promote wildlife connectivity, if resources are not redirected from other transportation funding programs.
- Oppose legislation that limits the streamlining benefit of the Western Riverside County Multiple Species Habitat Conservation Plan or Coachella Valley Multiple Species Habitat Conservation Plan by impugning or duplicating requirements for analysis and remediation of impacts.

Projects and Programs

- Support programs and policies that advance transportation projects in Riverside County.
- Oppose policies that inhibit the efficient, timely delivery of such projects.
- Support increased funding for Freeway Service Patrol (FSP) programs, which provide life-saving and cost-effective roadside assistance to motorists. Oppose legislation and rulemakings that inhibit the cost-effectiveness and operational efficiency of FSP programs.

Alternatives to Driving

- Support the continued development of a multimodal transit system in Riverside County that promotes equitable access through geographic reach and service frequency, commuter mobility choice, and environmental sustainability, as well as maximizes regional competitiveness for state and federal funding.
- Support integration of public transportation systems in southern California.

Ridesharing

- Support incentives to employers that enhance or create transit reimbursement or ridesharing programs.

- Oppose new mandates on employers or transportation agencies that would result in disruption of the Commission's ridesharing program.
- Support programs and policies that invest in and foster new technologies that promote ridesharing, traffic information, and commuter assistance.
- Support regional cooperation toward establishing transportation data standards and technological integrations.
- Support rideshare and vanpool program eligibility for state and federal transit funding, such as the Transportation Development Act.

Active Transportation

- Support maximum regional control of project selection for funding of active transportation projects.
- Support policies and programs that recognize when active transportation improvements are incorporated into other modal projects.

Transit

- Support all transit operators in Riverside County with legislative concerns impacting the operators' funding and operations.
- Support efforts to provide flexibility of funding between capital and operating budgets from state and federal programs for transit agencies.
- Support efforts to reevaluate transit performance measures in state and federal law.
- Support policies and funding programs that promote the establishment or expansion of express bus service that utilizes the Riverside Express Lanes.
- Support incentives for transit agencies that utilize alternative fuels and/or zero-emission buses.
- Support additional funding for specialized transit programs within state and federal programs.
- Support funding for micro-transit programs, as well as efforts to classify these programs as transit operations/transit operators within state and federal programs.
- Support funding and flexibility for transit operators to meet zero-emission fleet transition requirements.
- Support additional funding for transit rider and operator safety and security.
- Oppose unfunded mandates that would negatively impact the operating budgets of transit agencies.

Passenger Rail

- Support inclusion and prioritization of Coachella Valley Rail service in the California State Rail Plan, Federal Corridor ID Program, and other state and federal plans and program pipelines.
- Support legislation to better enable the Coachella Valley Rail service to become part of California's intercity rail network, such as legislation to allow intercity rail joint powers authorities to expand their service areas.
- Support efforts to secure state and federal funding for the Coachella Valley Rail project and streamline its project delivery.
- Support LOSSAN Rail Corridor Agency and Metrolink with legislative and regulatory concerns impacting funding and operations.
- Support efforts to provide and equitable share of funding to west coast intercity rail systems as compared to the Northeast Corridor.
- Support Metrolink's policy and funding needs with regards to implementation of positive train control and other rail safety systems.
- Support Metrolink's SCORE implementation and encourage SCORE investments in Riverside County.
- Support efforts to prioritize high-speed rail funding for connectivity improvements to existing transit systems and infrastructure in California's urban areas. Ensure that funding is equitably distributed to southern California and maximize opportunities for regional rail improvements in Riverside County. In particular,

support all efforts to ensure that funding is provided as soon as possible to projects included in the Memorandum of Understanding (MOU) between the California High Speed Rail Authority (CHSRA), the Southern California Association of Governments (SCAG), and the Commission.
- Ensure that the Commission's rights and interests in passenger rail in southern California are properly respected in state, federal, and regional plans and policies.
- Support efforts for improved enforcement of the Commission's rights and interests in passenger rail in southern California with host railroads. This includes protecting the Commission-negotiated rights of passengers to on-time passenger rail service that avoid excessive freight train delays.
- Support additional funding for safety and security operations at passenger rail stations in Riverside County.

Teleworking/Remote Working

- Engage in policy discussions that utilize teleworking as a method to reduce traffic congestion and improve local economic and public health by permanently increasing the number of Riverside County residents who telecommute or work remotely.

Tolling and Managed Lanes

- Support legislation that ensures the full and accurate capture of toll revenues, to protect the Commission's debt and congestion management obligations.
- Support legislation that authorizes toll agencies to pilot or deploy new technology to improve toll operations and mobility.
- Support legislation and policies that strengthen existing statutory authority for connecting toll segments to be implemented in an adjacent county with approvals by both authorized counties.
- Engage in legislation regarding privacy laws to ensure an appropriate balance between customer privacy, public safety, financial obligations, and practical operations is reasonably met.
- Oppose legislation increasing the type and/or number of vehicles subject to free or reduced toll rates, to protect the Commission's debt and congestion management obligations, and to reduce operational costs and complexity.
- Oppose policies which would dictate how tolling policy and rates are implemented on the Commission's tolled facilities.
- Engage in policy discussions that may involve legislation or regulatory efforts that add statutory barriers to expanding the use of tolling.
- Oppose policies that would dictate, limit use of, or create onerous requirements for utilizing toll revenue.
- Engage in legislation and monitor administrative policies relating to interoperability of business practices of tolled facilities statewide, regionally, and nationally, in order to ensure technical feasibility, efficient and effective operations, cost reasonableness, and customer satisfaction.
- Support increased enforcement of managed lanes for improved travel time reliability and effective operation of express bus service.
- Support policies that recognize the role of pricing and managed lanes as an integral part of multi-modal corridor mobility and achieving environmental goals.
- Support initiatives and research that demonstrate the air quality improvements, VMT reduction, and economic benefits from the use of toll and managed lanes.

Goods Movement

- Policies should recognize the impact of goods movement from the Ports of Los Angeles and Long Beach and the U.S.-Mexico border on Riverside County.
- Support state and federal legislative action to continue dedicated funding for goods movement projects, inasmuch as the funding source:

  - Has a nexus to the user;
  - Does not reduce funding to existing highway and transit programs;
  - Provides funding to California, and southern California in particular, commensurate with this region and state's significance to interstate goods movement; and
  - Can be spent on grade separation projects.
- Advocate for accurate representation of Riverside County in the National Highway Freight Network or other national or statewide freight route designations.
- Advocate for freight funding from state and federal sources to be distributed based on a regional consensus, in consultation with state and federal agency's freight plans.
- Oppose increasing the capacity or intensity of freight movement in and near Riverside County without commensurate mitigation of impacts.
- Support legislation to ensure that the Commission is eligible to seek federal goods movement and freight program discretionary grant funding.
- Oppose policies that restrict the ability to deliver goods movement enhancements due to application of SB 743 or other VMT reduction or mitigation requirements.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – DECEMBER 2025

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 334 (Petrie-Norris)	Current state law limits the sharing of toll customer data necessary for interoperability with other states, limiting toll operators' ability to collect toll revenue from out-of-state drivers in an efficient manner. The existing process is cumbersome, requires significant staff time, and may lead to penalties on customers that may otherwise be avoided. AB 334 enables toll operators in California, such as RCTC, to participate in a future national interoperability program, enhancing service to customers and streamlining the transaction process.	Ordered to Senate Inactive File on 9/13/2025. Two-year bill.	*Support*	4/9/2025
SB 512 (Pérez)	SB 512 provides statutory clarity confirming that transportation agencies with existing sales tax authority may administer a voter-approved transactions and use tax as determined by a citizens' initiative.	Passed out of the Assembly on 9/4/2025. Assembly amendments concurred in on 9/11/2025. Vetoed by Governor on 10/13/2025.	*Support Based on Platform*	7/9/2025
AB 1145 (Gonzalez)	Requires the California Department of Transportation to conduct a study on State Highway Route 74 by December 31, 2027 with a goal of improving safety of travelers and address enforcement of commercial vehicle facility bypassing.	Senate Transportation hearing canceled at the request of the author on 7/1/2025. Two-year bill.	*Support*	7/11/2025

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	November 24, 2025
TO:	Budget and Implementation Committee
FROM:	Matt Wallace, Deputy Director of Administrative Services
THROUGH:	Lisa Mobley, Director of Administrative Services/Clerk of the Board
SUBJECT:	Adopt Resolution No. 25-009 Related to Procurement Policy Manual

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

1) Approve the revised Riverside County Transportation Commission (RCTC) and Western Riverside County Regional Conservation Agency (RCA) Procurement Policy Manual (PPM) for the procurement and contracting activities undertaken by the agencies, pursuant to legal counsel review as to conformance to state and federal law; and
2) Adopt Resolution No. 25-009, "*Resolution of the Riverside County Transportation Commission Regarding the Revised Procurement Policy Manual*".

BACKGROUND INFORMATION:

RCTC's initial PPM was adopted in April 2007 to set forth a general procurement policy and set of standards governing the conduct of RCTC procurement activities and of RCTC personnel engaged in those activities. Since the initial adoption of the PPM, RCTC adopted several revisions to update the PPM as a comprehensive document and to comply with the Federal Transit Administration; Federal Highway Administration; Caltrans; Office of Management and Budget's issuance of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); RCTC regulations; and best practices. The latest revision to the PPM occurred after RCTC and RCA entered into the Implementation and Management Services Agreement (Agreement). At that point, the PPM was amended, effective March 2021, to combine the existing RCTC policies with RCA's procurement policies to provide for a comprehensive policy for both agencies.

The PPM policies are intended to maintain the integrity of RCTC's and RCA's procurement processes, while ensuring that purchases are made in a cost effective, timely manner; with fair and open competition; and in accordance with all applicable laws and regulations. The objectives of the PPM are to:

1. Maximize the value received for expenditure of public funds;
2. Protect assets and/or services purchased with public funds and ensure their application in RCTC's and RCA's interests;

3. Provide all vendors an equal opportunity to provide needed goods and/or services;
4. Protect the integrity and reputation of RCTC, RCA and their officers, and employees; and
5. Ensure compliance with state and federal funding requirements, as applicable.

The PPM has successfully guided RCTC's procurements for design-build, construction, preliminary engineering, and professional services as well as supplies, equipment, and materials, and RCA's procurements for needed services and supplies.

Staff and legal counsel have reviewed the PPM and identified several updates necessary to ensure consistency with the Commission's current organizational structure, federal requirements, and operational needs. Approval of the PPM will ensure that the PPM policies remain current, efficient, and legally compliant.

DISCUSSION:

Since the last adoption to the PPM in February 2021 (effective March 2021), several updates are necessary to reflect changes in organizational structure, federal procurement thresholds, and internal practices.

Procurement Policies

The following is an overview of the primary changes to the PPM:

Chapter 2 – Procurement Generally

- **Section 1(C) – Commission Controls**: Responsibility for ensuring that each Agency's procurement process is in accordance with applicable laws, regulations, and the PPM has been changed from Chief Financial Officer to the Director of Administrative Services/Clerk of the Board to align with RCTC's organizational structure effective July 2024.

- **Section 1(G) – Approval Limits and Solicitation Types:** RCTC's procurement thresholds for services have been modified to increase the micro-purchase threshold from $10,000 to $15,000, small purchase threshold from $250,000 to $350,000, and formal procurement threshold to be greater than $350,000. This change is recommended to be consistent with the Federal Acquisition Regulation: Inflation Adjustment of Acquisition-Related Thresholds effective October 1, 2025.

- **Section 2 – Procurement Officer – Designation and Delegation:** The designated Procurement Officer has been changed from the Deputy Director of Financial

Administration to the Deputy Director of Administrative Services to align with RCTC's organizational structure effective July 2024.

- **Section 12(B.1.) – Duties of Commission Staff Regarding Procurements:** Modified language has been included to align with changes to the Uniform Guidance.

- **Section 12(B.2.) – Duties of Commission Staff Regarding Procurements (for RCTC):** Construction Change Order approval limits have been modified. Any change order exceeding $100,000 but no greater than $350,000 requires approval by the Project Delivery Director or the Toll Program Director. Any change order greater than $350,000 requires approval by the Executive Director. Additionally, requirements for non-construction change orders for Toll Operations have been added which follow the same authorization limits as the construction change orders. Any such authority must be exercised within single signature authority or Commission authorized contingency.

- **Section 17 – Protest Procedures** – Procedures for protests of RCTC procurements has been modified. The protest procedures have been revised to separately address protests regarding the solicitation requirements, which must be filed during the solicitation period, and protests following solicitation opening. The timing for protests have been revised to require the protest to be filed within five calendar days of final addendum for protests of the solicitation requirements, and within ten calendar days of issuance of a recommendation for award for protests of a bid or proposal. Additional modifications were made to clarify the protest process. Language was also added to clarify that if solicitation documents include protest procedures, the procedures in the solicitation documents will govern over the procedures in the PPM.

Chapter 4 – Alternate Delivery Contracts:

This chapter is related to various alternative delivery methods authorized for RCTC use under state law including Design-Build and Construction Manager/General Contractor (CM/GC). Since the last time the PPM was updated, RCTC was granted authority under state law for use of the Progressive Design-Build method. This chapter has been modified to include Progressive Design-Build as an alternative delivery method authorized under the PPM for RCTC's use. Since additional alternative delivery authority may be granted to RCTC prior to the next PPM update, this chapter has also been modified to allow RCTC to utilize any alternate delivery method authorized by state law, even if not explicitly defined in the PPM.

Chapter 8 – References to Applicable Laws/Regulations

This chapter addresses various federal funding source laws and regulations. Section 5 of this Chapter has been modified to remove language limiting inclusion of geographical preferences in procurements. The Section is now marked as reserved. The limitation on geographical preferences was included in the PPM because it was required by the Uniform Guidance for federally funded procurements. However, the limitation was removed in a recent update of the Uniform Guidance, and therefore is being removed from the PPM. Most of this chapter is inapplicable to the RCA, as RCA does not receive FHWA or FTA funds; however, a general reference is included regarding RCA compliance with grant requirements.

SUMMARY AND FISCAL IMPACT:

Staff recommends approval of the PPM and adoption of Resolution No. 25-009 to update its procurement policies and to be consistent with federal acquisition regulations.

There is no fiscal impact related to the approval and adoption of these policies; the approval by the Commission or Executive Director, as provided in the PPM, of agreements and commitments from specific procurement activities results in a direct fiscal impact.

Attachments:

1) Resolution No. 25-009, "*Resolution of the Riverside County Transportation Commission Regarding the Revised Procurement Policy Manual*"
2) Riverside County Transportation Commission and Western Riverside County Regional Conservation Authority Procurement Policy Manual (Revised December 2025)

RESOLUTION NO. 25-009

**RESOLUTION OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
REGARDING THE
REVISED PROCUREMENT POLICY MANUAL**

WHEREAS, the Commission previously adopted Resolution No. 21-001, *"Resolution of the Riverside County Transportation Commission Regarding the Revised Procurement Policy Manual"*; and

WHEREAS, the Commission is required to comply with the Office of Management and Budget's issuance of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance), and the Procurement Policy Manual provides for such compliance; and

WHEREAS, the Commission desires to update its procurement policies and procedures to continue to be a comprehensive, useful framework and incorporate best practices for the Commission's procurements; and

WHEREAS, for purposes of government efficiency, Commission staff conducts and manages the operations of the Western Riverside County Regional Conservation Authority (the "Authority"), including Authority procurements;

WHEREAS, the Authority previously adopted the Procurement Policy Manual and that the Commission may amend the Procurement Policy Manual without need for further action by the Authority; and

WHEREAS, the Commission desires to update the Procurement Policy Manual with various changes to improve the Commission's procurement processes.

NOW, THEREFORE, the Riverside County Transportation Commission does hereby resolve as follows:

Section 1. The Procurement Policy Manual previously adopted on February 10, 2021, is hereby replaced in its entirety by the revised Procurement Policy Manual, set forth in Attachment 1, attached hereto and incorporated herein.

Section 2. The Riverside County Transportation Commission hereby approves and adopts the Procurement Policy Manual, as revised, to be effective December 10, 2025.

SIGNATURE PAGE
TO
RESOLUTION NO. 25-009

APPROVED AND ADOPTED this 10th day of December, 2025.

____
Karen Spiegel, Chair
Riverside County Transportation Commission

ATTEST:

____
Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission

Riverside County Transportation Commission and

Western Riverside County

Regional Conservation Authority Procurement Policy Manual

~~(Revised February 1. 2021,~~
Effective December 10, 2025 ~~March 31~~,
~~2021~~)

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CHAPTER 1 – PROCUREMENT PROCESS

1.0 PURPOSE AND SCOPE

A. The Riverside County Transportation Commission (hereinafter "RCTC" or "Commission") and the Western Riverside County Regional Conservation Authority ("RCA" or "Authority") procure goods and services using public funds. The Commission and Authority (collectively, "Agencies") have a responsibility to uphold the public trust and maximize the value of public funds by using them as efficiently and cost-effectively as possible. As used herein, the term "Agency" is intended to refer individually, and interchangeably, to the Commission or Authority, as applicable.

B. Employees of the Commission conduct the operations of both Agencies.

C. This Procurement Policy Manual (Manual) sets forth a general procurement policy and set of standards that will govern the conduct of Agencies' procurement activities and of Commission personnel engaged in those activities. The policies contained herein are advisory, not mandatory, except as related to applicable state or federal laws, and any deviation therefrom shall not render any contract of either Agency void or voidable. This manual is for the Agencies' internal purposes only and shall not create any rights in any third parties. Compliance with the provisions in this Manual related to state or federal funding is required in order to maintain funding eligibility.

D. This Manual is intended to supersede, in its entirety, the RCTC and RCA~~Commission's~~ *Procurement Policies Manual* which was adopted by the Commission on February 10, 2021~~September 11, 2019~~, and by the Authority on March 1, 2021 with and effective date of March 31, 2021~~'s procurement ordinance, Ordinance No. 08-02, adopted on September 8, 2008~~.

E. As used herein, "FHWA" refers to the Federal Highway Administration; "FTA" refers to the Federal Transit Administration; and "Caltrans" refers to the California Department of Transportation.

2.0 PROCUREMENT POLICY STATEMENT

A. These procurement policies establish the guidelines and policies for procuring the goods and services necessary for the Agencies to carry out their responsibilities and duties. The policies are intended to maintain the integrity of each Agency's procurement process, while ensuring that purchases are made in a cost effective, timely manner; with fair and open competition; and in accordance with all applicable laws and regulations.

B. The objectives of this Procurement Policy Manual are to:

1. Maximize the value received for each Agency expenditure of public funds;

2. Protect assets and/or services purchased with public funds and ensure their application in each Agency's interests;

3. Provide all vendors an equal opportunity to provide needed goods and/or services; and

4. Protect the integrity and reputation of the Authority and its officers, and the Commission, its officers and employees.

5. Ensure compliance with state and federal funding requirements, as applicable.

C. Notwithstanding reference in this Manual to a single Agency, when in the best interest of the Agencies and consistent with legal requirements applicable to each Agency, the procurements described herein may be conducted as joint procurements.

3.0 PROCUREMENT STANDARDS

A. General

1. Contract Administration System. Each Agency will maintain a contract administration system that helps ensure that contractors perform in accordance with the terms, conditions, and specifications of their respective contracts.

a. Contract administration activities may include the following:

i. Receive, evaluate, and act on value engineering and other change proposals.

ii. Negotiate cost and schedule impact related to change orders and other contract modifications.

iii. Process disputes under the contract's disputes clause.

iv. Review and approve payments under any progress payments clause.

v. Ensure that invoiced personnel charges are for positions and classifications included in the contract. If new positions or classifications are required, they must be included pursuant to a written contract amendment dated prior to the date costs are incurred.

vi. Ensure that hourly rates and other costs are billed at the contracted rates. The contracted rates may not be changed, except in accordance with the terms of the contract, or as legally allowed based on specific findings approved by the applicable Agency members.

vii. Monitor progress and ensure timely notification of anticipated overrun.

viii. Monitor financial status and advise if contract performance is jeopardized.

ix. Issue task orders and ensure that the basis for payment set forth in any task order is consistent with the terms of the contract and the hourly rates included in the contract, as applicable.

x. Perform property administration.

xi. Ensure contractor compliance with quality assurance requirements.

xii. Evaluate, for adequacy, the contractor's engineering efforts and management systems that relate to design, development, production and testing.

xiii. Evaluate and make recommendations on contractor requests for waivers and deviations.

xiv. Monitor contractor's small and disadvantaged business subcontracting.

xv. Ensure timely submission of required reports.

xvi. Administer special clauses such as drug and alcohol testing.

xvii. Receive, inspect, and accept or reject partial deliveries and final deliveries of all contract deliverables.

xviii. Assist in contract close out.

b. For Commission contracts, the administration of construction contracts may be further supplemented by the Caltrans Construction Manual or other manual developed for a specific project, as required.

2. Avoid Duplicative Purchases. Commission staff should regularly review proposed and planned procurements to avoid purchase of unnecessary or duplicative items for either Agency.

3. Lease vs. Purchase Analysis. Where appropriate, an analysis should be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical procurement approach.

4. Value Engineering. When appropriate and in the Agency's best interests, the Agency will encourage the use of value engineering by including applicable clauses in contracts for appropriate equipment purchases and construction projects.

5. Award to Responsive and Responsible Contractors. The Agency will make awards only to responsive and responsible contractors, as determined by the Agency, possessing the ability to perform successfully under the terms and conditions of a proposed contract. Consideration will be given to such matters as contractor integrity, compliance with public policy as implemented by applicable laws and regulations, record of past performance, and financial and technical resources.

a. In connection with the responsibility determination for federally funded procurements, a check of debarment and suspension must be performed and documented in the procurement records.

6. Agency Rejection of Bids, Quotes, and/or Proposals. The Agency, to the extent permitted by applicable laws, may reject any and all bids, quotes and/or proposals and re-advertise at its sole discretion. The Agency should ensure that such rights are clearly stated in all Agency bid documents.

7. Procurement Records. Records sufficient to document the significant history of each procurement activity should be maintained and retained by each Agency in accordance with the applicable Agency' records retention policy. At a minimum, these records should include:

a. The rationale for the method of procurement;

b. Selection of contract type;

c. Reasons for contractor selection or rejection; and

d. The basis for the contract price.

8. Specifications. The Agency will have clear and accurate contract specifications or statements of work that identify all requirements that offerors must fulfill. Additionally, written selection procedures for formal procurements shall be prepared to help ensure fair, unbiased evaluation of competing proposals.

a. For federally funded procurements, the Agency is prohibited from ~~unduly~~ restricting competition or placing unreasonable requirements on firms in order for them to qualify to do business (e.g., unnecessary experience and excessive bonding requirements).

9. Brand Name or Equal. The use of "brand name or equal" purchase descriptions may be permitted:

a. Only when an adequate specification cannot be provided without performing an inspection and analysis in time for the acquisition under consideration; and

b. When minimum needs are carefully identified and those salient physical and functional characteristics of the brand name product are clearly set forth in the solicitation.

c. For non-federally funded procurements, as otherwise permitted by state law.

This section is not intended to impose limitations on the Agency's ability to require a brand name when the procurement is not federally funded and is not a "public work" or "public project" subject to the requirements contained in the California Public Utilities Code (PUC), for the Commission, or the Public Contract Code (PCC), for the Authority.

10. Audit Provisions. Every Agency contract wherein contractor or other entity is receiving Agency funds in excess of $10,000 should include a provision allowing examination and audit of records related to the contract by the Agency's auditor for a period of three years after final payment under the terms of the contract.

11. Violations or Breach of Contract. All contracts exceeding $100,000 should include administrative, contractual, or legal remedies for violations or breach of the contract by the contractor.

12. Termination Clause. All contracts in excess of $25,000, and public works contracts in excess of $2,000, should provide for the termination of the contract for the Agency's convenience, and all contracts should provide for the termination of the contract for default in cases of contractor breach or non-performance. Federally funded contracts in excess of $10,000 must provide for both termination for convenience and cause.

13. Issues not Included in the Procurement Policy Manual. If a policy, procedure or particular strategy or practice is in the best interest of the Agencies, or either of them, and is not specifically addressed, nor prohibited by statute or case law, users of this Manual should not assume it is prohibited. Rather, the absence of direction should be interpreted as permitting the Executive Director to innovate and use sound business judgment that is otherwise consistent with law and within the limits of his or her authority.

B. Written Standards of Conduct

1. Conflicts of Interest. All members, officers, and other agents of each Agency, and Commission employees, must conduct the procurement process so as to avoid conflicts of interest, real or apparent. To maintain full and open competition, no Agency member, officer, employee or other agent, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of any Agency contract of the applicable Agency if a conflict of interest, prohibited by law, would be involved. For federally-funded contracts, the foregoing shall also apply when any of those individuals previously listed has a financial or other interest in the firm selected for award. In addition to the foregoing, all procurements must be conducted in accordance with, as applicable, the most current version of the "Conflict of Interest Code for the Riverside County Transportation Commission" or the "Conflict of Interest Code for the Western Riverside County Regional Conservation Authority," both adopted pursuant to the Political Reform Act of 1974 (as amended).

2. Lobbying and Gifts. Agency officers, agents and members, and Commission employees must comply with applicable state and federal law regarding acceptance of gifts, gratuities, or favors from contractors, potential contractors, or parties to subcontractor agreements. For federally-

funded procurements, the procuring Agency officers, agents or members, and Commission employees, may neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts; provided that exceptions may apply if, as determined by the Executive Director, the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. For federally-funded procurements, nominal value shall mean under fifty dollars ($50).

3. Violations.

a. The violation of these Standards of Conduct by Commission employees will subject the violator to any disciplinary proceedings or action deemed appropriate by the Executive Director. Employees may correct a violation in any manner provided for under the Political Reform Act, and its implementing regulations.

b. The violation of any of these Standards of Conduct by members or officers of either Agency will require correction of the violation in any manner provided for under the Political Reform Act, and its implementing regulations.

c. Contractors or subcontractors that violate these Standards of Conduct as relates to an active federally-funded procurement may be prohibited from bidding on the procurement, or may be subject to other action as deemed appropriate by the Executive Director.

d. Agents of either Agency that violate these Standards of Conduct as relates to federally-funded procurements may be prohibited from participation on behalf of that Agency on federally funded projects, or subject to other action as deemed appropriate by the Executive Director.

4. Prohibited Communications. To avoid any appearance of impropriety, instructions to bidders in solicitation documents should prohibit contacts of any kind from proposers/bidders with any member of the procuring Agency or any Commission staff, other than the Procurement Officer, or designee, during an open procurement. Violation of this condition may result in immediate disqualification of a bid or proposal. This provision is not meant to prohibit communications between Commission staff and existing consultants/contractors related to existing business which the consultant/contractor is under contract to perform on behalf of the Agency.
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4.0 TYPES OF CONTRACTS

A. General Provisions

1. The Procurement Officer should use the types of contracts described in this Chapter for most types of procurement, except as otherwise provided for certain small purchases described hereunder in Chapter 6. Innovative contracting arrangements are not prohibited, but require the advance

approval of the Executive Director or the applicable Agency, as specified herein.

2. The "cost-plus-percentage-of-cost" method of contracting shall not be used for state or federally funded contracts.

3. The Procurement Officer, in consultation with the project manager, should select the type of contract that is most appropriate to the circumstances of each procurement, in accordance with the provisions of this Chapter.

4. In procurements by other than competitive sealed bidding, the Procurement Officer may negotiate a contract type and price (or estimated cost and fee) that will result in reasonable contractor risk and provide the contractor with the greatest incentive for efficient and economical performance.

B. Selecting Contract Types

1. The type of contract to be used should be determined prior to the solicitation, and the solicitation should inform bidders of the type of contract that will be used.

2. When procurement is by competitive sealed bidding, the Procurement Officer must use a firm fixed-price contract.

3. Except when procurement is by competitive sealed bidding as required by law, the Procurement Officer should select the most effective contract type and should consider contract type together with the issues of price, risk, uncertainty, and responsibility for costs. The type of contract used should reflect the cost risk and responsibility assumed by the contractor or supplier.

4. The Procurement Officer should avoid the continued use of a cost reimbursement or time-and-materials contract after experience provides a basis for firmer pricing.

5. The Procurement Officer should include documentation in each contract file to show why the particular contract type was selected, except for purchase orders under the small purchase threshold.

C. Fixed-Price Contracts

1. Fixed-price contracts may provide for a firm price or, in appropriate cases, an adjustable price.

2. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price will be subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances.

3. A firm-fixed-price contract should provide for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.

4. A firm-fixed-price contract should be used for acquiring commercial products or commercial-type products, or for acquiring other supplies or services, on the basis of reasonably definite functional or detailed specifications if the Procurement Officer can establish fair and reasonable prices at the outset, including the following circumstances:

    a. When there is adequate price competition;

    b. When there are reasonable price comparisons with prior purchases of the same or similar supplies or services made on a competitive basis;

    c. When available cost or pricing information permits realistic estimates of the probable costs of performance;

    d. When performance uncertainties can be identified and reasonable estimates of their cost impact can be made, and the contractor is willing to accept a firm-fixed-price contract; or

    e. When required by law unless a sole source exception applies.

D. Cost Reimbursement/Cost-Plus-Fixed-Fee Contracts

1. Cost reimbursement contracts provide for payment of the contractor's reasonable, allocable and allowable incurred costs plus a negotiated fixed fee, to the extent prescribed in the underlying contract and Federal Acquisition Regulation (FAR) Part 31.

2. A cost reimbursement contract establishes an estimate of total cost for the purpose of obligating funds and establishing a ceiling on expenditures that the contractor may not exceed without the approval of the Agency.

3. Cost reimbursement contracts are suitable for use when the uncertainties of performance do not permit costs to be estimated with sufficient accuracy to use a fixed-price contract.

4. The Agency must determine the adequacy of the contractor's accounting system for cost-type contracts before awarding such a contract.

E. Time-And-Materials Contracts

1. A time-and-materials contract should include direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, profit, and materials required at cost.

2. The user department/project manager should ensure that there is adequate surveillance of contractor performance when a time-and-materials type contract is used.

3. For federally funded procurements, a time-and-materials contract should be used only after the Procurement Officer determines:

    a. In writing, that no other type of contract is suitable; and

    b. A ceiling price to be included in the contract that the contractor shall not exceed except at its own risk.

4. For federally funded procurements, a time-and-materials contract should be used only when it is not possible at the time of executing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of certainty or confidence.

F. Labor-Hour Contracts

1. When materials are not required, the Procurement Officer may use a labor-hour contract, a variation of the time-and-materials contract.

2. The use of a labor-hour contract should be in accordance with the above-referenced provisions related to time-and-materials contracts.

G. Letter Contracts (Letter Of Intent Contracts)

1. A letter contract is an interim type of contractual agreement that gives the contractor a limited notice of award for the delivery of the required goods/supplies or the performance of services.

2. The Procurement Officer may use a letter contract when the Agency's interests demand that the contractor be given a binding commitment so that work can start immediately and executing a definitive contract is not possible in sufficient time to meet the requirement. Each letter contract should be as complete and definitive as possible under the circumstances and should include clauses approved and required by the Procurement Officer.

3. The estimated cost of the definitive contract should determine the type and level of review and approval required for approval of a letter contract.

4. A letter contract may not be entered into without competition except as provided for under Non-Competitive and/or Emergency Procurements provisions of this Manual.

5. A letter contract may not be amended to satisfy a new requirement unless the new requirement is inseparable from the existing contract. Any amendment should be subject to the same requirements as a new letter contract.

6. The total value of the letter contract should be the estimated sum necessary to cover the contractor's requirement for funds before execution of the definitive contract. However, the total value of a letter contract should not, under any circumstances, exceed fifty percent (50%) of the overall price ceiling for the term of the final negotiated (i.e., definitive) contract.

7. A letter contract should contain a negotiated schedule for execution of the definitive contract, including dates for submission of the contractor's price proposal, cost or pricing data (if required), a date for start of negotiations, and a target for execution of the definitive contract.

8. The letter contract should provide that if the Procurement Officer and the contractor cannot negotiate a definitive contract because of failure to reach

agreement regarding price or fee: 1) the Procurement Officer may terminate the letter contract; or 2) if a "contract definitization" clause is included in the letter contract, the Agency may unilaterally require the contractor to continue the work and the Procurement Officer may, with the approval of the Executive Director, determine a reasonable price or fee.

H. Multiple Year Contracts

Multiple year contracts may be used with competitive sealed bids, competitive proposals, or by non-competitive procurement. The contract term, and any extensions thereof, shall be established based on sound business judgment of the Agency. Multiple year contracting is a method by which the Agency awards a contract for a base period of one or more years, with option provisions for future years' requirements. The option provision in the contract should provide for unilateral exercise at the discretion of the user department/project manager, as additional requirements and funding become available. See below under Section 5.0 of this Chapter for further information regarding Options.

For federally-funded procurements, the procurement file shall document the rationale for determining the term. Considerations should include the time necessary to accomplish the purpose of the contract, competition, pricing, and fairness.

I. Indefinite Delivery/Indefinite Quantity (ID/IQ) Contracts

1. The Procurement Officer may use an ID/IQ type of contract when the Agency anticipates a recurring requirement, but cannot predetermine the precise quantities of supplies or services at the time of contract award.
2. FHWA or Caltrans funded ID/IQ on-call contracts and FTA funded ID/IQ contracts for rolling stock and replacement part contracts may not exceed five (5) years.
3. ID/IQ contracts should specify maximum or minimum estimated quantities that the Agency may require during the term of the agreement. An ID/IQ contract should make no promise of exclusivity and may in fact be one of several (multiple) contracts awarded for the same item or service.
4. There are several types of ID/IQ contracts, including:
   a. Definite-quantity contracts
   b. Requirements contracts
   c. Indefinite quantity (IQ) contracts (commodities)
   d. Task order contracts (services)
5. If possible under the circumstances, the Procurement Officer should ensure that original solicitation and resultant ID/IQ contract contain both a minimum and a maximum quantities, which represent the reasonably foreseeable needs of the parties to the solicitation, and a clause stating that the estimate is not a representation to a bidder, offeror, or consultant that

the estimated quantity or dollar amount above the estimated minimum will actually be required or ordered by the Agency.

6. For task orders contracts, the procurement documents and executed contracts must specify the procedures to be used in awarding task orders. Such procedures must comply with state and federal regulations, as applicable.

5.0 OPTIONS

A. General

1. When it is in the best interest of the Agency, a contract option may be included providing the Agency the unilateral right to extend the term of the contract and/or to purchase additional supplies or services called for by the contract.

2. Any written findings required for a contract option shall specify both the base requirement(s) and the increase permitted by subsequent options. Contract provisions setting forth the cost of the option may include, but are not limited to, the following:

   a. A specific dollar amount;

   b. An amount to be determined by applying provisions (or a formula) provided in the basic contract, but not including renegotiation of the price for work in a fixed-price type contract;

   c. In a cost-type contract, a stated fixed or maximum fee, or a fixed or maximum fee amount determinable by applying a formula contained in the basic contract;

   d. A specific price that is subject to an economic price adjustment provision; or

   e. A specific price that is subject to change as a result of changes to the prevailing labor rates provided by the U.S. Department of Labor (DOL) or the California Department of Industrial Relations (DIR) prevailing rates, whichever is applicable.

B. Solicitation of Contracts with Options

1. If a contract provides for an option, the solicitation should include appropriate option clauses.

2. Each contract should state the period within which an option may be exercised.

3. In order to meet the requirements of this Manual for full and open competition, the option should be evaluated as part of the initial competition and be exercisable at an amount specified from the terms of the basic contract. When options have not been evaluated as part of the award, the exercise of such options will be considered a non-competitive procurement

and must comply with the non-competitive procurement policies in described in this Manual.

C. Exercise of Options

1. The user department/project manager, in cooperation with the Procurement Officer, should initiate the exercise of an option only after determining the following for the Agency:

   a. That sufficient budget authority is available;

   b. That the requirement covered by the option fulfills an existing Agency need; and

2. The Procurement Officer, after considering price and other factors, should make the determination whether to recommend exercising the option on the basis of one of the following:

   a. A new solicitation fails to produce a better price or a more advantageous offer than that offered by the option; provided, that if it is anticipated that the best price available is the option price (or that the option provides the more advantageous offer), the Procurement Officer should not use this method to test the market;

   b. An informal analysis of prices or an examination of the market indicates that the option price is better than prices available in the market or that the option is the most advantageous offer; or

   c. The short time between the award of the contract containing the option and the exercise of the option indicates that the option price is the lowest price obtainable or the most advantageous.

3. The contract modification or other written document, which notifies the contractor of the exercise of the option, shall cite the option provision as authority for the action and should be issued within the time period specified in the contract.

6.0 COOPERATIVE AGREEMENTS

A. Policy on Intergovernmental or Inter-entity Agreements

To promote economy and efficiency, the Agency may enter into state and local intergovernmental agreements or inter-entity agreements, where such agreements are in the best interest of the Agency and are appropriate for procurement or use of common or shared goods and services. The use of purchasing schedules may be prohibited for federally funded procurements. Out-of-state purchasing agreements are prohibited for FTA-funded procurements.

B. Memorandum of Understanding

A memorandum of understanding (MOU) is a contract document describing a bilateral or multilateral agreement outlining the terms and details of an arrangement between the parties to the MOU, including each party's requirements and responsibilities. An MOU is used when substantial involvement is expected between the Agency and another agency or entity when carrying out the activity contemplated in the MOU, and there exists some public or mutually beneficial purpose in carrying out this activity.

C. Piggybacking

1. Piggybacking is the post-award use of an acceptable contract/solicitation process that allows an entity not contemplated in the original procurement to purchase the same supplies or equipment under the original contract/solicitation process.

2. Piggybacking is permissible when:

   a. The underlying solicitation document and the resultant contract contain an assignability clause that provides for the assignment of all or part of the specified deliverables as originally advertised, competed, evaluated, and awarded; and

   b. For federally funded agreements, the original solicitation and resultant contract contain a minimum and a maximum quantity, which represent the reasonably foreseeable needs of the parties to the solicitation.

D. California Multiple Award Schedule and State Master Agreements

1. A California Multiple Award Schedule (CMAS) and State Master Agreements are agreements established between the California Department of General Services (DGS) and multiple vendors who agree to the State of California terms and conditions, and may be used by the Agency.

2. Acquisitions based on CMAS or State Master Agreements shall be competitively bid so as to result in offers from three or more vendors including one small business, if available. If less than three offers are received, documentation of solicitation methods must be included with the contract documentation.

3. Three offers are not required for CMAS and State Master Agreements based on competition, such as Cal-Store, the Master Rental Agreement, Western States Contracting Alliance (WSCA), etc. Information on specific CMAS and State Master Agreements are available on DGS-PD's website at: www.dgs.ca.gov/pd.

4. Notwithstanding PUC section 130232(a), PCC sections 10298(b) and 10299(a) provide authority for the Commission to use CMAS or State Master Agreements for acquiring supplies, equipment and materials that exceed $25,000 without engaging in further competitive bidding.

7.0 RECURRING CONTRACTS

A. Each Agency may, on an annual basis, evaluate existing contracts for professional services that are due to expire within the next fiscal year. While some of these contracts may be placed on the calendar for a new procurement solicitation or allowed to expire because they are no longer required, notwithstanding any other provision herein, some contracts may be included in an annual recurring contracts list that must be approved by the applicable Agency. Most contracts for professional services should be subject to a competitive process; however, there may be limited circumstances in which staff believes it is more efficient and cost effective to retain such consultants on the recurring contracts list rather than rebidding the services. Those circumstances generally are due to the consultant's historical knowledge, unique experience, and understanding of the applicable Agency and/or specific Agency projects. Approval of the recurring contracts list allows each Agency to continue work on existing projects without interruptions and maintain consistency.

1. State or federally-funded contracts may not be included in the annual recurring contracts list.

CHAPTER 2 – PROCUREMENT GENERALLY

1.0 IMPLEMENTATION BY EXECUTIVE DIRECTOR; COMMISSION CONTROLS AND LIMITATIONS

A. Final authority for purchasing actions and decisions rests with each Agency , except as delegated by the Agency to the Executive Director.

B. Each Agency, respectively, authorizes the Executive Director to execute contracts approved by the Agency. The Executive Director may designate the Deputy Executive Director, Chief Financial Officer or Directors to execute contracts under his or her signature authority on his/her behalf.

C. The policies set forth herein will be implemented by the ~~Chief Financial Officer~~Director of Administrative Services/Clerk of the Board. The Director of Administrative Services/Clerk of the Board~~Chief Financial Officer~~ has primary responsibility for ensuring that each Agency's procurement process is in accordance with applicable laws and regulations, as interpreted by the General Counsel and Agency policy.

D. The Executive Director is authorized to approve and enter into contracts on behalf of the Agencies under his/her single signature authority as follows:

1. For the Commission: When the expenditure is less than fifty thousand dollars ($50,000) for the purchase of all supplies, equipment, materials and for the construction of all facilities and works in accordance with PUC § 130232; and

2. For the Commission: When the expenditure is less than two hundred fifty thousand dollars ($250,000) for the purchase of services; however, (i) the aggregate amount of contracts executed under the single signature authority shall not exceed $2,000,000 in any given fiscal year; (ii) the aggregate value of all contracts awarded to any one entity under the Executive Director's single signature authority shall not exceed $250,000 in any fiscal year; and (iii) the Executive Director may execute contract amendments that do not exceed $250,000 for existing contracts. The Commission's fiscal year is from July 1 to June 30.

3. For Authority: When the expenditure is less than $100,000; however, (i) the aggregate amount of contracts executed under the single signature authority shall not exceed $300,000 in any given fiscal year; (ii) the aggregate value of all contracts awarded to any one entity under the Executive Director's single signature authority shall not exceed $100,000 in any fiscal year; and (iii) the Executive Director may execute contract amendments that do not exceed $100,000. The Authority's fiscal year is from July 1 to June 30.

E. The powers of the Executive Director pursuant to Paragraph "D" above are subject to: (i) the existence and provisions of an approved budget for the applicable Agency; and (ii) applicable laws and regulations.

F. The Executive Director must provide each Agency with a quarterly report of all contracts entered into pursuant to the single signature authority provided in Paragraph "D" above by that Agency, and must report to the applicable Agency at its next regularly scheduled meeting each new contract awarded on an emergency basis or other contracts in excess of the Executive Director's single signature authority.

G. Approval Limits and Solicitation Types

1. Commission- Supplies, Equipment, and Materials (PUC § 130232).

PURCHASE AMOUNT	SOLICITATION TYPE	SOLICITATION PROCESS	APPROVER
Less than $1,000	Micro-purchase	Informal: Commercial availability, Rotate Vendors	Procurement Officer*
$1,000 to $25,000	Small Purchase	Informal: Three (3) Quotes	Procurement Officer*
$25,001 to $50,000	Formal Procurement	Formal: Advertisement, Clauses, Competitive Sealed Bids	Executive Director
Greater than $50,000	Formal Procurement	Formal: Advertisement, Clauses, Competitive Sealed Bids	Commission

2. Commission Public Works (PUC § 130232).

PURCHASE AMOUNT	SOLICITATION TYPE	SOLICITATION PROCESS	APPROVER
Less than $1,000	Micro-purchase	Informal: Commercial availability, Rotate Vendors, Non-Collusion Declaration, Insurance	Procurement Officer *
$1,000 to $25,000	Small Purchase	Informal: Three (3) Quotes, Prevailing Wage, Clauses, Insurance, License, Non-Collusion Declaration	Procurement Officer*
$25,001 to $50,000	Formal Procurement	Formal: Advertisement, Clauses, Prevailing Wage, Insurance, License, Competitive Sealed Bids, Payment Bond, Non-Collusion Declaration	Executive Director
Greater than $50,000	Formal Procurement	Formal: Advertisement, Clauses, Prevailing Wage, Insurance, License, Competitive Sealed Bids, Payment Bond, Non-Collusion Declaration	Commission

3. Commission Services.

PURCHASE AMOUNT	SOLICITATION TYPE	SOLICITATION PROCESS	APPROVER
Less than $15~~0~~,000	Micro-purchase	Informal: Commercial availability, Rotate Vendors, Insurance	Procurement Officer*
$15~~0~~,001~~0~~ to $50,000	Small Purchase	Informal: Three (3) Quotes, Clauses, Insurance	Procurement Officer*
$50,001 to $3~~2~~250,000	Small Purchase	Informal: Three (3) Quotes, Clauses, Insurance; *or* Formal: Advertisement, Clauses, Insurance, and Negotiated Agreement, or Competitive Sealed Bids, or A/E Contract procedures	Executive Director
Greater than $3~~2~~50,000	Formal Procurement	Formal: Advertisement, Clauses, Insurance, Certifications, and Negotiated Agreement, or Competitive Sealed Bids, or A/E Contract procedures	Commission

4. Authority Public Projects (PCC §20160, et. seq.).

PURCHASE AMOUNT	SOLICITATION TYPE	SOLICITATION PROCESS	APPROVER
Less than $1,000	Micro-purchase	Informal: Commercial availability, Rotate Vendors, Non-Collusion Declaration, Insurance	Procurement Officer *
$1,000 to $5,000	Small Purchase	Informal: Three (3) Quotes, Prevailing Wage, Clauses, Insurance, License, Non-Collusion Declaration	Procurement Officer*
$5,001 to $100,000	Formal Procurement	Formal: Advertisement, Clauses, Prevailing Wage, Insurance, License, Competitive Sealed Bids, Payment Bond, Non-Collusion Declaration	Executive Director
Greater than $100,000	Formal Procurement	Formal: Advertisement, Clauses, Prevailing Wage, Insurance, License, Competitive Sealed Bids, Payment Bond, Non-Collusion Declaration	Authority

5. Authority Supplies, Equipment, Materials and Services.

PURCHASE AMOUNT	SOLICITATION TYPE	SOLICITATION PROCESS	APPROVER
Less than $15~~0~~,000	Micro-purchase	Informal: Commercial availability, Rotate Vendors, Insurance	Procurement Officer*
$15~~0~~,001~~0~~ to $50,000	Small Purchase	Informal: Three (3) Quotes, Clauses, Insurance	Procurement Officer*
$50,001 to $3~~2~~50,000	Small Purchase	Informal: Three (3) Quotes, Clauses, Insurance; *or* Formal: Advertisement, Clauses, Insurance, and Negotiated Agreement, or Competitive Sealed Bids, or A/E Contract procedures	Under $100,000: Executive Director Over $100,000: Authority
Greater than $3~~2~~50,000	Formal Procurement	Formal: Advertisement, Clauses, Insurance, Certifications, and Negotiated Agreement, or Competitive Sealed Bids, or A/E Contract procedures	Authority

* As delegated by the Executive Director

H. In addition to the authority granted above, and except as otherwise prohibited by applicable state or federal law, the Executive Director is authorized to approve and enter into contracts on behalf of the Commission, where the relevant contract is directly related to and necessary to implement a project that has been approved by the Commission, the contract is within the approved project budget and, based on the circumstances, exercise of this authority is in the best interest of the Commission.

2.0 PROCUREMENT OFFICER—DESIGNATION AND DELEGATION

A. The Deputy Director of ~~Financial Administration~~Administrative Services is the designated "Procurement Officer" for the Agencies. The Deputy Director of ~~Financial Administration~~Administrative Services may delegate all or part of the Procurement Officer duties described in this Manual.

3.0 PROCUREMENT OFFICER—DUTIES

A. The Procurement Officer has the duty to oversee all procurement activities of the Agencies, and to implement the policies and standards set forth in this Manual, subject to the limitations of the authority that has been delegated to the Procurement Officer by the applicable Agency or the Executive Director.

B. The Procurement Officer may issue instructions for the implementation of each Agency's procurement policies.

C. The Procurement Officer has the duty to ensure each Agency's contracts, purchase orders, modifications, and supplemental agreements are executed in accordance with established thresholds and delegated authority.

D. The Procurement Officer, subject to the review of Agency General Counsel, has the authority to draft and determine the final form of the contract to be used for each procurement.

E. The Procurement Officer should ensure that a complete record of each procurement action is maintained in accordance with each Agency's records retention policy by establishing files containing the records of all major procurements and contractual actions pertinent to that office's responsibilities.

1. The Procurement Officer is responsible for maintaining the original contract file pursuant to applicable state and/or federal records retention policies.

2. The documentation in each contract file maintained by the Procurement Officer should be sufficient to constitute a complete history of the transaction for the following purposes:

a. Providing a complete background as a basis for informed decisions at each step of the procurement process;

b. Supporting actions taken;

c. Providing information for reviews, audits, and investigations; and

d. Furnishing essential facts in the event of litigation.

F. The Procurement Officer has the duty to ensure Commission staff engaged in procurement activities are trained in the procurement requirements set forth in this Manual.

4.0 IMPLEMENTATION OF PROCUREMENT PROCEDURES AND GUIDELINES

A. The Procurement Officer, in his or her discretion and subject to the review and concurrence of Agency General Counsel, may adopt procurement and materials management procedures and guidelines needed to implement and supplement the policies and standards set forth in this Manual. Any such procedures and guidelines shall:

1. Provide for timely review and processing of all procurement actions;

2. Ensure that procurements proceed timely, efficiently and economically;

3. Ensure that procurements adhere to principles of good public policy practices and sound business judgment; and

4. Prohibit arbitrary actions. An example of an arbitrary action is the award of a construction contract, using the competitive sealed bids method of procurement, to a bidder other than the lowest responsive, responsible bidder.

5.0 AUTHORIZED METHODS OF PROCUREMENT; SELECTION

A. Selection

As part of the procurement initiation process, the Procurement Officer will determine which method of procurement is appropriate.

B. Authorized Methods

The following methods of procurement may be used, as appropriate, in accordance with the policies and procedures included in the Procurement Manual for all federal and non-federal procurement actions contemplated under this Procurement Manual:

1. Micro Purchase Procedures, pursuant to Chapter 6 of this Manual;
2. Small Purchase Procedures, pursuant to Chapter 6 of this Manual;
3. Competitive Sealed Bid ("Low Bid"), pursuant to Chapter 3 of this Manual;
4. Competitively Negotiated Procurement, pursuant to Chapter 5 of this Manual;
5. Non-Competitive and Emergency Procurement, pursuant to Chapter 7 of this Manual; and
6. Alternate Delivery, pursuant to Chapter 4 of this Manual.

6.0 INDEPENDENT COST ESTIMATE

A. An independent cost estimate is a determination of price reasonableness. An estimate shall be completed prior to the receipt of bids or proposals. Key elements of the independent cost estimate include, but are not limited to:

1. Date of the independent cost estimate;
2. Basis for the independent cost estimate, including applicable supporting documentation; and
3. The value determined by the independent cost estimate.

B. The method and means of establishing the estimate may vary based on the circumstances and can range from checking historical records or published price guides to a detailed estimate in the same level of detail that is required for contractors submitting proposals. Estimates can be obtained from a design firm or in-house technical personnel for construction work or from independent third-party staff (not impacted by final procurement).

C. The estimate provides the Procurement Officer with essential input during the solicitation process. Independent cost estimates may be used by the Agency to:

1. Provide a determination of value (i.e., do benefits warrant the cost);
2. Support procurement planning;
3. Determine the appropriate solicitation type and process based on the approval limits set forth in Chapter 2, 1.0(G);

4. Establish the competitive range and supplement the evaluation process;

5. Provide a basis for a price analysis, which may eliminate the need for a more burdensome cost analysis;

6. Provide a basis for development of a pre-negotiation objective;

7. Support the Agency's negotiation position with contractor; and/or

8. After contract award, provide essential input with respect to contract amendments, change orders and claims.

7.0 COST/PRICE ANALYSIS

A. A cost/price analysis shall be performed in connection with every federally funded procurement action, including contract modifications, and should be conducted for non-federally funded procurements. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation.

B. If the contract being awarded is a cost-reimbursement type, the cost/price analysis shall address the *realism* of the various cost elements proposed, and where the costs are unrealistically low, an adjustment shall be made to reflect what the Agency believes the effort will actually cost given that offeror's specific technical approach as well as its direct and indirect cost rates.

1. The Agency shall, when applicable, or must, if required by law, utilize the guidelines provided in the FAR Part 31 to determine whether of the contractor's proposed costs are reasonable, allowable and allocable.

C. As applicable, the Agency shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all applicable cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

8.0 VENDOR CONTACTS PRIOR TO ISSUANCE OF A SOLICITATION

A. Informational and market research contacts with prospective contractors/vendors should be circumscribed based upon legitimate, identifiable business purposes and guided by the exercise of sound judgment. The primary pitfalls to be avoided are promises or implications from Commission staff of a future contract, development by a vendor of a specification or scope of services to be used as part of an Agency solicitation that vendor intends to participate in, requests from Commission staff for complimentary services or supplies, and other activities that may create a real or apparent conflict of interest or the impression of an obligation on the part of either Agency

9.0 ADVERTISING/PUBLICIZING PROCUREMENTS

A. The Procurement Officer should use the most efficient and effective means to publicize contract actions to increase competition in accordance with the requirements of the specific procurement.

B. PUC § 130232, applicable to the purchase of all supplies, equipment, materials and for the construction of all facilities and works by the Commission when the expenditure exceeds twenty-five thousand dollars ($25,000), requires that notice requesting bids shall be published at least once in a newspaper of general circulation. The publication must be made at least 10 days before the date for the receipt of the bids. The Commission, at its discretion, may reject any and all bids and re-advertise.

C. PUC § 130238 for the purchase by the Commission of computers, telecommunications equipment, microwave equipment, and other related electronic equipment and apparatus that is not available in substantial quantities to the general public requires (i) the procurement be conducted through competitive negotiation, after a finding by the Commission by a two-thirds vote that this particular procurement qualifies under PUC § 130238, and (ii) notice of the request for proposals be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

D. PCC § 20161 defines public projects of the Authority as (i) the erection, improvement, painting, or repair of public buildings and works; (ii) work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; (iii) street or sewer work excluding maintenance or repair; or (iv) purchase of supplies or materials for any of the foregoing, as well as maintenance or repair of streets or sewers, when the expenditure exceeds five thousand dollars ($5,000). PCC § 20164 requires that for Authority public projects, notice requesting bids shall be published at least twice in a newspaper of general circulation, not less than five days apart. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids.

E. Federal Transit Administration

Section 9.c of FTA Circular 4220.1F requires that invitations for bids are to be "publicly" advertised, and Section 9.d of FTA Circular 4220.1F requires that requests for proposals are to be publicized.

F. Caltrans and Federal Highway Administration (FHWA)

Chapter 15, paragraph 15.4 Project Advertisement, of the Caltrans Local Assistance Procedures Manual provides detailed guidance regarding advertising of FHWA- and/or Caltrans-funded projects.

G. Pre-solicitation advertising prescribed in this section is not required for non-competitive, sole source, or emergency procurements processed in accordance with this Manual.

10.0 NON-DISCRIMINATION IN PROCUREMENT

A. All formal contracts entered into by the Agency should contain appropriate clauses prohibiting discrimination by the contractor against any person or group of persons on account of race, color, religion, creed, national origin, ancestry, physical handicap, medical condition, age, marital status, sex or sexual orientation in the performance of the contract.

11.0 ORGANIZATIONAL CONFLICTS OF INTEREST

A. An unfair competitive advantage could result if a contractor were allowed to submit a bid or proposal for work described in a specification or statement of work that the contractor itself developed. For the purpose of eliminating a potential unfair competitive advantage, and in compliance with applicable state and federal laws and regulations, a contractor that develops or assists in developing specifications, requirements, statements of work, invitation for bids, and/or request for proposals for an Agency procurement is excluded from competing for the resultant procurement, unless an appropriate waiver is issued by the Agency. All waivers will be assessed by the Agency on a case-by-case basis.

12.0 DUTIES OF COMMISSION STAFF REGARDING PROCUREMENTS

A. General

Procuring goods, services, and contracts for the Agencies must be a cooperative effort, and it will be the responsibility of all Commission staff involved in procurement to employ sound business judgment and appropriate standards of ethics and fairness to procure goods and services in a manner most advantageous to each Agency. All employees and departments are instructed to follow the procedures set forth in the Manual, as well as any instructions issued by the Procurement Officer regarding procurements.

1. For FTA-funded procurements, the user department should consider use of the FTA checklists provided in FTA Circular 4220.1F, Appendix C, which address, among other things, undue restrictions on competition, when use of brand name or equal is permitted, and other FTA requirements and limitations.

2. For FHWA and Caltrans-funded procurements, the user department shall use the Caltrans' Local Assistance Procedures Manual for guidance and shall ensure that appropriate Agency procurement and contract forms for the relevant funding source are used.

B. In order to initiate a procurement action (including amendments, procurements, exercising of available options, etc.), the user department/project manager should, at a minimum, provide the Procurement Officer with the following items, as applicable:

1. <u>Specification, Scope of Services, or Statement of Work.</u> For a new procurement, a complete and clearly written specification, purchase

description, or statement of work suitable for either competition or for negotiation with a sole source contractor, if justified.

For competitive procurements, incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. ~~the description must not (for federally funded procurements) and should not (for non-federally funded procurements) contain features which unduly restrict competition.~~ The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. For federally funded procurements, detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors must (for federally funded procurements) and should (for non-federally funded procurements) be clearly stated. The procurement documents should identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

2. Changes. Changes to existing contracts, including amendments and construction change orders, must be documented pursuant to a written amendment or written construction change order, as applicable, executed by the appropriate parties, and should comply with the following.

a. Amendments

If a contract amendment has been negotiated based upon an existing advanced pricing arrangement or labor rates/categories included in the underlying agreement, the user department/project manager should provide the Procurement Officer with a copy of the final negotiated scope of services for the extra work, associated pricing terms, and/or schedule.

b. Construction Change Orders

Construction change orders should follow the procedures established by the Capital Projects Department, including the Toll Program, and applicable contract specifications. Documentation of the change order does not need to be provided to the Procurement Officer, but should be maintained by the user department/project manager as specified herein. If a construction change order has been negotiated based upon an existing advanced pricing arrangement or labor rates/categories included in the underlying agreement, the user department/project manager should maintain a record of the change order and supporting documentation in the project files including an independent cost estimate and cost and/or price analysis, as applicable.

i. Any change order must be administered in accordance with its terms, and appropriate documentation must be generated and maintained supporting payment in accordance with state or federal requirements, as applicable.

ii. All change orders must be signed by a Commission employee who is a registered civil engineer.

iii. Any change order in excess of $100,000 also requires approval as follows:

a) $100,000 to $3~~2~~50,000 by the Project Delivery Director or Toll Program Director; or

b) Greater than $3~~2~~50,000 by the Executive Director.

iv. Once a change order, including any supplements, have been issued that, either individually or cumulatively exceed $3~~2~~50,000, all additional supplements to that change order must be approved by the Executive Director.

v. Any change order that will increase the total contract value to an amount that exceeds the contractual authority approved by the applicable Agency may not be executed until additional contractual authority has been obtained through the Agency.

vi. The Project Delivery Director and/or Toll Program Director, as applicable, is responsible for determining that change orders are processed and approved in accordance with departmental and contractual requirements.

c. Non-Construction Change Orders- Commission Toll Operations.

i. Certain Commission toll operations contracts for design, implementation, operations and/or maintenance of the Commission's toll facilities include payment provisions based on fixed prices, and include contract change order provisions that apply to changes in the scope of work.

ii. Change orders under these toll operations contracts should follow applicable contract provisions. Documentation of the change order does not need to be provided to the Procurement Officer, but should be maintained by the toll department/project manager as specified herein. If a change order has been negotiated based upon an existing advanced pricing arrangement or labor rates/categories included in the underlying agreement, the user department/project manager should maintain a record of the change order and supporting documentation in the project files including an independent cost estimate and cost and/or price analysis, as applicable.

iii. Any change order must be administered in accordance with its terms, and appropriate documentation must be generated and maintained supporting payment in accordance with state or federal requirements, as applicable.

iv. Any change order under a toll operations contract requires approval as follows:

a) Up to $3~~2~~50,000 by the Toll Operations Director; or

b) Greater than $3~~2~~50,000 by the Executive Director.

v. Once a change order, including any supplements,~~s~~ under any toll operations contract have been issued that, either individually or cumulatively exceed $3~~2~~50,000, all additional supplements to that change order ~~change orders~~ must be approved by the Executive Director.

vi. Any change order that will increase the total contract value to an amount that exceeds the contractual authority approved by the Commission may not be executed until additional contractual authority has been obtained through the Commission.

vii. The Operations Director is responsible for determining that change orders are processed and approved in accordance with departmental and contractual requirements.

~~c.~~d. Changes to Federally Funded Contracts

For federally funded contracts, findings must be included in the project file that the change is in the general scope of the original contract. A significant change in contract work that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant, or cumulative that, in effect the contractor is required to perform very different work from that described in the original contract, is considered a “cardinal change” or “tag-on” contract, and is not permitted unless it meets the requirements of Chapter 8, Section 3.0.

3. Agreement Summary Sheet. The user department/project manager must provide a complete and executed Agreement Summary Sheet for all procurement actions, including applicable small purchases, formal procurements, MOUs, agreements, change order modifications and the like. The Agreement Summary Sheet identifies the nature of funding for the subject goods/services, provides a record that the requirement was budgeted and properly approved before the procurement process began, and ensures that the procurement action is assigned a unique agreement number for purposes of contract administration, payment, and recordkeeping.

4. Cost Estimate. The user department/project manager shall provide the Procurement Officer with a cost estimate for the anticipated procurement of

goods/services. See paragraph 6.0 above for additional guidance regarding the development of an independent cost estimate.

5. Justification for Sole Source/Non-competitive Procurement (if applicable). The user department/project manager must prepare and submit to the Procurement Officer a written statement recording all the facts that provide justification for avoiding mandated competitive procurement practices explicitly defined in this Manual and/or required by relevant state and federal law in favor of a non-competitive/sole source award. The Procurement Officer must approve the sole source procurement methodology before the procurement can proceed. If the procurement is funded with state or federal funds, the appropriate findings required by the applicable funding entity must be made. For Caltrans or FHWA funded contracts, a Public Interest Finding (PIF) must be approved by the appropriate funding entity.

13.0 INSURANCE

A. Contractors providing goods and services should be required to carry sufficient insurance to protect the Agency from third party lawsuits for personal injury (including death) and property damage. Insurance may also be required for damage to the Agency's property and for errors and omissions in the provision of professional services.

B. The following types of procurement actions should be reviewed by the Procurement Officer for appropriate levels, types and limits of coverage on a case-by-case basis:

1. All operations and non-operational construction contracts.
2. All professional services contracts.
3. All contracts where work will be performed within "50 feet" of railroad.
4. All environmental contracts, including engineering services.
5. All procurement contracts and/or purchase agreements where outside vendors will be conducting work or performing installation services on Agency premises.
6. All procurement contracts and/or purchase agreements where outside vendors will be delivering products to an Agency facility.

C. The contract documents should ensure that the Agency's contractors will be required to comply with insurance requirements imposed by state and local governments.

D. At a minimum, the contract documents should require the contractor and subcontractor to carry general liability, workmen's compensation, and automobile insurance coverages for public works contracts.

E. In certain limited cases, the Procurement Officer may permit the contractor to substitute an approved program of self-insurance in order to obtain such approval.

The contractor will have to demonstrate that it can sustain the potential losses being self-insured.

F. The Procurement Officer should include insurance and indemnification provisions in equipment, supply, and services contracts in accordance with the policies described herein.

14.0 SUBCONTRACTING

A. The Agency may consider requiring a prime contractor to perform certain tasks or a minimum percentage of the work, in order to ensure that the prime contractor maintains a specified degree of control over the project.

B. Approval of contractor proposed subcontractors usually involves an evaluation of three primary areas:

1. Assurance that the prime contractor has included the required “flow-down” provisions (clauses) from the prime contract in the subcontract.

2. The prime contractor’s compliance with the Disadvantaged Business Enterprise (DBE) requirements in its prime contract.

3. Assurance that the prime contractor has selected its critical subcontractors in a prudent fashion, so as to protect the Agency’s interests.

15.0. DETERMINATION OF FAIR AND REASONABLE PRICE

A. The Procurement Officer should determine, in writing, that the price to be paid to the successful offeror is fair and reasonable. Typically, adequate price competition is sufficient to establish price reasonableness; however, price reasonableness may also be established through:

1. Prices established by law or regulation;

2. Published catalog or market price for commercial product sold to the public in substantial quantities;

3. Previous or relevant historical pricing for same or similar terms;

4. Valid cost estimate;

5. Value analysis; or

6. Cost/price analysis.

B. Single Offer/Lack of Adequate Competition

1. Upon receiving a single bid or single proposal in response to a solicitation, the Procurement Officer should determine if competition was adequate.

a. Such determination should include a review of the specifications for undue restrictiveness and may include a survey of potential sources that chose not to submit a bid or proposal.

b. If the results of the review are that the scope of work was so restrictive that only one firm could have responded, then there is a lack of competition. The Procurement Officer should (1) cancel and re-procure the solicitation or (2) treat the solicitation as a sole source procurement, if it meets the requirements of Chapter 7 of this Manual.

c. If the results of the review are that the scope of work was not restrictive and more than one firm could have responded, then there is adequate competition. The Procurement Officer may recommend an award of the agreement to the single offeror, as determined by the Agency, in accordance with this Manual and in accordance with applicable legal requirements.

2. When the price variance between multiple responses reflects a lack of adequate competition, the Procurement Officer may re-solicit quotes or, if appropriate, recommend an award of the agreement to the lowest or best offeror, as determined by the Agency, in accordance with this Manual and in accordance with applicable legal requirements.

3. A recommendation for award under either of the above circumstances should include a statement in the contract file giving the basis for the determination (e.g., that there was adequate competition and/or the pricing terms are fair and reasonable).

16.0 CONTRACT APPROVAL, AWARD, AND EXECUTION

A. Following authorization for contract award by the Agency, the following actions should be taken:

1. The Procurement Officer requests all Agency required documents and contract contingency requirement (e.g., bonds, proof of insurance) from the successful contractor.

2. The Procurement Officer conforms and sends copies of the final contract or amendment to the contractor for signature, and obtains the appropriate Agency authorization by ensuring full execution of the contract.

3. The contract or amendment may be executed in one or more counterparts. The Procurement Officer may accept facsimile signatures, including signatures transmitted via electronic mail, as original signatures. Electronic signatures may be used, and the Procurement Officer may accept electronic signatures in accordance with adopted Agency policy.

4. After full execution of the contract and the contractor's submittal of the required contract contingency items, unless otherwise agreed, the Procurement Officer coordinates with the user department/project manager to prepare a "Notice to Proceed" letter, if required.

5. The Procurement Officer transmits a fully executed contract to the contractor. Conformed copies should be sent to the project manager for use in the administration of the contract.

6. Contract Administration Responsibilities

a. The user department/project manager conducts all further coordination on technical issues between the contractor and the Agency, subsequent to the issuance of the "Notice to Proceed" letter.

b. Issues affecting the business or legal terms in the contract and/or requests for modification or supplemental agreements to the contract should immediately be brought to the attention of the Procurement Officer.

c. The contract and all documents pertaining thereto should be maintained by the Procurement Officer, except for construction change orders which will be maintained by the project management team.

17.0 PROTEST PROCEDURES

A. This section sets forth the protest procedures for the submittal and evaluation of protests relating to all procurements. ~~Under formal procurement processes described under this Manual, an interested party that has timely submitted a bid or proposal in response to any procurement of the Agency may file a protest, to the applicable Agency, objecting to the award of a contract.~~

B. Protests regarding solicitation requirements.

1. If any attempts to resolve participants' concerns during the request for clarifications/question and answer period were unsuccessful, protests regarding the solicitation requirements shall be filed only after the question-and-answer period ends, but no later than five calendar days after the final addendum is issued.

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2. Participants may protest the solicitation requirements on the grounds that:

i. A material provision in the solicitation is ambiguous to a point that the participant cannot respond to the solicitation; or

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ii. The solicitation restricts fair and open competition; or

iii. Any aspect of the solicitation requirements violates applicable local, state or federal law.

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3. Notwithstanding the existence of a protest the Agency may continue the procurement process. The failure of a participant to file a basis for a protest regarding the solicitation requirements within the applicable period shall preclude consideration of that ground in any future protest related to solicitation requirements.

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4. This is the only time a prospective participant can file a protest over solicitation requirements.

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5. The Agency may, in its discretion, issue addenda or extend the solicitation due date to address the issues raised in a protest.

C. Protests regarding selection.

1. The Agency will only consider protest by participants that respond to the solicitation. No other party has standing to protest or is considered an interested party.

2. Participants may protest the selection only on the grounds that:

   i. The Agency did not comply with the solicitation process and procedures; or

   ii. The selection violates applicable law.

3. Any protests regarding the Agency's decision of selection shall be filed within ten calendar days of notice of intent to award issuance.

4. The Agency reserves the right to request information and/or documentation from the other participants to respond to issues raised in a protest.

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D~~B~~. In order for a protest to be considered properly and timely filed, the protest must:

1. Be filed in writing with the Executive Director, within ~~seven (7) calendar days after (i) all requests for clarifications and requests for approved equals have been answered by the Agency or, if no requests for clarification or approved equals are received, after the period for requests for clarifications or approved equals has closed; (ii) after the Agency takes action, or such other time period as may be specified in the solicitation document; or (iii) the date certain contained in the solicitation for any solicitation for which a contract award is not made by the Agency.~~the timeframes outlined in sections (B) and (C) above.

2. ~~Be filed by an actual bidder or proposerproposer responding to the procurement and~~ Be signed by a properly authorized representative. ~~No other party has standing to protest or is considered an interested party.~~

3. Identify the specific procurement number involved.

4. Identify the specific requirement, recommended action or decision being protested.

5. Include a detailed written statement on the grounds, legal authority and facts, including all documents and evidentiary statements in support of the protest. Evidentiary statements, if any, shall be submitted under penalty of perjury. The protestant shall have the burden of proving its protests by a preponderance of the evidence.~~Specify in detail the grounds for the protest, the facts supporting the protest and the status of the protester.~~

6. Include all relevant supporting documentation with the protest at the time of submittal.

7. Describe the resolution to the protest desired by the protesting party.

If a protest does not comply with each of the seven (7) requirements listed above, the protest will not be considered and will be returned to the protester.

E~~C~~. The Procurement Officer will attempt to resolve a properly filed protest or perform additional fact-finding, including establishing a protest evaluation team to evaluate the merits of the protest. The Procurement Officer, in consultation with Agency General Counsel, will prepare a recommended resolution of the protest for consideration by the Executive Director. The Executive Director will review the recommendation of the evaluation team and will render a determination to uphold or deny the protest.

F~~D~~. If the Executive Director's decision is to deny the protest, the solicitation may be continued without further delay or the contract will be recommended to the applicable Agency for award, or executed, if previously awarded by the Agency subject to resolution of the protest. If the Executive Director's decision is to uphold the protest, a recommendation will be made to the applicable Agency to amend the solicitation and the date for receipt of proposals or bids, reject all proposals or bids, cancel the request for proposals or invitation for bids and solicit new proposals or bids, award the contract to another proposer, or other such actions as he/she deems appropriate.

G~~E~~. The Executive Director's decision shall be final, and there shall be no further administrative recourse at the local level, except for protests related to federally funded procurements. Failure to comply with these procedures shall constitute a failure to exhaust administrative remedies and a waiver of any right to further pursue the protest, including filing a Government Code Claim or legal proceedings.

H~~F~~. The procedures set forth in this Chapter 2, Section 17.0 are not intended to reduce or restrict protest rights specifically provided under applicable funding agreements, or state or federal laws authorizing the use of money funding applicable contracts.

1. In any procurement involving FTA funds, the Procurement Officer shall, if required by FTA, disclose information regarding the protest to FTA and keep FTA informed about the status of the protest.
2. An interested party that has filed a protest must exhaust all administrative remedies with the Agency before pursuing a protest with FTA.

I~~G~~. A debrief will be available for proposers to whom award was not made, for a period of ten (10) days following award of the contract by the Agency.

J. If the Agency solicitation documents contain protest procedures that differ from the procedures in this Manual, the procedures in the solicitation documents shall govern.

18.0 PUBLIC RECORDS REQUESTS

A. All requests for procurement related records and/or information must be submitted to the Clerk of the Board for appropriate action. Procurement related records should not be disclosed as public information until staff recommendation for award has been forwarded to all interested parties or as otherwise appropriate under the California Public Records Act and applicable state and federal laws, guidelines and requirements.

CHAPTER 3 – COMPETITIVE SEALED BIDS ("LOW BID")

A. PUC § 130232, applicable to the Commission, requires that the purchase of all supplies, equipment, and materials, and the construction of all facilities and works, when the expenditure required exceeds twenty-five thousand dollars ($25,000), must be by competitive sealed bidding, also known as "low bid", contracting, with the contract let to the lowest responsive, responsible bidder. Notice requesting bids must be published in at least one newspaper of general circulation. The publication must be made at least ten (10) days before the date for receipt of bids.

B. PCC § 20160, et. seq. requires that public projects of the Authority, as defined in PCC § 20161 and as set forth in Chapter 2, Section 9.D of this Manual, when the expenditure required exceeds five thousand dollars ($5,000), must be by low bid, with the contract let to the lowest responsive, responsible bidder. PCC § 20164 requires that for Authority public projects, notice requesting bids shall be published at least twice in a newspaper of general circulation, not less than five days apart. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids.

C. Notwithstanding the notice periods above, based on the nature of the procurement, a longer period of time shall be provided, as necessary, to ensure that bidders are allowed adequate and sufficient time to prepare bids before the date of bid opening. The resulting contract will be a fixed price contract.

D. In order for competitive sealed bidding to be most effective, the following conditions should be present in the development of an Invitation for Bids (IFB):

   1. A complete, adequate and sufficiently generic specification is developed;

   2. Adequate competition is available in the marketplace (two or more responsive and responsible bidders will compete); and

   3. The procurement lends itself to a firm-fixed price contract.

E. Discussions and Communications

   1. Bids shall be evaluated without discussions with bidders.

   2. Information concerning proposed procurements should not be released outside the Agency before an IFB is released, except for pre-solicitation notices and publicly available general project information.

F. Pre-Bid Conferences

   1. The Contracting Officer may use pre-bid conferences to explain procurement requirements.

   2. If the Agency requires any type of mandatory pre-bid conference, site visit, or meeting, the IFB should include the time, date, and location of the mandatory pre-bid site visit, conference or meeting, and when and where project documents, including final plans and specifications are available. Any mandatory pre-bid site visit, conference or meeting should be no

sooner than a minimum of five (5) calendar days following the publication of the IFB.

G. Bid Addenda

1. If it becomes necessary to make changes in quantity, specifications, delivery schedules, opening dates, or other items, or to correct a defective or ambiguous IFB, the change should be accomplished by addendum of the IFB.

2. Addenda to an IFB should be identified as such and should require the bidder to acknowledge receipt of all addenda issued.

H. Time Of Bid Receipt

The IFB must specify a time for receipt of bids. Bids must be received in the office designated in the IFB or be submitted electronically through the electronic bid management system used by the Agency for the applicable procurement not later than the time identified in the IFB. For electronically submitted bids, the Agency will only consider bids that have transmitted successfully and have been issued a confirmation number with a time stamp from the electronic bidding system indicating that the bid was submitted successfully.

I. Late Bids

Unless otherwise specified in a particular bid solicitation, bids are considered late based on the time clock at the 3rd floor Commission Receptionist Desk, located at 4080 Lemon Street, Riverside, CA 92501 or, as applicable, as determined by the electronic bid management system. Bids are considered late if the time stamped by the Agency upon receipt of the bid is later than the deadline/time identified in the IFB. If the procurement is pursuant to an electronic bidding process, the electronic bid management system will not accept bids submitted later than the deadline/time identified in the IFB. Late bids will not be accepted by the Agency, unless a bid is late owing solely to Agency mishandling or some other legitimate extenuating factor, as determined in the Agency's sole discretion.

J. Receipt Of Bids

As bids are received, the Procurement Officer should secure and safeguard the bids until the established time for bid opening. For electronic bids, the electronic bid management system ensures that the bids are not accessible until the time for bid opening.

K. Opening Of Bids

The Procurement Officer will coordinate the bid opening. Bids may be opened electronically through the electronic bid management system, or will be publicly opened, read aloud to the persons present, and recorded. Bids may also be publicly opened via webconference or videoconference, as may be appropriate based on the circumstances. Bid opening documentation should include the date, time, and place of bid opening, if applicable, and a tabulation of bidder names and related bid amount.

L. Recording Of Bids

Construction bids over the small purchase threshold of $25,000 for the Commission and $5,000 for the Authority that are publicly opened will be recorded on a bid summary or bid tabulation sheet. The Procurement Officer should certify the accuracy of the bid summary sheet by placing his/her signature thereon. The Procurement Officer should ensure that these results are posted on the applicable Agency internet site within a reasonable time after bid opening.

M. Tie Bids

If two or more responsible and responsive bids are received for the same total or unit price, quality and service being equal, the Agency shall establish a date and time to draw lots, which shall be accomplished by tossing a coin or pulling bidder names out of a hat, to determine the winner. Using the lottery method, the Agency shall:

1. Advise the tied bidders in writing that a tie has occurred, advise them a winner will be determined by drawing lots, and invite them to attend the drawing.
2. Conduct the drawing of lots on the date and time previously established with at least two individuals as witnesses. The procurement file should reflect the names, titles, and departments of the witnesses. If the witnesses are not Commission staff, the name, organization, address, and telephone number of the individuals should be listed.
3. Declare the winner of the drawing of lots as the apparent low bidder for bid evaluation and award purposes.

N. Alternative Sources of Procurement Authority

Notwithstanding the requirements of PUC § 130232 or PCC 20160, et. seq., and the provisions set forth in this Chapter, the Agencies may use Cooperative Agreements (as described in Chapter 1, Section 6.0) where such use is otherwise permitted by law.

CHAPTER 4 – ALTERNATE DELIVERY CONTRACTS

1.0 PURPOSE

A. For the purposes of this Chapter, "Design-Build" means a method of procuring design and construction from a single source. The selection of the single source occurs before the development of complete plans and specifications.

For the purposes of this Chapter, "Progressive Design-Build" means a project delivery method in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project.

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For the purposes of this Chapter, "CM/GC" means a project delivery method in which a construction manager is procured to provide preconstruction services during the design phase of the project and construction services during the construction phase of the project. The structure of the contract for such services is within the discretion of the Agency.

For the purposes of this Chapter, "Alternate Delivery Method" means Design-Build, CM/GC or any other alternate method of project procurement or delivery which the Agency is authorized by law to utilize.

B. As set forth in PCC Section 6820, et. seq., the Commission is authorized to utilize Design-Build for projects on or adjacent to the state highway system, including related non-highway portions of the project, based on either best value or lowest responsible bid.

C. As set forth in PCC Section 22180, et. seq., the Commission is authorized to utilize the Progressive Design-Build method for up to 10 public works projects in excess of five million dollars ($5,000,000) for each project.

D~~C~~. As set forth in PCC Section 6700, et. seq., the Commission is authorized to utilize the Construction Manager/General Contractor (CM/GC) method, contingent upon delegation of authority by Caltrans, for two highway projects in Riverside County.

E~~D~~. As set forth in AB 115 (Chapter 20, Statutes of 2017), the Commission is authorized to utilize CM/GC for the 91 Toll Connector to Interstate 15 North project.

F~~E~~. As set forth in PCC Section 6700, et. seq., the Commission is authorized to utilize CM/GC method for certain expressways that are not on the state highway system, provided that the required findings are made, consistent with PCC Section 6701, and the Commission adopts the CM/GC method.

G~~F~~. As set forth in AB 115 (Chapter 20, Statutes of 2017), the Commission is authorized to amend or change any existing contract for the Interstate 15 express lanes construction project or the State Highway Route 91 express lanes to include work or services on the 91 Toll Connector to Interstate 15 North project, if the Commission, with the concurrence of Caltrans, finds that to be a cost-effective method to accelerate the delivery of that project.

H. The Commission may utilize any Alternate Delivery Method authorized by state law, even if not explicitly defined in this Manual.

2.0 PROCEDURES FOR ALTERNATE DELIVERY CONTRACTS

A. The Executive Director may adopt any lawful methods, procedures and criteria that he or she determines are in the best interest of each Agency.

B. The Toll Program Director, through coordination with the Procurement Officer, will prepare documents for the solicitation of proposals for highway-related Alternate Delivery procurements by the Commission.

C. Where an Alternate Delivery Method does not require a solicitation of proposals, the Toll Program Director shall, through coordination with the Procurement Officer, prepare the contract documents for such procurement by the Commission.

D. Contract documents for an Alternate Delivery Method to be used by the Authority shall be prepared as directed by the Procurement Officer.

E. The documents prepared for Alternate Delivery procurements shall control over any conflicting provisions contained herein.

F. The Commission shall use a procurement method permitted by law and appropriate for the elements of the services (design v. construction) representing the preponderance of work and having the greatest cost, even though other necessary services would not typically be procured by that method. For example, the construction costs of a Design-Build project are usually predominant, so the Commission would use competitive negotiations or sealed bids for the entire procurement rather than the qualification-based "Brooks Act" procurement procedures.

1. The use of the Design-Build procurement method for FTA-funded projects shall comply with FTA Circular 4220.1F, Section VI.3.h.

2. The use of the Design-Build procurement method for FHWA-funded projects shall comply, as applicable, with any requirements specified by Caltrans in the relevant project agreements.

CHAPTER 5 – COMPETITIVELY NEGOTIATED PROCUREMENTS

1.0 NEGOTIATED PROCUREMENTS—GENERAL

A. This Chapter outlines the procedures for competitively negotiated procurements for contracts:

1. Not legally required to be procured through the low-bid competitive procurement method pursuant to PUC §130232 as applies to the Commission, or PCC § 20160, et. seq., as applies to the Authority; and

2. Intended to be awarded on the basis of both price and non-price factors.

B. A procurement is "negotiated" if discussions, negotiations, or other exchanges between the Agency and the offerors are anticipated and planned in order to maximize the Agency's ability to communicate, understand, and obtain the best value for contract award.

1. The exchanges involve bargaining, persuasion, alteration of assumptions and positions, and give-and-take applied to price, schedule, technical requirements, type of contract, and other proposed terms.

2. The exchanges after establishment of the competitive range of price and terms are done with the intent of allowing the offeror to revise its proposal, once and potentially several times.

C. Though not an all-inclusive listing, competitively negotiated procurements can be used for the following types of procurements:

1. Professional services contracts for non-architect-engineer related services; miscellaneous service contracts;

2. Architect-Engineer and related services contracts as further defined and subject to the limitations specified in Section 6.0 of this Chapter;

3. Specialized equipment, computers, telecommunications equipment, microwave equipment and other related electronic equipment and apparatus; or

4. Best Value, Alternate Delivery contracts described in Chapter 4.

2.0 SOURCE SELECTION TECHNIQUES

A. The Procurement Officer can choose from a range of source selection techniques for the competitively negotiated process based on:

1. What is suitable for the specific circumstances of a requirement, and

2. Which technique provides the best opportunity to tradeoff price/cost and qualitative benefits in order to gain the best value for the Agency.

B. In acquisitions where the requirement is clearly definable and the risk of unsuccessful contract performance is minimal, and excluding contracts for Architect-Engineer and related services, cost or price may play a dominant role as a significantly important evaluation factor for award.

C. On the other hand, the less definitive the requirement, a requirement for technical superiority, more development work required, or the greater the performance risk, then the technical or past performance considerations play a more dominant role as significantly important evaluation factors for award.

D. The Agency obtains best value in negotiated acquisitions by using any one or a combination of selection approaches wherein the relative importance of cost or price may vary with other non-cost or price factor(s). The Procurement Officer and user department/project manager shall select an approach that will provide the Agency with the best offer based on the requirements, and on applicable legal requirements.

E. All evaluation factors associated with a particular proposal shall be identified along with their relative importance. The Procurement Officer, in cooperation with the user department/project manager, may utilize explicit factors, price performance trade off, technically qualified/lowest price or other reasonable and appropriate means of evaluating proposers.

F. Proposals will be solicited from an adequate number of qualified sources. In determining sources to solicit, the Procurement Officer should use all reasonable means available to ensure that an adequate number of potential qualified proposers receive the solicitation in order to obtain maximum fair and open competition.

3.0 PROPOSAL EVALUATION

A. The evaluation factors that will be considered in evaluating proposals shall be tailored to each procurement and shall include only those factors that will have an impact on the source selection decision. The evaluation factors that apply to a particular procurement and the relative importance of those factors are within the broad discretion of the Procurement Officer and/or the user department/project manager.

B. The Procurement Officer shall establish a formal evaluation committee, of at least two persons, referred to as the "Evaluation Committee." The size of an evaluation committee should be (1) based on the size and complexity of the goods or services being procured and (2) well balanced and represented by individuals involved with the procurement and/or affected by the goods or services being procured. The Evaluation Committee will be charged with responsibility for evaluating proposals, short listing firms, establishing a competitive range, and/or recommending a firm or firms for contract award.

1. Personnel engaged in the evaluation process shall not discuss or reveal information concerning the evaluations except to those individuals participating in the same proceedings and only to the extent that information is required in connection with such proceedings.

2. Divulging information during the evaluation, selection, and negotiation phases to offerors or to personnel not having a need to know is prohibited as it could jeopardize the evaluation process and resultant award.

C. The Evaluation Committee will evaluate each proposal in accordance with the evaluation criteria in the solicitation. The Evaluation Committee's selection decision is subject to the final approval of the applicable Agency or the Executive Director, as required under this Manual.

4.0 REJECTION OF PROPOSALS

A. The Evaluation Committee may reject all proposals received that are determined not to be in the competitive range, including those proposals made by offerors who refuse to execute any reasonably required representations and/or certifications.

B. The Executive Director may, in his or her discretion, do any of the following (i) reject any or all proposals received, (ii) cancel the procurement process, and/or (iii) direct commencement of a new procurement process for the same services because:

1. All otherwise acceptable proposals received are at unreasonable prices;

2. The proposals were not independently arrived at in open competition, were collusive or were submitted in bad faith; or

3. For other reasons, rejection is clearly in the Agency's best interest.

5.0 NEGOTIATION; SELECTION

A. The methods and procedures for selection and negotiation will be determined by the Procurement Officer, in coordination with the user department/project manager, and set forth in the request for proposals.

6.0 SPECIAL PROVISIONS APPLICABLE TO ARCHITECT-ENGINEER AND RELATED SERVICES

A. This Section prescribes guidelines and requirements for the procurement of Architectural-Engineering ("A-E") and related services. A-E Services are defined as professional services of an architectural or engineering nature that are required by law to be performed by a registered or licensed architect or engineer. Related services include: land surveying and construction project management. For the procurement of A-E and related services, the Procurement Officer shall follow the procedures set forth in this Section 6.0, in addition to the pertinent procedures set forth elsewhere in this Chapter.

B. If the procurement is for A-E and related services, the selection must be based on the demonstrated competence and qualifications of prospective contractors, and shall comply with Government Code 4525, et seq., and, when applicable, the laws and regulations that govern the procurement of design-related services with federal funds (see e.g., Title 23 U.S.C. 112, Letting of Contracts and 23 CFR 172, Administration of Engineering and Design Related Service Contracts). These services shall be acquired based on a two-step, sealed bidding procedure, whereby qualifications are presented in a separate sealed envelope from a firm's price proposal. The proposals shall be evaluated based on qualifications only, and price negotiations shall then be commenced with the proposer determined by the Agency to be most qualified. If the Agency is unable to negotiate satisfactory terms, at a fair and reasonable price, with the proposer considered to be most qualified, then negotiations shall be terminated with that proposer and commenced with the next most qualified proposer. This process shall be continued with successive qualified proposers until agreement is reached that is determined to be fair and reasonable.

CHAPTER 6 – SIMPLIFIED PURCHASE PROCEDURES

1.0 GENERAL

A. Procurement of materials, supplies, or services by each Agency should adhere to the procedures in this Manual, as described in Chapter 2, Section 1.G. The procedures ensure that the appropriate authorizations are secured for the type of procurement made, and that the minimum requirements associated with the materials, equipment, supplies or services requested are procured in a fair and open manner.

B. This Chapter sets forth the procedures for small purchases and other simplified purchase procedures. These purchases should be made competitively except where it is in the best interests of the Agency to accomplish such purchases non-competitively. Justification for such non-competitive procurement should be made, in writing, and maintained in the procurement record.

2.0 REQUIREMENTS FOR MICROPURCHASES

A. If the purchase price for required supplies, equipment, services and/or materials is considered a micropurchase as defined in Chapter 2, Section 1.G, then multiple quotes are not required; however, such purchases should be fairly priced using a purchase technique that best serves the needs of the Agency, and rotated among commercial vendors offering competitive pricing.

B. Micropurchases may be accomplished by securing one proposal or quotation from a commercial vendor offering supplies, equipment or materials to the public in substantial quantities and the price is deemed to be fair and reasonable.

a. For federally-funded procurements, the determination that the price is fair and reasonable and how the determination was derived must be included as documentation in the procurement file.

C. If oral quotes are obtained, written record of the quotes should be retained. The record should include, at a minimum, vendor name, telephone number and address, name of person providing the quote, and terms.

3.0 USE OF SMALL PURCHASE PROCEDURES

A. For small purchases as defined in Chapter 2, Section 1.G, staff should obtain a minimum of three (3) written quotations with reasonable efforts to include at least one DBE vendor if federally funds are utilized and, when practicable and appropriate, an award should be made on the basis of lowest price.

B. For Commission public works projects (i.e., maintenance, repair or construction work), Authority public projects, as defined in Chapter 2, Section 9.D of this Manual, and planned solicitations for services defined as small purchases in accordance with Chapter 2, Section 1.G, review by the Procurement Officer prior to the solicitation of quotes is required in order to ensure compliance with relevant insurance requirements, applicable legal mandates, e.g., insurance, bonding, prevailing wage, and payroll records.

C. The Procurement Officer should use and/or authorize the Small Purchase Procedures that are most suitable, efficient, and economical based on the circumstances of each procurement and determine that the price is fair and reasonable.

4.0 PROHIBITED USE OF SMALL PURCHASE PROCEDURES

A. The Procurement Officer and or Commission staff may not divide, split or fragment a procurement totaling more than the Agency's small purchase limitation into several purchases that are less than the limit in order to use the Small Purchase Procedures.

CHAPTER 7 – NON-COMPETITIVE AND EMERGENCY PROCUREMENTS AND REMEDIAL MEASURES

1.0 NON-COMPETITIVE PROCUREMENTS

A. The non-competitive procurement of non-federally funded goods and services, which otherwise require competitive procurement may be authorized under one or more of the following circumstances, subject to any minimum Agency vote required by applicable law, or any other requirements of applicable law:

1. The Agency has advertised the contract as required by this Manual and has undertaken reasonable efforts to solicit potential contractors, but has determined that competition is inadequate;

2. There is only a single source of supply available, or only one contractor is qualified to provide the service or product;

3. The goods or services are to be provided by a government or other public entity;

4. The goods or services are to be provided pursuant to an amendment of an existing contract that does not materially alter the terms and conditions of the contract (other than to extend the term and/or increase compensation to provide for the extended term or for additional goods/services to be provided under substantially the same terms of the original contract), provided that such renewal, extension or amendment is authorized or permitted by the contract;

5. The equipment to be purchased is of a technical nature and the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts;

6. The item to be purchased is a capital maintenance item that is available only from the original manufacturer or supplier or is required to maintain system operational compatibility and connectivity with the existing system(s);

7. The contract is for employment services;

8. The contract is one for which only per diem and travel expenses are paid and there is no payment for services rendered;

9. The Agency is piggybacking on an existing agreement between a contractor and any public agency or entity if: (a) the proposed Agency contract is for the same material scope of work as the other contract; (b) the proposed Agency contract contains substantially the same terms as the other contract; (c) the other contract was competitively procured in accordance with requirements applicable to such other agency's procurements; and (d) the procurement is otherwise in compliance with legal requirements applicable to Agency.

10. The provisions listed under Chapter 8, Section 3.0 regarding federally funded sole source, non-competitive, sole source procurements are applicable; or

11. Except as may otherwise be limited by applicable law, the Agency determines that a non-competitive procurement is in the public interest and in the best interest of the Agency.

B. Except as limited by applicable law, the Executive Director shall have authority to determine that non-competitive procurements are permitted under paragraph A, subparagraphs (1) through (11) for contracts for amounts less than or equal to $250,000. Approval of the applicable Agency is required for contracts over $250,000. Each decision to proceed with a non-competitive procurement must be supported by a written justification that is approved by the Executive Director or Procurement Officer, as required under this Manual.

C. The Procurement Officer will take action, whenever possible and in coordination with the user department/project manager, to avoid the need to continue to procure the same supply, service, or construction without competition.

D. A non-competitive or sole source procurement, where competition is legally required, should not be justified on the basis of any of the following circumstances:

1. The lack of adequate advance planning for the procurement of the required commodities, services, or other items;

2. Delays in the procurement caused by administrative delays, lack of sufficient procurement personnel, or improper handling of procurement requests or competitive procedures; or

3. Pending expiration of budget authority.

E. The Procurement Officer should ensure that each non-competitive contract contains all of the required clauses, representations, and certifications, in accordance with the applicable laws, regulations, or Agency adopted policy.

F. The Procurement Officer should ensure that proper records of each non-competitive procurement are maintained.

2.0 EMERGENCY PROCUREMENTS; REMEDIAL MEASURES

A. The Agency may award a contract on an emergency basis if the requirement is essential to deal with an existing emergency condition, as defined below in Paragraph "B", and the Executive Director may award a contract when necessary as a remedial measure as defined below in Paragraph "C" or when permitted under Paragraph "D". Such award by the Commission shall be made in compliance with PUC § 130234, as applicable. The emergency procurement of supplies or services and procurements as a remedial measure should be limited to quantities and time periods sufficient to meet the immediate threat and should not be used to meet long-term requirements.

B. For purposes of an emergency procurement under this Chapter, an "emergency condition" is a situation (such as a flood, epidemic, riot, equipment failure, or any other reason declared by the Agency) which creates an immediate threat to the public health, welfare, or safety. The existence of an emergency condition creates an immediate need for supplies, services, or construction which cannot be met through normal procurement methods, and the lack of which would seriously threaten one (1) or more of the following:

1. The health or safety of any person;
2. The preservation or protection of property;
3. The continuation of necessary Agency functions; or
4. Contract delays that could result in an increase to the cost of the project.

In the case of contracts for services, the Executive Director may declare the emergency condition.

C. The Executive Director may authorize the expenditure of funds previously appropriated by the Commission for the direct purchases of goods and services, without following bid requirements (i) when a finding is made that immediate remedial measures are necessary to avert or alleviate damage to property, or to replace, repair, or restore damaged or destroyed property, of the Commission and are necessary in order to ensure that the facilities of the Commission are available to serve the transportation needs of the general public, and upon determining that available remedial measures, including procurement or construction in compliance with PUC § 130232, 130233, and 130234, are inadequate.

D. In addition, for procurements that are not subject to the PUC for the Commission, or the PCC for the Authority, the Executive Director may authorize and complete Agency procurements on a noncompetitive, emergency basis as necessary to address emergency conditions, as described herein.

E. A contract procured on an emergency basis or as a remedial measure should not be modified to expand the scope or extend the time of the procurement unless a limited number of additional commodities, services, or other items are needed to fill an ongoing emergency requirement until regular procurement action procedures initiated under other Chapters in this Manual can be completed.

F. The Executive Director must, after an emergency expenditure in excess of his/her delegated signature authority, and after an expenditure necessary as a remedial measure, submit to the Agency a procurement summary explaining the necessity for the expenditure.

G. The Procurement Officer should ensure that each emergency procurement contract and/or contract entered into as a remedial measure contains the required clauses, representations, and certifications, in accordance with the requirements of this Manual.

H. The Procurement Officer should ensure that proper records of each non-competitive procurement are maintained in accordance with the requirements of this Manual.

I. For a public project of the Authority, as defined in Chapter 2, Section 9.D of this Manual, the provisions above shall not apply. In such case, the Authority shall comply with the provisions set forth in PCC § 20168 applicable to emergencies requiring the immediate expenditure of public money to safeguard life, health, or property.

3.0 WRITTEN JUSTIFICATION FOR EMERGENCY AND OTHER NON-COMPETITIVE PROCUREMENTS

A. In each instance where the non-competitive procurement procedures set forth in this Chapter are used, the user department/project manager is required to prepare a written statement recording all of the facts that provide justification for proceeding with the non-competitive or emergency procurement.

B. The Procurement Officer must approve the justification for all non-competitive procurements described under this chapter before such a procurement can proceed.

CHAPTER 8 – REFERENCES TO APPLICABLE LAWS/REGULATIONS

1.0 GENERAL

A. This Manual lists references to the various federal, state, and local regulations, to which the Manual was written to conform and/or comply.

B. The Procurement Officer will be responsible, in cooperation with the Agency General Counsel, for reviewing these references from time to time in order to review new requirements and to note updates to the existing regulations. Notwithstanding any provision of this Manual, updates or changes to existing law shall apply regardless of whether the Manual has been changed.

C. The majority of Chapter 8 of this Manual applies to FTA and FHWA funding. Since the Authority does not use these funding sources, these sections are applicable to the Commission only. The Procurement Officer, in cooperation with General Counsel, will ensure that the Authority complies with procurement requirements applicable to any state or federal grants received by the Authority.

2.0 REFERENCES

A. For the Commission capital projects and contracts for goods and services utilizing FTA or FHWA funds, the provisions included in the Manual will apply only to the extent that they do not conflict with FTA or FHWA requirements, including the standards of FTA Circular 4220.1F, or the most current version thereof, entitled "Third Party Contracting Requirements" or FHWA Form FHWA-1273 entitled "Required Contract Provisions Federal-Aid Construction Contracts." In case of any conflict, the applicable federal standards shall govern. The foregoing documents, though not all-inclusive, set forth requirements that the Commission must comply with in the solicitation, selection and administration of contracts funded by the FTA and FHWA, respectively.

B. For projects funded by Caltrans and/or FHWA, the selection process shall be in accordance with Caltrans' Local Assistance Procedures Manual.

C. FTA Circular 4220.1F (or the most current version thereof) sets forth the requirements the Commission must adhere to in the solicitation, award, and administration of its third party contracts. FTA Circular 4220.1F applies to all FTA grantees and subrecipients that contract with third parties under FTA assistance programs.

a. In addition to the requirements set forth in this Chapter 8, the FTA standards for competition are set forth generally in Chapter 1 hereof and the FTA procedures for competitive sealed bid ("low bid") procurements and competitively negotiated procurements are set forth in Chapters 3 and 5 hereof, respectively.

D. Some of the requirements include the following:

1. Pre-Award Audits. A pre-award (pre-negotiation) audit shall be completed, as required based on the participating state or federal funds, for each consultant contract.

2. Brooks Act Provisions. The provisions of the Brooks Act (40 U.S.C. 544) require local agencies to award federally funded engineering and design contracts on the basis of fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 CFR, Section 172).

3. Required Contract Provisions/Forms.

   a. Disadvantaged Business Enterprise

      i. Notice to Proposers Disadvantaged Business Enterprise Information

      ii. Standard Agreement for Subcontractor/DBE Participation

      iii. Local Agency Proposer DBE Commitment (Consultant Contracts)

      iv. Local Agency Proposer DBE Information (Consultant Contract)

      v. Final Report-Utilization of DBE, First-Tier

      vi. Subcontractor Listing

   b. Federal Lobbying Restrictions, Title 31 U.S.C. Section 1352

      i. Non-lobbying Certification for Federal-aid Contracts

      ii. Disclosure of Lobbying

   c. Financial Provisions.

      i. Compliance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

      ii. Compliance with 48 CFR, Chp. 1, Part 31, Contract Cost Principles and Procedures.

4. iii. Provisions required by Caltrans Master Funding Agreement. Caltrans/FWHA Authorization to Proceed. FHWA or Caltrans acting in FHWA's behalf must give the local agency an "Authorization to Proceed" with a project prior to the performance of any work for which federal reimbursement is to be requested, including the pre-award audit. Copies of the "Authorization to Proceed" and the consultant contract must be retained in the project files for future audit purposes.

5. Veterans Employment. Pursuant to 49 U.S.C. 5325(k), the Commission shall ensure that contractors working on an FTA-funded capital project give a hiring preference, to the extent practicable, to veterans (as defined in Section 2108 of Title 5) who have the requisite skills and abilities to perform

the construction work required under the contract. This subsection shall not be understood, construed or enforced in any manner that would require an employer to give preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or former employee. For FHWA-funded capital projects, the Commission shall comply with the veteran's preference requirement, as set forth in 23 U.S.C. 114.

E. Though not an all-inclusive listing, the following laws, regulations and code sections are applicable to Agency contracts funded with federal or state funds, dependent on the specific funding source::

Federal Statute, Regulations, Policies, and Agreements	Subject
2CFR Part 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
49 CFR Part 26	Participation by Minority Business Enterprises; DBE Program
FAR Part 31	Contract Cost Principles and Procedures
FTA Circular 4220.1x	Third Party Contracting Requirements
FTA Circular 5010.1x	Grant Management Guidelines
FTA Master Agreement	Terms & Conditions of Grantee Administration of Projects Supported & Funded by the FTA
Caltrans Local Assistance Master Agreement	Terms & Conditions of Grantee Administration of Projects Supported & Funded by the FHWA or Caltrans
23 U.S.C. 114 / 23 CFR 633 23 U.S.C. 315 / 49 CFR 1.48	Form FHWA-1273 entitled "Required Contract Provisions Federal-Aid Construction Contracts."
23 CFR 172	Procurement, Management, and Administration of Engineering and Design Related Services

Though not an all-inclusive listing, the following laws, regulations and code sections are applicable to both Agencies.

CA State Codes	Section(s)	Subject
Civil Code	9550-9566	Payment Bond
Civil Code	3320	Payments to Prime Design Professionals
Code of Civil Procedure	995.311	Bond Issuer Requirements
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	6250 - 6270	Public Records Disclosure
Government Code	5956 et seq.	Infrastructure Projects
Labor Code	1777.1	Debarment by California Labor Commissioner
Labor Code	1770-1780	Prevailing Wage, Work Hours, Certified Payroll Records, Apprentices

CA State Codes	Section(s)	Subject
Public Contract Code	1103	Responsibility on Public Works Contracts
Public Contract Code	1104	Plans and Specifications
Public Contract Code	3300	Contractor's License
Public Contract Code	3400	Brand Name OR Equal; Restrictive Clauses
Public Contract Code	4100 - 4114	Subcontracting
Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6100 - 6610	Awarding of Contracts
Public Contract Code	6700 et. seq.	Construction Manager/General Contractor Authority
Public Contract Code	7100 - 7200	Contract Clauses, Non-Collusion Affidavit
Public Contract Code	9201 - 9204	Claims and Disputes
Public Contract Code	10335 et seq.	Service Contracts
Public Contract Code	20101	Prequalification
Public Contract Code	20103.6	Limitation on Architect's Indemnity Obligation
Public Contract Code	20103.8	Alternative Bids
Public Contract Code	20104-20104.6	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	22300	Substitution of Securities

Though not an all-inclusive listing, the following laws, regulations and code sections are applicable to the Commission only.

CA State Codes	Section(s)	Subject
Public Contract Code	6820 et seq.	Design/Build Authority
Public Utilities Code	130232 - 130239	Award of Contracts Based On Price or Price and Other Factors; Bid Security; Emergency Procurements; Advertising; Immediate Remedial Measures; Rejecting Bids
Public Utilities Code	130232(c)	Authorization of Executive Director for Bid Expenditures <$50,000.
Public Utilities Code	130232(d)	Bid Security for Construction Work >$25,000

Though not an all-inclusive listing, the following laws, regulations and code sections are applicable to the Authority only.

CA State Codes	Section(s)	Subject
Public Contract Code	20160, et. seq.	Low Bid Procurement of Public Projects; Bid Security; Emergency Procurements; Advertising; Rejecting Bids

Public Contract Code	22050	Emergency Contracting Procedures

3.0 FTA/FHWA-FUNDED PROCUREMENT BY NON-COMPETITIVE (SOLE SOURCE) PROPOSALS

A. Notwithstanding any other provision herein, federally funded contracts must comply with the federal requirements for non-competitive or sole source procurements. Non-competitive or sole source procurements are accomplished through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract change that amounts to a "cardinal change" or a "tag-on" as defined in FTA Circular 4220.1f that involves a major deviation from the original purpose is considered a sole source procurement on a federally funded contract that must comply with this paragraph.

1. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, competitive sealed bids, or competitive proposals and at least one of the following circumstances applies:

   a. The item is available only from a single source;

   b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

   c. FTA/FHWA, as applicable, authorizes noncompetitive negotiations—e.g., if FTA/FHWA, as applicable, provides a joint procurement grant or a research project grant with a particular firm or combination of firms, the grant agreement is the sole source approval;

   d. After solicitation of a number of sources, competition is determined inadequate;

   e. The item is an associated capital maintenance item as defined in 49 U.S.C. §5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced. The grantee must first certify in writing to FTA:

      i. that such manufacturer or supplier is the only source for such item; and

      ii. that the price of such item is no higher than the price paid for such item by like customers; or

   f. Any other circumstance justifying sole source procurement set forth in the applicable federal rules and regulations.

2. For Caltrans or FHWA funded procurements, a PIF has been approved by the applicable funding entity.

3. A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required.

4.0 DISADVANTAGED BUSINESS ENTERPRISE AND OTHER REQUIREMENTS

A. In order to ensure the Commission's compliance with the federal DBE Program on all applicable procurements funded with United States Department of Transportation (DOT) dollars, the Commission will make reasonable efforts to utilize disadvantaged business enterprises in compliance with applicable federal regulations.

B. The Commission's procurement process is structured to ensure that its DBE Program supports the Commission's commitment to promote, foster and utilize disadvantaged business enterprises as required and defined by applicable federal regulations.

C. As a condition of funding assistance, and in accordance with DOT DBE regulations published in applicable federal regulations, the Commission is required to submit for approval a DBE Program and regular DBE goals, which it will make good faith efforts to achieve through procurement actions carried out under this Manual.

D. Pursuant to 2 CFR Part 200.321, the Commission shall also take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible on federally funded projects.

5.0 [RESERVED]. ~~GEOGRAPHICAL PREFERENCES~~

~~A. For any federally-funded contracts, except when procuring A-E services, the Commission is prohibited from using statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals unless federal statutes expressly mandate or encourage geographic preference.~~

6.0 REVENUE CONTRACTS

A. The Commission may enter into revenue contracts with a third party whereby the primary purpose is to either generate revenues in connection with a transit-related activity or create business opportunities utilizing an FTA-funded asset. The FTA requires such third party revenue contracts to be awarded utilizing competitive selection procedures and principles. The extent of and type of competition required is within the discretionary judgment of the Commission.

7.0 STATUTORY AND REGULATORY REQUIREMENTS

A. The Commission shall comply with applicable federal statutory and regulatory requirements (such as Davis-Bacon Act, DBE, Debarment and Suspension, Clean Air, Environmental and Conservation Requirements, Buy America and Cargo Preference) in carrying out federally-funded procurement actions under this Manual. Below is a contract clause matrix that is applicable to third-party contract provisions for federally funded contracts, excluding micropurchases and except for Davis-Bacon requirements which apply to construction contracts exceeding $2,000. The matrix should be reviewed at least annually for any regulatory changes.

TYPE OF PROCUREMENT					
PROVISION	**Professional Services/A&E**	**Operations/ Management**	**Rolling Stock Purchase**	**Construction**	**Materials & Supplies**
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Remedies for Breach	>SAT	>SAT	>SAT	>SAT	>SAT
Termination	>$10,000 if 2 CFR Part 200applies.	>$10,000 if 2 CFR Part 200 applies.	>$10,000 if 2 CFR Part 200 applies.	>$10,000 if 2 CFR Part 200 applies.	>$10,000 if 2 CFR Part 200 applies.
Civil Rights (Title VI, ADA, EEO except Special DOL EEO clause for construction projects)	All	All	All~~>$10,000~~	All	All
Special DOL EEO clause for construction projects				>$10,000	
DBEs	All	All	All	All	All
* Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>$25,000	>$25,000	>$25,000	>$25,000	>$25,000
Buy America			>$150,000	>$150,000	>$150,000
Resolution of Disputes, Breaches, or Other Litigation	>$~~100,000~~25,000	>$~~100,000~~25,000	>$~~100,000~~25,000	>$~~100,000~~25,000	>$~~100,000~~25,000

TYPE OF PROCUREMENT					
PROVISION	**Professional Services/A&E**	**Operations/ Management**	**Rolling Stock Purchase**	**Construction**	**Materials & Supplies**
Lobbying	>$100,000	>$100,000	>$100,000	>$100,000	>$100,000
Clean Air	>$150,000	>$150,000	>$150,000	>$150,000	>$150,000
Clean Water	>$150,000	>$150,000	>$150,000	>$150,000	>$150,000
Cargo Preference			Transport by ocean vessel.	Transport by ocean vessel.	Transport by ocean vessel.
Fly America	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.
Veterans Hiring Preference				All	
Davis-Bacon Act				>$2,000 (also ferries).	
Contract Work Hours and Safety Standards Act		>$100,000 (transportation	>$100,000	>$100,000 (also ferries).	

		services excepted).			
TYPE OF PROCUREMENT					
~~Professional Services/A&E~~ PROVISION	**~~Operations/ Management~~ Professional Services/A&E**	**Operations/ Management ~~Rolling Stock Purchase~~**	**Rolling Stock Purchase ~~Construction~~**	**~~Materials & Supplies~~ Construction**	**Materials & Supplies**
Copeland Anti-Kickback Act Section 1 Section 2				All > $2,000 (also ferries).	
Bonding			If Advance Payments	>$250~~100~~,000	
Seismic Safety	A&E for new buildings & additions.			New buildings & additions.	
*Transit Employee Protective Arrangements		Transit operations.			
* Charter Service Operations		All			
* School Bus Operations		All			
* Drug Use and Testing		Transit operations.			
* Alcohol Misuse and Testing		Transit operations.			
Patent Rights	R & D				
Rights in Data and Copyrights	R & D				
Energy Conservation	All	All	All	All	All
Recycled Products		EPA-selected items $10,000 or more annually.		EPA-selected items $10,000 or more annually.	EPA-selected items $10,000 or more annually.
Conformance with ITS National Architecture	ITS projects.	ITS projects.	ITS projects.	ITS projects.	ITS projects.
ADA Access	All~~A&E~~	All	All	All	All
Notification of Federal Participation for States	Limited to States.	Limited to States.	Limited to States.	Limited to States.	Limited to States.
Build America, Buy America	Infrastructure Projects	Infrastructure Projects	Infrastructure Projects	Infrastructure Projects	Infrastructure Projects
Prohibition On Certain Telecommunications And Video Surveillance Equipment Or Services.	All	All	All	All	All

* Applies only to FTA funding

Caltrans Fiscal Provisions Checklist
<u>All</u> contract fiscal provisions must utilize the language specified by Caltrans and set forth in the LAPM sample contract language form. The clauses that must be used verbatim are for the items specified below (except as otherwise noted). Consult the LAPM form, and the latest RCTC model contract for Caltrans/FHWA funded projects.
Performance Period: Beginning date cannot be prior to the date Caltrans issues the conformance letter, if applicable.
Allowable Costs and Payments: The contract method of payment must be one of the four methods required as listed in Section 10.2 of the LAPM.
Termination: The provision must contain language regarding termination for cause and convenience Per 23 CFR 172.9 (c)(1)(xii).
Cost Principles and Administrative Requirements.
* Travel and subsistence in accordance with DPA regulations
* Maintain an accounting system that accumulates and segregates project costs
* Accounting system must conform to GAAP
Retention of Records/Audit.
Audit Review Procedures, including the Audit Clause. Ensure use of appropriate clauses for (i) contracts $150,000 or greater; or (ii) contracts $3,500,000 or greater.
Subcontracting
Equipment Purchase
State Prevailing Wage Rates.
Conflict of Interest.
Rebates, Kickbacks, or other Unlawful Considerations.
Prohibition of Expending State or Federal Funds for Lobbying.

* Specific provisions addressing these items are not included in LAPM form, but are required and are included in the RCTC model contract.

CHAPTER 9 – DISPOSAL OF SURPLUS PERSONAL PROPERTY

1.0 DEFINITIONS

A. "Surplus personal property" shall mean personal property of the Agency which is no longer needed or fit for its intended purpose or has exceeded its useful life.

2.0 DISPOSAL OF PERSONAL PROPERTY

A. Upon recommendation by the Executive Director and in accordance with applicable state or federal funding requirements, designated Commission staff may dispose of all surplus and obsolete personal property by donation, bid, auction, negotiated sale or exchange. If the disposal of such items is conducted by bid, the sale shall be conducted in accordance with generally accepted best practices and applicable laws and regulations. The Commission staff shall attempt to obtain the best value for the property that can reasonably be obtained.

CHAPTER 10 – OTHER PROCUREMENT MATTERS

1.0 DISPUTES, CLAIMS, AND CHANGES—DEFINITIONS

A. Change Orders – the commercial and technical resolution of a contract modification. The change order document can be unilateral or bilateral in execution.

B. Potential Claim – written notice provided to the Agency by the contractor when the:

1. Parties are unable to reach bilateral agreement on a change and the contractor is provided a unilateral change order ("protest"); or,

2. Contractor perceives that it is entitled to additional compensation (time or money) for something it believes to constitute extra work performed or to be performed.

C. Claim – differences that have developed during the contract, under protest or under notice of potential claim, which are not resolved at the time the contractor returns the proposed final pay estimate.

D. Dispute – a disagreement between the parties as to the merits, amount or remedy arising out of an issue in controversy, including a disagreement regarding a Claim or asserted default.

E. Amendment – a modification considered outside the original contract scope or terms and formalized with a written agreement signed by both parties.

2.0 DISPUTES, CLAIMS, AND CHANGES—GENERAL

A. The Procurement Officer is responsible for documenting negotiation activities for the record, and should be present at all professional services and construction contract negotiations.

B. The Procurement Officer or project manager, as required, prepares the appropriate documentation (e.g., change order forms) for review and approval by the Executive Director or Agency, prior to issuance to the consultant/contractor for signature. This document includes full definition of work scope, impact on DBE goals, definition of time and schedule impacts, and price. The change order language stipulates that the agreed-upon terms are all inclusive, and no other relief will be available regarding this work.

1. For federally-funded contracts, any damages recovered must be credited to the project involved unless the FTA/FHWA, as applicable, permits otherwise.

2. For federally-funded contracts, change orders that amount to cardinal changes or tag-ons shall comply with Chapter 8, Section 3.0(A).

3.0 TERMINATION

A. All Agency contracts exceeding $25,000 should contain provisions enabling the Agency to terminate such contracts for the convenience of the Agency, and all federally funded contracts must contain such provisions. These provisions should specify the manner in which such termination will be effected and the basis for settlement. There should also be included in such contracts appropriate provisions specifying causes for which the contracts may be terminated for default.

B. Terminations for Convenience of the Agency

1. Agency contracts will be terminated for convenience only when this is determined to be in the best interests of the Agency. In lieu of issuing a notice of termination for convenience, the Procurement Officer will effect a no-cost settlement agreement where possible and appropriate.

2. Formal written notice to the contractor is necessary to terminate a contract for convenience. Such notice will state that the contract is being terminated pursuant to the termination for convenience provision of the contract, the effective date, the extent of termination and instructions to the contractor to cease performance under the contract.

3. The Procurement Officer will negotiate a no-cost settlement with the contractor if possible. Otherwise, the Procurement Officer will negotiate an appropriate settlement agreement with the contractor pursuant to the provisions of the termination for convenience clause of the contract.

C. Terminations For Default

1. If a contractor's right to proceed is terminated for default, the Agency may take over and complete the work or cause it to be completed, and the contractor and its sureties, if any, shall be liable to the Agency for any increased costs caused thereby. The contractor and its sureties should, in addition to increased costs in completing the work, be liable for liquidated damages, if liquidated damages are provided in the contract, or for actual damages, if liquidated damages are not so provided.

2. If the Procurement Officer determines that the contractor's failure to perform arises from causes which are excusable under the terms of the contract, the Procurement Officer shall not terminate the contractor's right to proceed, nor shall he/she charge the contractor with liquidated damages (or if no liquidated damages, then actual damages) because of any delays occasioned by such causes.

3. Where the surety does not complete performance of the contract, the Procurement Officer normally will complete the performance of work by awarding a new contract based on the same plans and specifications. Such award may be the result of competitive bidding or negotiation; whichever procedure is most appropriate under the circumstances. The Procurement Officer must use reasonable diligence to obtain the lowest price available for completion.

4. If, after due consideration, the Procurement Officer determines that termination is not in the best interest of the Agency although the contractor is in default, the Procurement Officer may permit the contractor to continue

the work, and the contractor and its sureties shall be liable to the Agency for liquidated damages, as specified in the contract, or if liquidated damages are not so specified, for any actual damages occasioned by the failure of the contractor to complete the work in accordance with the terms of the contract.

5. Any provision for a liquidated damages assessment must be at a specific rate per day for each day of overrun and must be specified in the contract.

   a. For FTA-funded contracts, any damages recovered must be credited to the project involved unless the FTA permits otherwise.

4.0 BONDS, OTHER SECURITIES AND INSURANCE

A. The Agency should specify bonding, in compliance with applicable federal and state requirements for all public works contracts.

   1. In general, all construction contracts over $25,000 require a payment bond in the amount of 100% of the contract value.

   2. All FTA-funded construction contracts over $100,000 require a performance bond in the amount of 100% of the contract value and a bid guarantee in the amount of no less than 5% of the contract value.

   3. For Commission, bids for construction of facilities where the work is anticipated to exceed $25,000 require bid security as set forth in PUC § 130232.

   4. For Authority, bids for public projects where the work is anticipated to exceed $5,000 require security as set forth in PCC § 20171.

B. The Procurement Officer may require any of the following types of security for any solicitation or contract subject to this Manual, other than a small purchase, regardless of the estimated amount of the contract:

   1. Bid bonds;

   2. Other bid or proposal security;

   3. Construction performance and payment bonds; and

   4. Performance or payment bonds or other security on non-construction contracts.

C. Requirement for Bonds To Be Executed By An Admitted Surety Insurer

   1. California Code of Civil Procedure § 995.311 calls for any bond required on a public works contract to be executed by an admitted surety insurer.

   2. The Agency has a duty to verify that an admitted surety insurer executes the bond. The Procurement Officer should print out information from the website of the California Department of Insurance (http://www.insurance.ca.gov/docs/FS-CompanyProfiles.htm) confirming that the surety is an admitted surety insurer and attach it to the bond.

D. For federally funded procurements, the Agency shall not require unnecessary experience or excessive bonding.

5.0 CONTRACT CLOSEOUT

A. A completed contract is one which is both physically and administratively complete and in which all aspects of contractual performance have been accomplished, terminated, or otherwise disposed of by contract modification. A contract is physically complete only after all articles and services called for under the contract, including such related items as reports, spare parts, and exhibits, have been delivered to and accepted by the Agency, including those articles and services for which no specific compensation may have been stipulated. A contract is administratively complete when all payments have been made and administrative actions accomplished.

B. The project manager, in cooperation with the Procurement Officer, is responsible for review of the contract file and obtaining all necessary documentation to ensure that: (1) all deliverables and/or services (including any reports) required under the contract have been received and accepted; (2) the terms and conditions of the contract have been complied with; (3) disposition of accountable property under the contract has been accomplished; all necessary actions including final payment and releases required to close the contract are completed and documented.

C. Small purchase files should be considered closed when the Procurement Officer receives evidence of receipt of property and final payment.

D. A contract file should not be closed in any of the following situations:

1. If the contract is the subject of a claim or dispute;
2. If the contract is in litigation or under appeal;
3. In the case of a termination, if all termination actions have not been completed; or
4. If state or federal approval is required and has not been received.

CHAPTER 11 – PAYMENT

1.0 AGENCY PAYMENT PROCESS

A. The Agency will promptly process all contract payments with necessary controls to assure compliance with all contract terms and conditions in accordance with internal procedures recommended by the Chief Financial Officer and authorized by the Executive Director.

B. The Procurement Officer should clearly specify in solicitations and contracts the form and content of an acceptable invoice, including a requirement that invoices be sequentially numbered, that they contain a date and contract number and the services for which they are invoicing, the period of performance being invoiced, and to whom invoices are to be sent.

2.0 PROGRESS PAYMENTS

A. The Agency may provide for progress payments under contracts that require long time periods to complete contract performance or if the use of progress payments contributes to the effective and efficient administration of consultant/contractor work. Progress payments will be made on the basis of allowable costs incurred by the consultant/contractor, and the stage of completion of the contract.

1. Criteria. Contract clauses providing for progress payments should be used when the investment in work and progress is expected to be great enough to add substantial costs to the contract or strain the consultant/contractor's cash flow or ability to obtain financing. Under no circumstances should payments exceed the consultant/contractor's physical completion of the Work, nor should they amount to advance payments. Progress payments can be based on a periodic voucher for expenditures, a milestone, or the Agency's estimate of work accomplished as defined in the contract.

2. For federally funded procurements, the Agency must obtain adequate security (i.e., title to work in progress; letter of credit) for any progress payments made.

3. For FTA-funded procurements, advance payments are prohibited unless prior written concurrence is obtained from the FTA.

B. Progress Payments on Public Works

In accordance with PCC § 20104.50, the Agency must make progress payments within 30 days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract. If the Agency fails to make timely payment, the Agency may be required to pay interest to the contractor equivalent to the legal rate set forth in subdivision (s) of Section 685.010 of the Code of Civil Procedure.

C. Progress Payments and Retentions on Architect, Engineer, and Land Surveyor Contracts

Pursuant to California Civil Code §3320, for any contract for public works or improvement, the Agency shall pay to the prime design professional any progress payment within 30 days of receipt of a written demand for payment in accordance with the contract, and the final retention payment, if applicable, within 45 days of receipt of a written demand for payment in accordance with the contract. If any amount is wrongfully withheld or is not timely paid, the prime design professional should be entitled to a penalty of 1½ percent for the improperly withheld amount, in lieu of any interest otherwise due, per month for every month that payment is not made.

3.0 PROMPT PAYMENT TO SUBCONTRACTORS—FEDERALLY FUNDED AGREEMENTS

A. In accordance with 49 CFR Part 26, Agency contracts funded by the Department of Transportation above the small purchase threshold must require that the prime contractor or subcontractor shall pay to any subcontractor, not later than 7 days of receipt of each progress payment from the Agency, unless otherwise agreed to in writing, the respective amounts paid to the contractor on account for the work performed by the subcontractors, to the extent of each subcontractor's interest therein. The Agency contract may provide that, in the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from the prime contractor or subcontractor to a subcontractor, then the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

B. The Agency must also require the prompt return of retainage payments from the prime contractor to the subcontractor within 7 days after the subcontractor's work is satisfactorily completed.

4.0 PAYMENT OF RETENTION ON PUBLIC WORKS CONTRACTS

A. Pursuant to PCC § 7107, within 60 days after the date of completion of the work of improvement, the Agency must release any retention withheld except funds withheld to satisfy outstanding stop notices or otherwise properly withheld. In the event of a dispute between the Agency and the original contractor, the Agency may withhold from the final payment an amount not to exceed 150 percent of the disputed amount.

5.0 REQUEST FOR PAYMENT CERTIFICATION

A. All contracts above the small purchase threshold may contain a clause, which requires the contractor to submit with each request for payment, a certification that the claim for payment is true, correct, and for services rendered and/or supplies delivered in accordance with the contract.

B. The user department/project manager will disapprove and Accounts Payable will return unpaid any request for payment which does not contain the certification when required.

REVISION HISTORY:

Revision No.	Revisions	Adopted
0	Adopted by the Commission	7/11/12
1	Adopted by the Commission	12/12/12
2	Adopted by the Commission	9/9/15
3	Adopted by the Commission	12/13/17
4	Adopted by the Commission	6/13/18
5	Adopted by the Commission	9/11/19
6	Adopted by the Commission Adopted by the Authority	2/__/21 2/__/21